A SURVEY OF THE EXTENT OF THE PRACTICE OF LINKING HUMAN RESOURCE DEVELOPMENT TO STRATEGY FORMULATION BY THE MOBILE PHONE SERVICE PROVIDERS IN KENYA

BY

PETRONILLA KATUMBI KYENGO

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA), SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

2009

DECLARATION

This research project is my original work and has not been presented for examination to any other University.
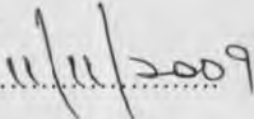
Signed: ....R...............   Date...9.|11.|o9.........

PETRONILLA KATUMBI KYENG0

Reg. No. D61/70010/2008

This research project has been submitted for examination with my approval as the University

Supervisor

Signed: ....   Date: .11.|11.|2009

DR. Z. B. AWINO (Phd)

Department of Business Administration

University Of Nairobi

DEDICATION

I dedicate this research project to my family.   They are wonderful people!

ACKNOWLEDGEMENT

First, I would like to thank God for His guidance, protection and strength throughout the study period and always.

Secondly, I am indebted to my supervisor for providing intellectual support together with other lecturers at the School of Business whose invaluable critique shaped the study. I could not have done much without their guidance.

Finally, I thank my family for their support, patience and understanding throughout the study period.

God bless you all.

ABSTRACT

Human Resource Development is the frameworks for helping employees develop their personal and organizational skills, knowledge, and abilities. The human resource strategies must be linked to business strategies at all levels to be able to transform the organisation and be a platform from which new strategies can be built. How to recruit and retain knowledge workers is one of the biggest challenges organisations face in the knowledge era. As a result different network service providers have emerged to compete in an ever expanding market. To succeed in the industry, continuous employee development strategies must be aligned to the business strategies and be continuously improved in order to create human capital that is pragmatic enough to tackle any changes in business strategies occasioned by changes in environment. This study sought to establish the extent of practice of linking human resource development to strategy development by mobile phone service industry in Kenya. The objective of the study was to establish the extent of the practice of linking human resource development to strategy development by the mobile phone service providers in Kenya. Census survey was used for this study and the target population of the study therefore was the four mobile phone service providers. Line managers and human resource officers were targeted to give responses to the semi structured questionnaires. Primary data was collected. Data was coded on key issues and analyzed using SSPS program. Population parameters were presented in percentage and graphs to give a general overall picture about the organizations. The conclusion is that there is a great extent of the practice of linking Human Resource Development to strategy formulation in the mobile phone service providers and this has led to successful strategy implementation. Most of employees who formulate organisational strategies also participate in human resource development strategy development and implementation and this has helps in meeting organizational objectives. However the organizations are faced by various challenges that hinder effective strategy formulation. The recommendations are that Human Resource Development is very essential for every organization as it helps in organisational strategy formulation, implementation and evaluation and at the same time helps in creating and sustaining competitive advantage. From the findings of the study, it makes good business sense to link organisational strategies to human resource development plans so that implementation of the organisational strategies is not hampered by deficient strategy supportive skill, knowledge or attitudes.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Demand for communication services has increased tremendously since Kenya attained her independence. Kenya's communication market was liberalised in 1999, when policy and regulatory functions were de-linked from mainstream Government operations culminating in the creation of Communications Commission of Kenya (CCK), an independent regulatory body and the National Communications Secretariat (NCS). Under the Kenya Communications Act. No.2 of 1998. CCK was mandated to licence and regulate communication and protect the rights of both operators and consumers. There is however, the Communications Appeals Tribunal which adjudicates in matters between the Commission and dissatisfied operators or between operators themselves.

In Kenya, mobile phone industry can be traced back to 1997 when Safaricom was formed as a fully owned subsidiary of Telcom Kenya. Since then. other players have invested in the industry and according to CCK there are currently four (4) mobile phone service providers in Kenyan namely Safaricom. Zain, Telcom Kenya (Orange) and Essar Kenya (Yu). Appendix A and B refers.   Certo and Peter (1995) "countries that have experienced rapid growth attributed their successes to rapid expansion and growth in telecommunication network." Most third world countries also attribute their development from deregulation or privatization of the industry since mid 1980s when International Monetary Fund and World Bank put pressure on them to do so as a precondition to getting budgetary support.

Competition in this industry is so stiff that operators are bringing own cross-network barriers that prevent the competition's subscribers from defecting to new market entrants. Telcoms operators assert that the tax structures and interconnection charges have made it difficult for operators to lower the cross network tariffs beyond certain points, making it nearly impossible to shake up the status quo. (Business Daily, 26 June 2009).   However, new entrants are employing strategies aimed at wrestling market leadership from the first movers while the first movers on the other hand are very alert. Behind these strategies are the employees packaged with their varied capabilities.   For the players to survive and deliver a win within such a dynamic environment, training and development must then be embedded in all their strategic management plans.

1

1.1 .1 Human Resource Development(HRD) and Strategy formulation

In an increasing competitive world, it makes good business sense to link human resource development to business strategy formuation of organizations. Armstrong (2006) identifies the key elements of human resource development as learning, education, training and development. Appendix C outlines these components. As defined by Harrison (1997) strategic human resource development is 'development that arises from a clear vision about people's abilities and potential and operates within the overall strategic framework of the business. The knowledge and experience of people can be the key factors enabling the success of strategies (Johnson Scholes, 2002). Human resource strategies must be linked to business strategies at all levels to be able to transform the organisation and be a platform from which new strategies can be built. How to recruit and retain knowledge workers is one of the biggest challenges organisations face in the knowledge era.

Johnson and Scholes (2002) "Strategy is the direction and scope of an organization over the long-term: which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations". They assert that strategies exist at three levels namely, corporate strategy which is concerned with the overall purpose and scope of the business to meet stakeholder expectations, business unit strategy which is concerned more with how a business competes successfully in a particular market and operational strategy which is concerned with how each part of the business is organized to deliver the corporate and business-unit level and focuses on issues of resources and processes among others. Mintzberg (1987) looks at strategy as a plan, ploy, a pattern of behaviour, a position and a perspective which are integrated to enable an organisation to outwit the rest and sustain leadership position.

According to Thompson et al (2007) Building an organisation capable of good strategy execution means staffing the organisation by putting together a strong management team, and recruiting and retaining employees with the needed experience, technical skills, and intellectual capital. It also means building core competences and competitive capabilities by developing proficiencies in performing strategy critical value chain activities and updating them to match changing market conditions and customer expectations. The knowledge and

2

experience of people is a key factor enabling the success of strategies (Johnson Scholes, 2002). Human resource strategies must be linked to business strategies at all levels to be able to transform the organisation and be a platform from which new strategies can be built. How to recruit and retain knowledge workers is one of the biggest challenges organisations face in the knowledge era.

Thompson and Strickland (1989) views strategy implementation as putting together what has to be done internally to put the chosen strategy into place and achieve the target results. They point out that all managers should be strategy implementers in their areas of authority and all employees should be involved. Abiodun (1999) asserted that training is a systematic development of the knowledge, skills and attitudes required by employees to perform adequately on a given task or job. Adeniyi (1995) observed that staff training and development is a work activity that can make a very significant contribution to the overall effectiveness and profitability of an organization.

Human Resource development is concerned with the provision of learning development and training opportunities in order to improve individual, teams and organisations performance (Armstrong. 2006). HRD is a business-based approach to developing people within a strategic framework. This definition means that HRD is a process that is geared towards creating skills and expertise knowledge based on training and development of employees. It consists of four components namely, learning, education, training and development as shown in Appendix C.

Wilson (2005) identify a systematic of learning and competitive strategy that links human resource development to the organisation strategy. Appendix D. Human resourcing is about the skills base needed in the organisation while human resource development is about enhancing and widening those skills by developing and helping people to grow with the organization and by enabling them to make better use of their skills and abilities (Armstrong, 1992). Porter (2004) in his value chain analysis model alludes to the special place for Human Resource Development which is encompassed in Human Resource Management as one of the key support activities in adding value to primary activities. Schuler and Jackson (1987) links strategy to employee behavior with implication that human resource development must be employed to develop and reinforce the requisite behavior. For

3

instance where the strategy is to drive innovation, employees should be equipped with skills that promote creativity and tolerate unpredictability. Winter (2005) identifies what he calls a "systematic approach to developing staff" which has at its starting point the business objectives or strategies. Appendix E. This is different to traditional training cycle and stress the need to based employee development needs to organisation's strategy. Human Resource development therefore contributes in a variety of ways at all levels of organization to provide support for strategy implementation. Torraco and Swanson(1995) asserts the critical role played by HRD in strategy as follows: "yet today's business enforcement requires that HRD not only supports the business strategies or organizations, but that it assumes a pivotal role in the shaping of business strategy as a primary means of the organization's present performance demands. Along with meeting present organizational needs, HRD serves a vital role in shaping strategy and enabling organizations to take full advantage of emergent business strategy." Beer and Spector (1989; in Garavan et all, 1995) supports the same argument by stating: "Strategic HRD can be viewed as proactive, system-wide intervention, which is linked to strategic planning and cultural change. This contrasts with the traditional view of training and development as consisting of reactive, piecemeal interventions in response to specific problems. HRD can only be strategic if it is incorporated into the overall corporate business strategy. It is in this way that the HRD function attains the status it needs to respond to significant competitive and technological pressures".

1.1.2 The Mobile Telephone Service Providers in Kenya

An industry can be defined as a group of firms offering products or services that are close substitutes for one another. For purpose of this study, mobile phone industry is defined by CCK as the licensed cellular service providers in Kenya. These are organisations that are involved in selling and marketing of airtime, phone money transfer as well as other services offered via the mobile phone. According to CCK, there are four mobile (cellular) operators in Kenya namely Saficom Ltd, Zain Kenya Ltd, Telcom Kenya Ltd and Essar Telcom Kenya Ltd. The Commission issues two main categories of operating licences i.e facility based network operator licenses (Major licences) and non-facility based services provider licences(minor licences). Individual network operator (major) licences are for the construction of networks and provision of services, which require access to scare resources such as numbering or frequency spectrum resources. Before issuing such licences, CCK

4

must be satisfied that the applicant has sufficient resources, experience, skills and expertise to put the scarce resources underlying such a licence to efficient use, while meeting licence obligations, and sustaining its operations. Such licences include fixed network and mobile operator licences. The non-facility based licences include licences for internet service provision, paging and other value-added services. Such licences are fully liberalised and does not require deployment of scare resources.

At independence, in 1963, Telkom Kenya limited had exclusive rights in the provision of fixed telephone lines. This was to last until June 2004 when it lost those rights and the telecommunication environment was fully open to competition with the Telkom Kenya itself, a wholly public owned concern poised for privatization. The first mobile operator to hit the Kenyan market was Safaricom in 1997. It is the leading mobile phone network operator in Kenya to-date. It was formed as a fully owned subsidiary of Telcom Kenya. However, in May 2000 Vodafone Group PLC of the United Kingdom, the world largest telecommunication company, acquired a 40% stake and management responsibility for the company. This left Telkom Kenya with a 60% stake in the company. Safaricom is a member of Nairobi Stock Exchange with its initial public stock offering having been closed in mid April 2008. As of October 2007, Safaricom had approximately 8 million subscribers countrywide, most of whom are in major cities such as Nairobi, Mombasa, Kisumu and Nakuru.

Safaricom has a workforce of over 1500 people mainly stationed in major cities mentioned above, from where it manages its retail outlets. Its headquarter is located along Waiyaki Way (Safaricom House) about 2 ½ Km from the city centre. It also has other offices in the city Kimathi Street and Shankardass House. Apart from direct communication, Safaricom offers other services such as M-PESA an electronic cash service that allow Kenya to transfer money via SMS (mobile banking service) country wide (http://www.safaricome.co.ke/m-pesa) the M-PESA can also act as electronic wallet and can hold upto 50,000 Kenya Shillings. Safaricom's main rival and challenger "Zain" was the second mobile phone to be launched in Kenya in 2004 originally known as "MSI Cellullar Investments"-it changed its name to "Celtel International" in January 2004. In April 2005 the company was acquired and became a subsidiary of the Mobile Telecommunications Company (MTC). In September 2006 Celtel launched "One Network" Africa. One Network enables its subscribes in Kenya,

Uganda and Tanzania to roam freely between these countries, thereby scrapping roaming charges, making cells at local rates receiving incoming calls free of charge and recharging with local top up cards. MTC group, Celtel's parent company adopted a new name Zain (Arabic for beautiful, good and wonderful) unifying its different brands in 22 countries. The third mobile phone to be launched in Kenya was Telcom Kenya Ltd (Orange) owned jointly by Telkom Kenya and France Telecom-led consortium. France Telecom Kenya controls 31% while remaining shares are owned by Dubai based Alzacar capital (holds 15%). The company started operating in 2008. Under the agreement, the French firm-which operates in Kenya under its orange brand –and the government will release a portion of their shares to list the company on the Nairobi Stock Exchange within five years. France Telecom then will own 40%, the government own 30% and the remaining 30% will be made available to the public.

The forth mobile phone operator to be to be launched in Kenya was the Essar Telecom (Yu) which started operating in Kenya in December 2008. It is a branch of Econet Company which was founded in 1993 by a Zimbabwean entrepreneur, Stive Masiyiwa. Though founded in 1993, Econet only began its operations as a cell phone operator in 1998 because of ownership and licensing disputes. Essar Telecoms (Yu) has 400,000 subscribers and is present in Mombasa and Nairobi. The firm is said to have received Ksh.7.5 billion form Pan African Infrastruere Development Fund (PAIDF) to expand its East African operations (Business Daily, July, 1 2009). With the entry of Orange and Yu Networks in the Kenyan market, it is generally believed that mobile phone cell charges will be lower and for now, Kenyans have to contend with expensive airtime charged by the duopoly of Safaricom and Zain as the two networks are accessible in most parts of the country. In terms of network coverage Yu covers 30%, Orange 40% with Zain and Safaricom commanding about 80% each of the entire population.

The industry is highly geared and this makes the return on investment longest yet they have to stay competitive. As expected, the industry is dominated with imitation, price wars and thinning profit margins as more and more players are licensed. Creation of employee value is very important to be able to drive strategies that deliver a win. Previously, competition in this industry revolved around building subscriber base. However, competition landscape has since changed and the operators are now competing on provision of service. This has

inevitably touched on various factors of competition such as cost, price, customer care, network availability and reliability and social responsibility activities among others (Ngobia 2004).

Mobile phone service industry is prone to fast technological changes that require learning skills in order to adapt to such changes. Technological change is one of the principle drivers of competition. It plays a major role in industry structural changes, as well as creating new industries. It an act as equalizer by eroding the competitive advantage of even well entrenched firms and propelling others to the forefront. Technological change is one factor that can act to change the rules of competition swiftly and abruptly. Available literature can attest to this as many formally unfelt firms in their industries have became great as a result of technological changes that they were able to exploit (Porter, 1998). The most successful organizations understand it is vital to tap the knowledge of their employees, and engage them to use their knowledge in creative ways to help solve the organization's problems, exceed customer expectations, and propel them to the top of their industry. The challenge, of course, is how to effectively utilize and grow employee knowledge. A key practice is continuous effective employee development programs.

1.2 Statement of the Problem

In an increasing competitive world, it makes good business sense to link human resource development to business strategy development of organizations. The financial resources available to organizations are limited hence it is necessary to deploy them where they maximize the impact by addition of most value. This decision can only be fruitful if those responsible for human resource development are clear about the organizations strategy and priorities. (Wilson, 2005). But, in most cases, business strategies are not clear or apparent to those responsible for making human resource development decisions and consequently, logical deductions about appropriate employee development interventions are difficult to make.

The use of mobile phones in Kenya has increased tremendously over the last decade. As a result different network service providers have emerged to compete in an ever expanding market. The network providers have, as a result created employment to many deserving

Kenyans. To succeed in the industry, continuous employee development strategies must be aligned to the business strategies and continuously improve them in order to create human capital that is pragmatic enough to tackle any change in business strategies occasioned by changes in environment. However, little is known on how the operators in the industry handle the difficult task of aligning human resource development strategies to corporate strategies. Available literature review reveals that no known study has been undertaken in Kenya that link human resource development to strategy development in any industry. Wilson (2005) finds that part of the cause of the loose connection of HRD to organizational strategy could be attributable to the nature of strategy itself and its emergent and sometimes chaotic nature. Understanding strategic framework in which the organization is operating, its vision, mission, goals, critical success factors and performance measure, will enable HRD to take its place as a key component in the strategy process.

Although several studies have been done in strategic management, majority of them tended to focus on challenges encountered in strategy implementation. Koske, (2003) Koigi, (2002) Michael, (2004) Ndugu, (2002) Kimathi, (2006) Obare, (2006), Awino, (2000) and Njiru (2007) identifies inadequate skills and knowledge, lack of fit between strategy, structure and organizational culture, deficient leadership and financial resources as handicaps to strategy implementation in the various institutions. Ngobia (2004) focused on basis of competition in the mobile phone industry in Kenya. According to Al-Ghamdi (1998) most companies when attempting to develop new organisation capabilities tumble over common organisational hurdles which include coordination of the implementation activities not being effective enough, insufficient capabilities of employees and inadequate training and instruction given to lower level employees. All these studies alluded to the fact that human resource capabilities ere critical to strategy implementation and that human resource development strategies must be embedded to corporate strategies at formulation phase in order to prepare employees in strategy implementation.

Also available literature indicate that a series of strategic pressures have contributed to the increasing importance and strategic role of HRD (Mclegan and Suhadolnik, 1989; Gavana et al, 1995). These include accelerated rate of change, focus on quality, globalization of business, increased flexibility and responsibility of organizations and increased pressure to demonstrate the contribution of human resources and new technologies in organizational

success. The study of the practice of human resource development link to strategy development is important because the success and creation of competitive advantage depends on successful implementation of business strategies. It would be pointless to craft business strategies that cannot be implemented effectively due to deficient human resource capabilities as a result of lack of relevant skills, knowledge and attitudes. This study sought to establish extent of the practice of linking human resource development to strategy formulation by mobile phone service providers in Kenya.

1.3 Objective of the Study

The objective of the study was to establish the extent of the practice of linking human resource development to strategy formulation by the mobile phone service providers in Kenya.

1.4 Significance of the Study

There is little literature on linking human resource development directly to strategy development despite identification of employee capabilities as a prerequisite to strategy implementation. This study will increase existing body of knowledge in the area of strategic management and in particular the importance of employee development. The study will be important to organizations in both the private and public sector that are facing difficulties in strategy implementation because it will directly link employee development to strategy formulation as a crucial impetus to successful strategy implementation. To scholars, it will stimulate further studies in this field which is very important to business firms. It will also create a new knowledge in an area that not many studies have been undertaken. To mobile telephony service provider it will help them assess their weaknesses if any, in strategy implementation and the crucial role that employees can play in strategy implementation, by aligning human resource development strategies to their corporate and business strategy formulation.

1.5 Scope of the Study

This study is concerned with the mobile phone service providers in Kenya, and the extent of their practice in linking their human resource development strategies to corporate strategy formulation. It surveyed four main mobile phone service providers. This study was limited to the four main mobile phone service providers. i.e. Safaricom Ltd, Zain Kenya Ltd, Telecom Kenya Ltd and Essar Telcom Kenya Ltd. The starting point is that the four listed networks are currently what can be regarded as major operators with sizable number of consumers in Kenya and being categorized as the major mobile phone service providers by the Communication Commission of Kenya (CCK). Appendix II confirms the scope of the industry.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section documents the revealed literature for the past studies in human resource development and its link to strategy development. Challenges of strategy implementation are also explored because the effect of the congruence between human resource development strategies and the organizations strategy can only be assessed in the success in strategy implementation. The Telecommunication sector is regarded as an importance impetus to economic growth and development in any country. According to Certo and Peter (1995), States that have experienced rapid growth attributed their successes to rapid expansion and growth in telecommunication network. Most third world countries also attribute their development from deregulation or privatization of the industry since mid 1980s when International Monetary Fund and World Bank put pressure on them to do so as to precondition to getting support.

According to Washburn (1995) the fundamental shift in the philosophy of telecommunications from a national resource to a global market business leads to accelerated evolution of technology and new forms of competition though mergers, acquisitions and consolidation. Kenya government responded to the pressure from the two major international financial institutions and liberalized the telecommunication sector in 1997. This led to many private inventors investing in the sector.

2.2 Human Resource Development (HRD) and Strategy development

In an increasing competitive world, it makes good business sense to link human resource development to business strategy development of organizations. Armstrong (2006) identifies the key elements of human resource development as learning, education, training and development. Appendix C outlines these components. Learning is a process through which a person acquires new knowledge, kills and capabilities. It can occur as a result of practice or experience. According to Honey (1998), learning is a complex and various, covering all sorts of things such as knowledge, skills, insights, beliefs, values, attitudes and habits. People can learn as individuals based on what they see and practice and learn from other people as well. They can learn from what other people are doing and put into practice their new skills.

11

Human Resource Development is the frameworks for helping employees develop their personal and organizational skills, knowledge, and abilities. As defined by Harrison (1997) strategic human resource development is 'development that arises from a clear vision about people's abilities and potential and operates within the overall strategic framework of the business. The knowledge and experience of people can be the key factors enabling the success of strategies (Johnson Scholes, 2002). Human resource strategies must be linked to business strategies at all levels to be able to transform the organisation and be a platform from which new strategies can be built. How to recruit and retain knowledge workers is one of the biggest challenges organisations face in the knowledge era.

Johnson and Scholes (2002) "Strategy is the direction and scope of an organization over the long-term: which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations". They assert that strategies exist at three levels namely, corporate strategy which is concerned with the overall purpose and scope of the business to meet stakeholder expectations, business unit strategy which concerned more with how a business competes successfully in a particular market and operational strategy which is concerned with how each part of the business is organized to deliver the corporate and business-unit level and focuses on issues of resources and processes among others. Mintzberg (1987) looks at strategy as a plan, ploy, a pattern of behaviour, a position and a perspective which are integrated to enable an organisation to outwit the rest and sustain leadership position.

Hill & Jones (2004) developed a model of strategic planning process which they argue has five steps namely, selecting corporate mission, analyzing the organizational external and internal environments, selecting strategies that build on the organization's strength and corrects its weaknesses, and implementing the strategy. Collin & Montgomery (1997) concurs with this proposition and advances that all these elements together as a system lead to a corporate advantage the creates economic value. According to Johnson et al (2005) corporate strategy describes a corporation's overall direction in terms of its general philosophy towards growth and the management of its various business units. Corporate strategy helps to establish investment priorities and using resources into the most attractive business units.

12

Peter Drucker (1954) stressed the importance of objectives. According to Drucker, the procedure of setting objectives and monitoring progress towards them should permeate the entire organization, top to bottom. He predicted the rise of what he called the "knowledge worker" and explained the consequences of this for management. He said that knowledge work is non-hierarchical. Work would be carried out in teams with the person most knowledgeable in the task at hand being the temporary leader. Boxall (1996) defines firms as unique bundles of resources and finds that human resource capability of the firm as a considerable resource that determines the Competitive advantage. Analoui (1999) defines managerial skills namely task related, people-related an self development analytical categories as human resource capabilities of the firm. The financial resources available to organizations are limited hence it is necessary to make necessary decisions to deploy them where they maximize the effect. This decision can only make sense if those responsible for human resource development are clear about the organizations strategy and priorities (Wilson, 2005). But, business strategies are not clear or apparent to those responsible for making human resource development decisions and consequently, logical deductions about appropriate employee development interventions are difficult to make.

Hill & Jones (2004) developed a model of strategic planning process which they argue has five steps namely, selecting corporate mission, analyzing the organizational external and internal environments, selecting strategies that build on the organization's strength and corrects its weaknesses, and implementing the strategy. Collin & Montgomery (1997) concurs with this proposition and advances that all these elements together as a system lead to a corporate advantage the creates economic value. According to Johnson et al (2005) corporate strategy describes a corporation's overall direction in terms of its general philosophy towards growth and the management of its various business units. Corporate strategy helps to establish investment priorities and using resources into the most attractive business units.

Chandler (1962) recognized the importance of coordinating the various aspects of management under one all-encompassing strategy. Prior to this time the various functions of management were separate with little overall coordination or strategy. Interactions between functions or between departments were typically handled by a boundary position, that is, there were one or two managers that relayed information back and forth between two

departments. Chandler also stressed the importance of taking a long term perspective when looking to the future. In his groundbreaking work Strategy and Structure, Chandler showed that a long-term coordinated strategy was necessary to give a company structure, direction, and focus. He says it concisely, "structure follows strategy." Wilson (2005) identifies a systematic of learning and competitive strategy that links human resource development to the organisation strategy. Appendix D. Human resourcing is about the skills base needed in the organisation while human resource development is about enhancing and widening those skills by developing and helping people to grow with the organization and by enabling them to make better use of their skills and abilities (Armstrong, 1992). Porter (2004) in his value chain analysis model alludes to the special place for Human Resource Development which is encompassed in Human Resource Management as one of the key support activities in adding value to primary activities. Schuler & Jackson (1987) links strategy to employee behavior with implication that human resource development must be employed to develop and reinforce the requisite behavior. For instance where the strategy is to drive innovation, employees should be equipped with skills that promote creativity and tolerate unpredictability. Winter (2005) identifies what he calls a "systematic approach to developing staff" which has at its starting point the business objectives or strategies. Appendix E. This is different to traditional training cycle and stress the need to bases employee development needs to organization's strategy.

According to Thompson et al (2007) Building an organisation capable of good strategy execution means staffing the organisation by putting together a strong management team, and recruiting and retaining employees with the needed experience, technical skills, and intellectual capital. It also means building core competences and competitive capabilities by developing proficiencies in performing strategy critical value chain activities and updating them to math changing market conditions and customer expectations.

The knowledge and experience of people is a key factors enabling the success of strategies (Johnson Scholes, 2002).   Human resource strategies must be linked to business strategies at all levels to be able to transform the organisation and be a platform from which new strategies can be built.   How to recruit and retain knowledge workers is one of the biggest challenges organisations face in the knowledge era. Thompson and Strickland (1989), views strategy implementation as putting together what has to be done internally to put the chosen

strategy into place and achieve the target results. They point that all managers should be strategy implementers in their areas of authority and all employees should be involved. Hardy (1990) termed learning as being a natural response to coping with change. According to this assertion, change is never a problem, never a threat, just another exciting opportunity. Learning can occur in formal settings such as a university or organizational training centres but it can also occur less formally. Nadler and Nadler (1990) distinguishes between what he called "incidental" learning and "intentional" learning. Incidental learning is considered to be learning which occurs during the course of doing things such as reading, talking with others, traveling, while intentional is done out of deliberateness. Nadlers view performance as based on a variety of factors which are necessarily the responsibility of those who work in the HRD departments. The arguments is based on the fact that 'what we know' or what we believe, or what we think is of little consequence but only what we do count in HRD.

The Nadlers view learning as quite inclusive. They assert that learning takes place in training, education and development. Training means learning related to present job, education is learning to prepare the individual but not related to a specific present or future job, while development is learning for growth of the individual but not related to a specific present or future job. Education on the other hand embraces all the above three i.e learning, training and development as it is the development of the knowledge, values and understanding required in all aspects of life rather than the knowledge and skills related to particular area of activity Armstrong (2005). In Human Resources Development the four fundamental skills are required and non can complement the other the only degree at which one has acquired each will vary leading to ranking in a workplace. They form the major component of the HRD concept.

Garavan (1997) concurs with Nadlers that training, education and development involves learning. Technological change affects HRD more profoundly. It requires organizations to develop more sophisticated training methods to keep employees current with new technology. Senge (1990) defines learning organization as an organization where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are natured, where collective aspiration is set free, and people are continuously learning how to learn together. Proper learning which embraces both individual and organizational enables a firm to achieve competitive scope within an industry.

15

Development is a process where people are able to progress from present state of understanding and capacity to a future state in which higher-level skills, knowledge and competence are required. Harrison (2000) define development as learning experiences of any kind, whereby individuals or groups acquire enhanced knowledge, skills, values and behaviours. It can be gained through along span of time rather than immediately and once acquired; they tend to be long lasting. Firms operating in high competitive industry must strive to attract and retain employees of high caliber. This they can do through talent management. According to Armstrong (2006) talent management is the use of an integrated set of activities to ensure that the organization attracts, retains, motivates and develops the talented people it needs now and in future. The main aim is to secure the flow of talent, bearing in mind that talent is a major corporate resource. However, this should not be only aimed at improving the caliber, availability and flexible utilization of exceptionally capable employees who can have a disproportionate impact on business performance as Smilansky (2005) asserts. Everyone who has been recruited in a firm is deemed to have a special talent necessary for performing a special task assigned to him or her in the organization.

Ouko (2003) established that majority of employees perceive that there exist a link between incentive pay and their performance indicating and that for the companies to be competitive their workforce has to be motivated by both monetary and non monetary means. Attraction policies allows for external sourcing. This allows for recruitment and selection of people form outside the organization as situation allows. This allows the organization to identify talents it requires with regard to their qualifications and experience and how well they can fit in the culture of the organization i.e its values and norms. This requires constant analysis and assessment of work requirements during operations.

Retention polices are however aimed at ensuring that people of the required caliber remain committed to the organization. Turnover of key dependable employees may be quite disastrous especially during strategy implementation. Retention policies however, takes into account particular retention issues the organization is facing and sets out ways in which these issues an be dealt with. However, market forces, not the organization ultimately determine employees turnover (Cappelli, 2000). Good people relations, following good recruitment, translate into good retention. Training and development of employees is key to success of good retention policies. This is what is referred to as career management. Career

16

management is concerned with providing opportunities for people to progress and develop their careers and ensuring that the organization has he talents it needs (Armstrong 2006) Hirsh (2000) however, asserts that the focus of succession planning has shifted from identifying successors for posts towards providing for development of those successors by creating 'talent pools'. According to Hirsh this is based on the assumptions that it is difficult in the changing environment in which most organizations exit to predict succession requirements, there is a problem of making reliable assessments of potential or "promotability" and organizations may also fear that too much talk of "career" gives employees unrealistic expectation of promotion.

Available literature indicate that a series of strategic pressures have contributed to the increasing of importance and strategic role of HRD (Mclegan and Suhadolnik, 1989; Gavana et al, 1995). These include accelerated rate of change, focus on quality, globalization of business, increased flexibility and responsibility of organizations, increased pressure to demonstrate the contribution of human resources and new technologies. Beer and Spector (1989; in Garavan et all, 1995) seems to support the same argument by stating: "Strategic HRD can be viewed as proactive, system-wide intervention, with it linked to strategic planning and cultural change. This contracts with the traditional view of training and development as consisting of reactive, piecemeal interventions in response to specific problems. HRD can only be strategic if it is incorporated into the overall corporate business strategy. It is in this way that the HRD function attains the status it needs to respond significant competitive and technological pressures".

2.2 1. Training as major component of HRD

Armstrong (2006) contents that training is a planned process to modify attitude, knowledge or skills behavior through learning experience to achieve effective performance in an active range of activities. Its purpose in the work situation is to develop the abilities of the individual and to satisfy the current and future needs of the organization. It is a key component of Human Resource development. Training must be conduced continuously to meet the changes in the business environment. Technological change is probably the most challenging change in the business environment which needs constant monitoring. Harrison (2000) asserts that skills in any given industry will need to be changed time and again to meet current market forces or business environment. In situations where staff cannot fit in

17

the current training situation, new staff may be employed and former ones retrenched. The commitment of top management is critical for effective training to take place through the organization. Some training may be conducted in-house and when top management is knowledgeable enough to offer it, then it will be easy. However, if they are unable to undertake the in-house training then outsourcing consultant trainer will be necessary. Training, however, is a process involving three distinct stages namely, assessment, training and evaluation. The different stages involves different activities and goals (Anthony et al 2002). Appendix E. The firm must first of all analyze the type of training it needs to offer and whether the organization needs such training in its present set up. The training must be supported by the organizational Vision, Mission and objectives. The goals of training programmes must align with and support mission, goals and strategies of the organization and the top management must fully support the proposed training (Garavan, 1997)

Before proper training begins, objectives of training programme must be identified. Such objectives should include what outcome of the training is to be, away to measure the degree to which training objectives has been met and under what conditions employees can expect to perform the skills (Armstrong (2006). Development of criteria for training evaluation is meant to determine whether the training programme achieved its goals, some criteria against which to measure the results must be developed. Abiodun (1999) asserted that training is a systematic development of the knowledge, skills and attitudes required by employees to perform adequately on a given task or job. Adeniyi (1995) observed that staff training and development is a work activity that can make a very significant contribution to the overall effectiveness and profitability of an organization.

There are two most common types of training i.e on the job training and off the job training. Each of this training is unique unto themselves. However, on the job training can be given to someone who has attended off the job training (Armstrong, 2006). Development involves enhancing knowledge that may be used today or sometime in the future. It may not be focused on either the present or sometime in future. It is also a critical element of HRD just like the others mentioned earlier. Training and development refers to the total structure of on the job and off the job programs used by organizations in developing employees skills and knowledge necessary for proficient job performance and career advancement. (Armstrong, 2006)

Management training and development techniques include attending short courses, seminars, workshops, conferences, being coached by a more experienced colleague, forming a learning agreement, participating in a learning/support group, team working, undertaking special project, assignment or consultancy; taking work practices or systems. Human Resource development play a critical role in organizational change. Any change in an organization requires the involvement of everyone. According to McCalman and Paton (1992) change is a multi-disciplinary activity and must be dealt with at the domains in which it takes place. Human Resource Development therefore aims at improving individual employee's performance in the organisation through learning, education, development and training which must be a continuous process. Individual learning and development can take place through E-learning, coaching, mentoring or self directed learning while training will involve work place training and formal off-the job training.

Mobile phone service industry is prone to fast technological changes that requires learning skills in order to adapt to such changes. Technological change is one of the principle drives of competition. It play a major role in industry structural changes, as well as crating new industries. It an act as equalizer by eroding the competitive advantage of even well entrenched firms and propelling others to the forefront. Technological change is one factor that can act to change the rules of competition swiftly and abruptly. Available literature can attest to this as many formally unfelt firms in their industries have became great as a result of technological changes that they were able to exploit (Porter, 1998).

2.2 Challenges of Strategy Implementation

Empirical research in recent years has made significant contributions to the strategic management field. These efforts, however, have not provided complete answers to many of the core strategic dilemmas faced by top executives (Hambrick and Fredrickson, 2001). In many respects, strategic management remains an intuitive and philosophical undertaking. As such, managers are still faced with some critical judgment calls when formulating strategy for their companies, each of which involves apparent contradictions that must be negotiated if a firm is to succeed. The resolution of these practical decisions should be based on a philosophy grounded in experience, research, and reason.

19

In many organizations the evidence for the existence of a strategy can permeate an organization. Sharing strategic information with lower-level managers and employees may enhance both job comprehension and organizational commitment. The Chinese warrior Sun Tzu is often cited as proponent of the hidden strategy perspective (Michaelson, 2001). In the military context, he argued that all war is based on deception, and that effective military manoeuvres are those not easily predicted by the opponent. Business strategists, therefore, surmise that the best strategy must be one that competitors cannot understand. However, in the process of hiding strategy from competitors who might wish to exploit it, many organizations hide from those who can contribute to its development or are responsible for implementing it hence this lack of knowledge inhibits strategy implementation.

In a study of the challenges in implementing electronic banking strategy by Commercial Banks in Kenya it was revealed that lack of resource and the infrastructure required to implement strategies was evident in addition to deficient knowledge and proficient in the technology by staff which prolonged the turn around period (Njiru, 2007). More over lack of technological knowledge by target customers lead to wastage and damage of equipment. The study concluded that training of employees on electronic banking as well as explaining to employees what strategies are being implemented, the expected outcomes, anticipated challenges as well as their role in implementation was critical.

According to Al-Ghamdi (1998) most companies when attempting to develop new organizations capabilities tumble over common organizational hurdles which include coordination of the implementation activities not being effective enough, insufficient capabilities of employees and inadequate training and instruction given to lower level employees. In her investigation of the relationship between human resource systems, business strategy implementation and performance in selected public quoted companies in Nairobi Stock Exchange, Ndungu, (2002) some companies especially in agricultural sector did not perceive the human resource manager as business partner and 20.7 of the companies did not have human resource plans. Further 53% of the companies aimed at maximizing the overall quality of human capital by ensuring adequacy of skills demanded by the company strategies.

Koigi, (2002) and Michael (2004) involving and recognizing employees is critical to strategy implementation. Firms that identify the specialized skills among their staff and looks for

20

assets (tangible and intangible) that are complementary in their partners success in strategy implementation. (Koigi, 2002)   Michael (2004) asserts that treating employees with dignity and respect   led to building high performance spirit into the organizations culture within International NGOs operating in Kenya.

Flowed vision of the desired positioning of the organization and   unclear view of what is needed for the successful management of operational tasks and projects within the strategic intent is a serious problem.(Meldrum and Atkinson, 1998). Awino (2000) identified lack of fit between strategy and structure, inadequate information and communication and failure to impart new skills as challenges impeding strategy implementation in Higher Education Loans Board (HELB).   Koske (2003) outlines inappropriate resource allocation, separation of strategy formulation from implementation, lack of link between reward systems and strategy performance, lack of fit between strategy and organizational culture, as well as failure to predict implementation time as major challenges to strategy implementation in Telcom Kenya.

An evaluation of these studies alludes to the importance of appropriate skills and knowledge as well as organizational culture as critical to strategy implementation. If human resource development is by definition a strategic activity, it should be possible to assess different strategic scenarios of the business and identify appropriate human resource development strategies and policies (Wilson, 2005).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This Chapter is concerned with research methods used to collect and analysis data. Included in the research methodology are:- Research design, Population of the study, data collection instruments and data analysis techniques.

3.2 The Research Design

Census survey was used for this study. This is because the firms are too few (only four) to sample and data can only be representative if it is collected from selected respondents from the four mobile phone service providers in Kenya. Survey research design used in this research as; Mugenda and Mugenda (1999) notes that a survey research attempts to collect data from members of a population and describe existing phenomena by asking individuals about their perception and attitudes or values. Through the design, the link between Human Resource Development and Strategy Implementation will be explored and described. Data collected from such a population or census is more reliable and up-to-date and hence the choice of this method (Mugenda and Mugenda, 1999). Ngobia (2004) and Ouko (2003) successfully used survey method for studies in the same industry.

3.3 Population of interest

According to Communication Commission of Kenya, there are four (4) licensed mobile phone service providers in Kenya. The target population of the study therefore was the four firms. Line managers and human resource officers were targeted to give responses to the semi structured questionnaires.

3.4 Data collection

Primary data was collected. The researcher developed questionnaires (Appendix F) for the purpose. The questionnaire targeted line managers including Human Resource Managers. Questionnaire is a good tool because it is most convenient as most mangers are busy and it is predicted that they would not have time for oral interview. The questionnaire is dividend into three sections. Section A dealt with general information, section B linked human resource

development to strategy implementation while section C dealt with challenges of strategy implementation. It was administered through drop and pick technique. Mugenda and Mugenda (1999) says that the questionnaire survey tool is the most appropriate where detailed information is required within a constraint of time.

3.5 Data Analysis and Presentation of the Results

The quantitative data from the field was checked for completeness, appropriateness, accuracy, precision and relevance. Qualitative data was coded on key issues and analyzed using SSPS program. Population parameters were presented in percentage, graphs to give a general overall picture about the organizations.   It was also analyzed by factor analysis and tabulation for classifying a large number of interrelated variables into a limited number of factors.

CHAPTER FOUR: DATA FINDINGS, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter discusses the research findings, analysis and interpretation. The study aimed at carrying out a survey to find out the extent of the practice of linking human resource development and strategy formulation in the mobile phone service providers in Kenya. The study in specific focused on four (4) licensed mobile phone service providers in Kenya. Line managers and human resource officers were be targeted to give responses in the the extent of the practice of linking human resource development and strategy formulation in the mobile phone service providers in Kenya. Data analysis was done through Statistical Package for Social Scientists (SPSS). Frequencies, percentages and Likert Scales were used to display the results which were presented in tables, pie charts as well as bar graphs

4.2 General Information

The study targeted the four (4) licensed mobile phone service providers in Kenya. They are Safaricom Ltd, Zain Kenya Ltd, Telecom Kenya Ltd and Essar Telcom Kenya Ltd.

Table 4. 1: Current job title

	Frequency	Percent
Manager	4	33.3
Human Resource	8	66.7
Total	**12**	**100.0**

Source: Research data

The table 4.1 above shows the respondents current job title whereby 66.7% were human resource managers and 33.3% said that they were managers. This could be due to the reason that it focused on human resource development.

Figure 4. 1: Respondents academic qualification

Academic qualifications

0%

42%

58%

- O-Level/A-Level
- College
- University
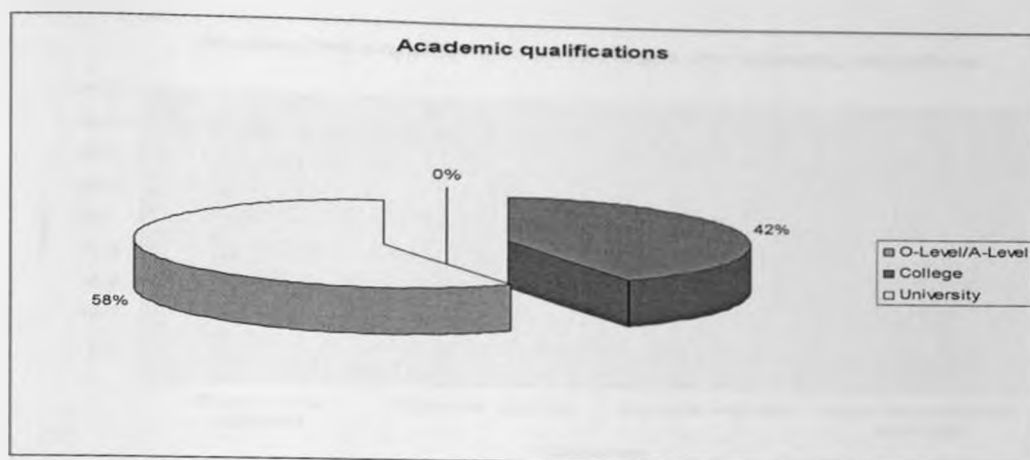
Source Research data

The figure 4.1 shows the respondents academic qualification whereby 58% said they had university level as the highest level of education, 42% said that they had college level of education as the highest level while none had any O level or A level as the highest level. The majority had a university level of education which might be due to the organizations academic requirement.

All the respondents agreed to it that the organizations in which they work have strategic planning. This might be due to the fact that its major component to the organization profit maximization. The respondents gave various responses on the organizations mission and vision as of Safaricom limited its mission is to empower you by helping you communicate and its vision is to grow our business and become Africa's leading mobile operator. For Telkom Kenya their mission is to provide total communication solutions that meet and exceed our customers' expectations and their vision is to be among the top five communication solutions providers in Africa by 2010.

Figure 4. 2: Whether the organization encourages the following objectives

Whether the organization encourages the following objectives
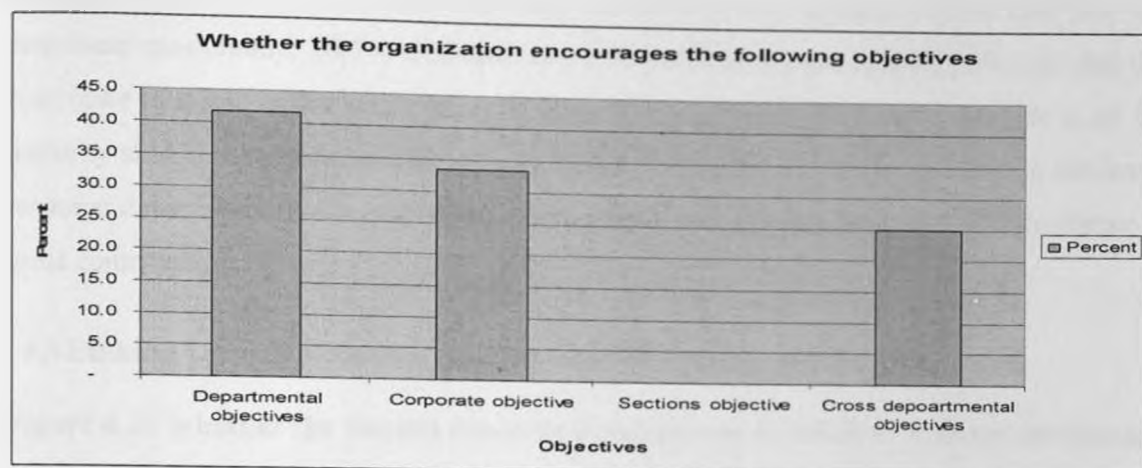
Source: Research data

The figure 4.2 above shows the results on whether the organization encourages the departmental, corporate, sections and cross departmental objectives. 41.7% said that the organization encourages departmental objectives, 33.3% said that the organization encourages corporate objectives, 25% said that cross departmental while none of the respondents who said that it encourages sections objective. The respondents agreed to it that the objectives of the organization are well communicated to all employees who work under them. This is done through meetings.

Table 4. 2: Extent which the respondents department contributes to overall corporate objective

	Frequency	Percent
Not at all	0	-
Less extent	1	8.3
Great extent	2	16.7
Moderately	4	33.3
Very great extent	5	41.7
Total	**12**	**100.0**

Source: Research data

26

The table 4.2 shows the extent to which the respondents department contributes to the overall corporate objective. 41.7% said that they contribute very greatly, 33.3% said that they contribute moderately, 16.7% said that they contribute to a great extent, 8.3% said that they contribute to a less extent while none of them who said that they do not contribute at all. The majority said that they contribute greatly which should be due to the fact that in the human resource department that it is through it that employees develop skills and abilities hence the great contribution.

4.3 Linking Human Resource Development to Strategy Development

Figure 4. 3: whether the human resource development is linked to strategy development

Whether HRD is likned to strategy development

17%

83%

- Yes
- No
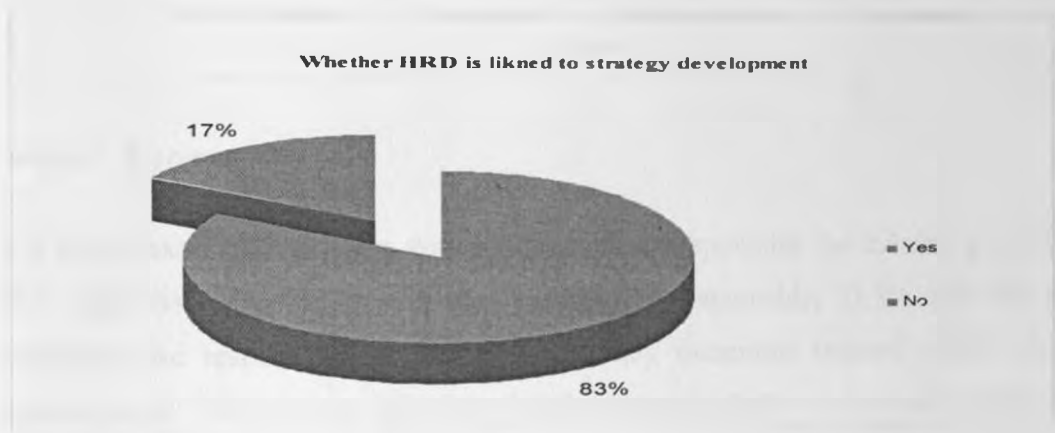
Source: Research data

The figure 4.3 shows the findings on whether the human resource development is linked to strategy development. 83% said that it is linked while 7%said there is no link. The majority said that there exists a link, this might be because the HRD involves learning, education, training and development which are very helpful in strategy development.

Figure 4. 4: The person responsible for training and development

The person responsible for training and developmet
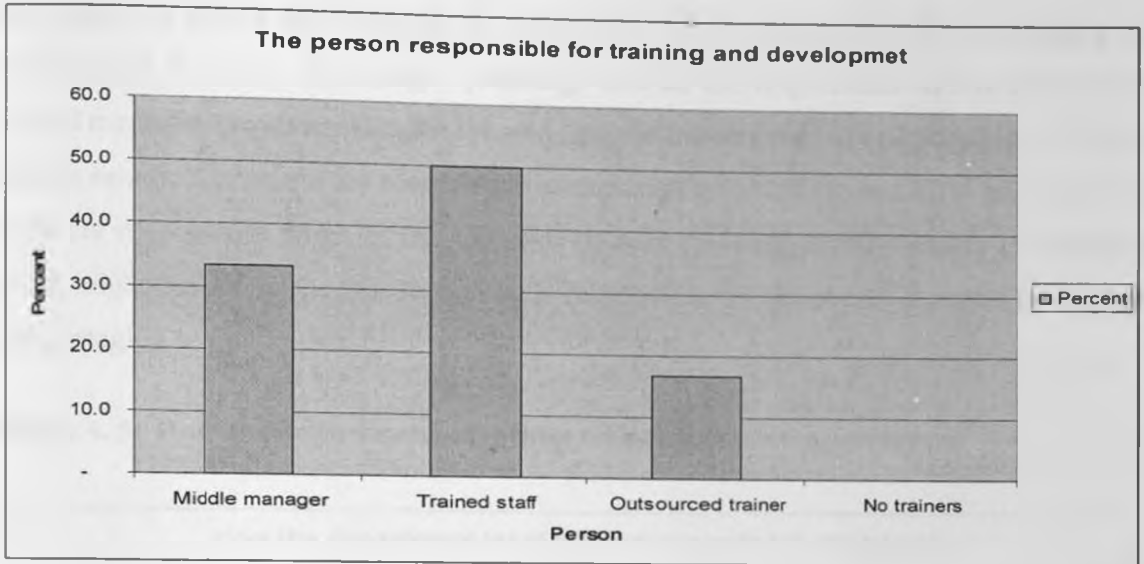
Source: Research data

On being asked whether there was anyone who is responsible for training and development, 50% said that they had trained staff specifically responsible, 33.3% said that the middle managers are responsible, 16.7% said that they outsource trainers while none had non trainers at all. The majority said that organizations had their own trained people. This would be so as to help the companies achieve the business target.

Table 4. 3: Person who is responsible for the training and development

	Frequency	Percent
All staffs	1	8.3
Middle manager	2	16.7
Trainers only	4	33.3
General manager	5	41.7
Total	**12**	**100.0**

Source: Research data

The table 4.3 shows the findings on the person who is responsible for the training and development involved in strategic planning. Out of the respondents 41.7% said that the general manager is responsible, 33.3% said that the trainers only are responsible, 16.7% said that the middle managers are responsible as they supervise and the rest 8.3% said that all the staffs are responsible. Most of the respondents said that the general manager is responsible which might be due to the reason that he is responsible for the overall business performance and strategies achievements.

Figure 4. 5: How the department identifies training needs for employees
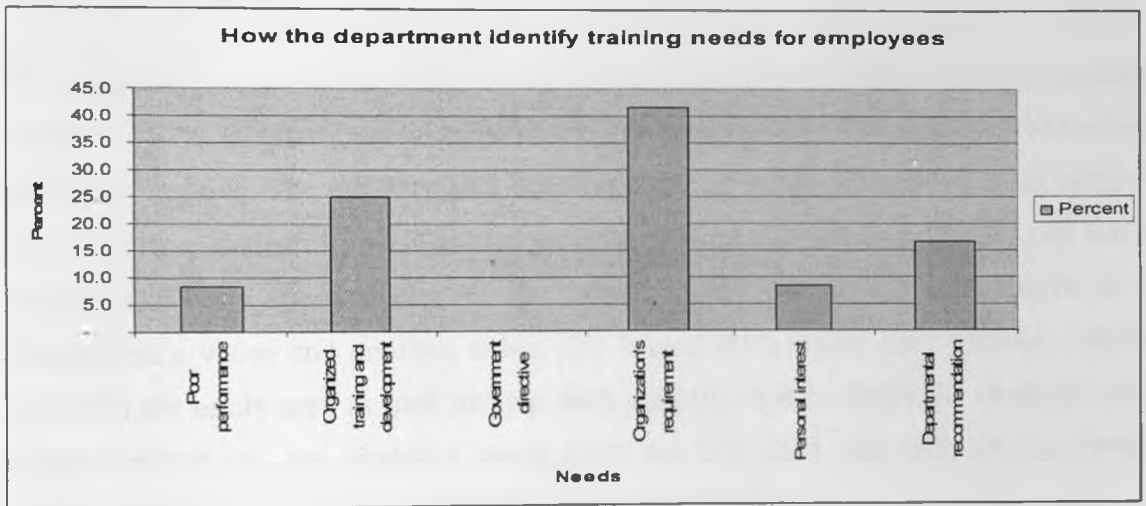
Source: Research data

The figure 4.5 above shows the responses on the how the department identifies training needs for employees.41.7% said that they identify training needs by identifying the organization's need, 25% said that they do so by organized training and development, 16.7% said that they follow the departmental recommendations, 8.3% said that they do so out of personal interest or an employee shows poor performance; none of the organization who do so out of government directive. The majority said that they identify training needs by identifying the organization's need which should be due to the set organizational target that should be meet within a given period of time.

29

Figure 4. 6: The nature of training and development
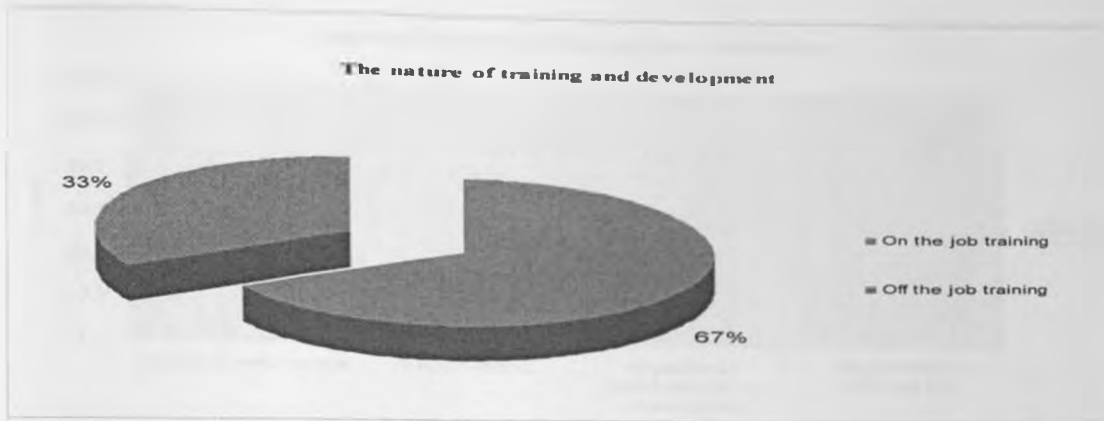
The nature of training and development

33%

67%

■ On the job training

■ Off the job training

Source: Research data

The researcher wanted to know the nature of training and development that the respondent undergoes. 67% said that they undergo on the job training while 33% said that they undergo off the job training. The majority said that they have an on the job training which might be due to the time availability within the organizations schedule. The respondents said that the training has been effective due to the impact it has put in the achievement of the organization's vision and mission, it has also helped them realize their abilities, corporate objectives are easily met, as well as help them identify ways in which the strategies can be executed effectively, has created a strong team, has help them cope with the fast changing market and there has been an overall business transformation.

Figure 4. 7: Ways the organization uses to measure employees output

How the the employees output is measured
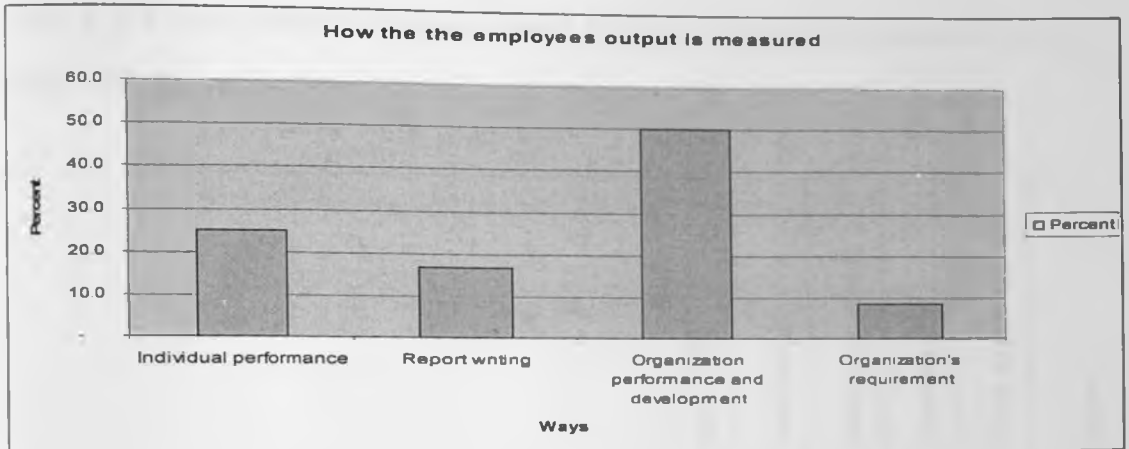
Source: Research data

The figure 4.7 shows various ways the organization uses to measure employees output. 50% said that they use organization performance, 25% said that they use individual performance, 16.7% said that they use report writing as a tool while 8.3% said that they use organization requirements.

Table 4. 4: Extent which the factors stated influence strategy development in an organization

	Not at all	Low extent	Moderate extent	Great extent	Very great extent	Mean	Std. Dev.
Vision and mission of the organization is well stated and communicated to all employees	0	0	1	2	9	4.7	0.6
The performance appraisal tool is used as a feedback mechanism tool to employees	0	1	2	3	6	4.2	1.0
The training and development needs for all employees identified according to the goals of your department	0	0	2	3	7	4.4	0.8
Individual training and development needs are identified, evaluated and addressed	1	0	2	3	6	4.1	1.2
There is well defined and operational training and development policy	0	1	1	4	6	4.3	0.9
Managers and subordinates work closely together to realize the objectives of the organization	0	1	2	4	5	4.1	0.95

Source: Research data

The table 4.4 above shows the extent which the factors stated influence strategy development in an organization. A Five point Likert scale was used to interpret the respondent's extent. Accorded to scale those factors which had no extent at all were awarded 1 while those which had very great extent were awarded 5. Within the continuum are 2 for low extent, 3 for moderate extent and 4 for great extent. Mean and standard deviation were used to analyze the data. According to the researcher those factors with a mean close to 4.0 had no extent at all while those with a mean close to 4.5 had very great extent. On the same note the higher the standard deviation the higher the level of disagreement or dispersion among the respondents. In regard to this, the factor that vision and mission of the organization is well stated and communicated to all employees influenced to great extent with a mean of 4.7 followed by the training and development needs for all employees identified according to the goals of your

department with a mean of 4.3. There is well defined and operational training and development policy with a mean of 4.3 and The performance appraisal tool is used as a feedback mechanism tool to employees with a mean of 4.2 were influenced to a moderate extent and the factors that managers and subordinates work closely together to realize the objectives of the organization and individual training and development needs are identified, evaluated and addressed influenced to a low extent with a mean of 4.1 respectively.

4.4 Challenges in Strategy Implementation

Figure 4. 8: Whether employees meet their targets

Whether employees meet their target

42% 58% ■ Yes ■ No
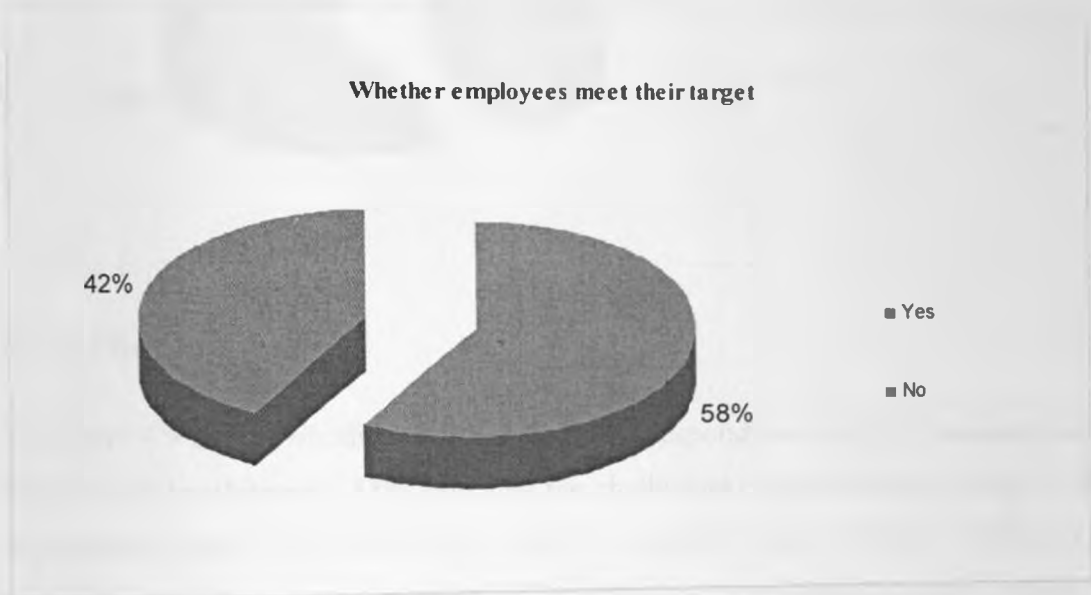
Source: Research data

The researcher wanted to know whether the employees meet their targets or not. 58% said that they do while the remaining 42% said that they do not. The majority said that they do meet which might be due to the strict organizational strategies follow up. The challenges the respondents highlighted are lack of clear business strategies, financial constraints, long decision making processes leading to delays, lack of employee commitment, fast changing technology, human resource capabilities like attitude and skills and recruit and retain knowledge workers

33

Figure 4. 9: Whether the challenges the respondents raise can be addressed through training and development.

Whether the challenges can be addressed through training and development
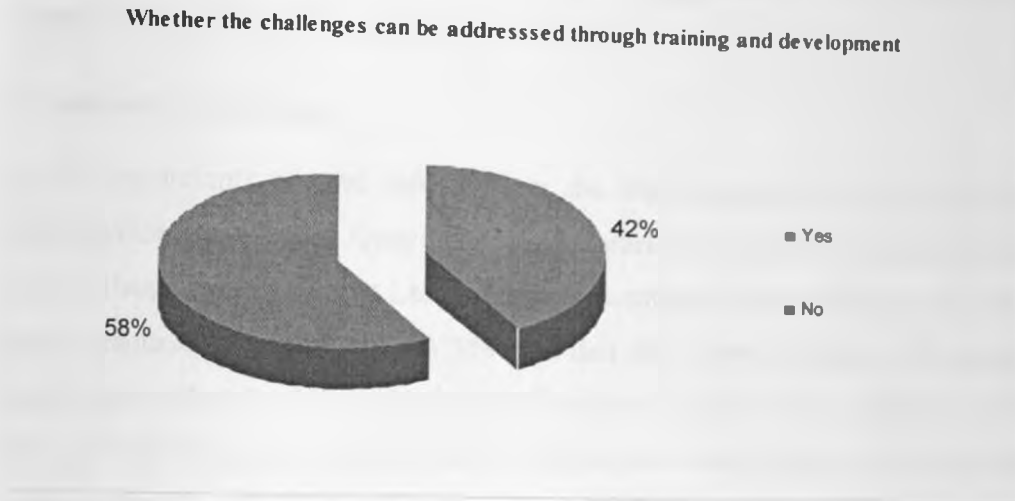
Source: Research data

The figure 4.9 shows whether the challenges the respondents raise can be addressed through training and development. 58% said that the challenges cannot be meet through training and development while 42% said that it can. The majority said that they challenges that the organization meet cannot be met through training and development mainly because they are managerial challenges hence cannot be solved through training.

Other solutions to the difficulties that the respondents faced are the organization should have activities that ensures there is interaction between the management and the subordinate employees, career training to ensure high employee turnover and also retention, making the development, training which must be a continuous process especially on technological issues, creation of a reward scheme so as to motivate the staff on strategy performance and separation of strategy process that is the strategy formulation should be separated from the strategy implementation. The respondents' opinions on the most important factors that can help in meeting the targets are continuous training, setting a clear objectives, vision and mission that the employees can relate to so as to enable them to achieve and creation of a reward scheme based on strategy performance.

34

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter is devoted to summarizing the findings of the study, conclude, provide recommendations of the researcher and give suggestions for the mitigation and further research that she deems fit in this field of study.

5.2 Summary of findings

On the respondents general information; the study targeted the four (4) licensed mobile phone service providers in Kenya. They are Safaricom Ltd, Zain Kenya Ltd, Telecom Kenya Ltd and Essar Telcom Kenya Ltd. On the respondents current job title whereby 66.7% were human resource managers and 33.3% said that they were managers. Respondents academic qualification whereby 58% said they had university level as the highest level of education, 42% said that they had college level of education as the highest level while none had any O level or A level as the highest level.

All the respondents agreed to it that the organizations in which they work have strategic planning. This might be due to the fact that its major component to the organization profit maximization. The respondents gave various responses on the organizations mission and vision as of Safaricom limited its mission is to empower you by helping you communicate and its vision is to grow their business and become Africa's leading mobile operator. For Telkom Kenya their mission is to provide total communication solutions that meet and exceed their customers' expectations and their vision is to be among the top five communication solutions providers in Africa by 2010.

The results on whether the organization encourages the departmental, corporate, sections and cross departmental objectives, 41.7% said that the organization encourages departmental objectives, 33.3% said that the organization encourages corporate objectives, 25% said that cross departmental while none of the respondents who said that it encourages sections objective. The respondents agreed to it that the objectives of the organization are well communicated to all employees who work under them. This is done through meetings.

35

The extent in which the respondents department contributes to the overall corporate objective, 41.7% said that they contribute very greatly, 33.3% said that they contribute moderately, 16.7% said that they contribute to a great extent, 8.3% said that they contribute to a less extent while none of them who said that they do not contribute at all. On whether the human resource development is linked to strategy development, 83% said that it is linked while 7%said there is no link. The majority said that there exists a link, this might be because the HRD involves learning, education, training and development which are very helpful in strategy development and strategy implementation.

On being asked whether there was anyone who is responsible for training and development, 50% said that they had trained staff specifically responsible, 33.3% said that the middle managers are responsible, 16.7% said that they outsource trainers while none had non trainers at all. The majority said that organizations had their own trained people. The findings on the person who is responsible for the training and development involved in strategic planning. Out of the respondents, 41.7% said that the general manager is responsible, 33.3% said that the trainers only are responsible, 16.7% said that the middle managers are responsible as they supervise and the rest 8.3% said that all the staffs are responsible. Most of the respondents said that the general manager is responsible which might be due to the reason that he is responsible for the overall business performance and strategic achievements.

The responses on how the department identifies training needs for employees.41.7% said that they identify training needs by identifying the organization's need, 25% said that they do so by organized training and development system, 16.7% said that they follow the departmental recommendations, 8.3% said that they do so out of personal interest or an employee shows poor performance; none of the organization who do so out of government directive. The researcher wanted to know the nature of training and development that the respondent undergoes. 67% said that they undergo on the job training while 33% said that they undergo off the job training. The respondents said that the training has been effective due to the impact it has put in the achievement of the organization's vision and vision, it has also helped them realize their abilities, corporate strategy is easily meet, has helped them identify ways in which the strategies can be executed effectively, has created a strong team, has helped them cope with the fast changing market and there has been an overall business transformation.

Various ways the organization uses to measure employees output. 50% said that they use organization performance, 25% said that they use individual performance, 16.7% said that they use report writing as a tool while 8.3% said that they use organizations requirements. The extent which the factors stated influence strategy development in an organization, the factor that vision and mission of the organization is well stated and communicated to all employees influenced to great extent with a mean of 4.7 followed by the training and development needs for all employees identified according to the goals of your department with a mean of 4.3. There was well defined and operational training and development policy with a mean of 4.3 and The performance appraisal tool is used as a feedback mechanism tool to employees with a mean of 4.2 were influenced to a moderate extent and the factors that managers and subordinates work closely together to realize the objectives of the organization and individual training and development needs are identified, evaluated and addressed influenced to a low extent with a mean of 4.1 respectively.

Whether the employees meet their targets or not, 58% said that they do while the remaining 42% said that they do not. The challenges the respondents highlighted are lack of clear business strategies, financial constraints, long decision making processes leading to delays, lack of employee commitment, fast changing technology, human resource capabilities like attitude and skills and recruit and retain knowledge workers. The challenges the respondents raise can be addressed through training and development. 58% said that the challenges cannot be meet through training and development while 42% said that it can. Other solutions to the difficulties that the respondents faced are the organization should have activities that ensures there is interaction between the management and the subordinate employees, career training to ensure high employee turnover and also retention, making the development, training which must be a continuous process especially on technological issues, creation of a reward scheme so as to motivate the staff on strategy performance and separation of strategy process that is the strategy formulation should be separated from the strategy implementation.

5.3 Conclusion

From the study the researcher concludes that there is a great extent of the practice of linking Human Resource Development to strategy formulation in the mobile phone service providers. This is seen as all the companies have well planned human resource development

strategies that are anchored on the vision, mission and objectives of the organizations and this has helped them in achievement of the organizations objectives. The organizations do practice Human Resource Development through training, and other development programmes through specific trained staff in the organization. This helps them organize training programmes to meet the organizations set requirements and equip the employees with skills, knowledge and attitudes that are strategy supportive. The employees are involved in the strategy formulation, this helps in identifying what development gaps exist to meet strategy implementation requirements and take measures to attain those development deficiencies in readiness for strategy execution and this is done on continuous basis. However the organizations are faced by various challenges like financial constraints, lack of clear business strategies, long decision making processes leading to delays, lack of employee commitment, fast changing technology, meeting all human resource capability needs such as attitude and skills and recruitment and retaining knowledge workers.

5.4 Recommendation

The researcher recommends that Human Resource Development is very essential for every organization as it helps in strategy implementation when infused at strategy formulation, hence an essential tool in achievement of organizational targets. This is through strategic training, education, management development and learning interventions. Hence an organization should ensure that the Human Resource Development strategies are embedded to all strategic decisions and especially at strategy formulation level so as to ease challenges of strategy implementation. There would be no value in formulating excellent corporate or business strategies that cannot be implemented effectively due to lack of strategy supportive skills, knowledge and attitudes. The training and development strategies should be planned for at strategy formulation phase and executed to enable smooth strategy implementation.

5.5 Areas for further research

This study has led to the appreciation of the practice of linking human resource development to strategy development and evidenced by successful strategy implementation. This study can be replicated in the larger communication sector and other industries to further authenticate the findings. There is enough evidence that the creation and sustainability of competitive advantage by any organisation revolves around people, in particular employees

hence more research is needed on the contribution of other forms of human resource management components such as reward and welfare to effective strategic management.

5.6 Limitations of the study

The researcher works full time, it's therefore difficult to balance her full time duties, work and still find time to undertake the research. Research is a self sponsored exercise. This means that the researcher has to stretch her financial resources to cater for the research study purposes. This especially the transport costs incurred during the data collection exercises. Other challenges faced related to the respondents giving the information. Respondents seemed not free to provide information as they feared could be used by competitors or they could be victimised by their employers for giving the information. The information was given on condition that it would be used for academic purposes only.

5.7 Policy and practice implications of the study

The Communication Commission of Kenya may be impacted by the findings of this study when formulating capacity requirement policies to support the growth and development of the mobile phone service sector in Kenya. The findings have an impact on the Government's intention as contained in the Vision 2030 on employee development towards the achievement of the vision because how employees are developed by the mobile service providers would contribute to the development of the communication sector which is expected to drive the vision. The providers themselves may benefit from developing human resource policies that ensure a link between human resource development and strategic management. Based on the findings of this study, the mobile phone service providers can also develop policies that promote successful strategy implementations around employee development interventions.

REFERENCES

Adeniyi, O. I. (1995) **" Staff Training and Development" in Ejiogu**, A; Achumba, I. Asika (eds) Reading in Organizational Behaviour in Nigeria, Logos. Maltho use Press Ltd, P. 159 – 176

Abiodun, E.J.A. (1999) **Human Resources Management, an overview**. Concept publication, Shomolu, Lagos. P. 110 – 121

Analoui, F. (1999) "Eight Parametrs of Managerail Effectiveness: A Study of Senior Managers in Ghana; Journal of Human Resoruce Management, 18(4), 36 – 39

Armstrong, Michael (2006) **Human Resource Management practice Handbook**. Kogan Page, London.

Anthony, P. William, Kacmar, K. Michele and Perrewe, L. Pamela (2006) **Human Resource Management: A Strategic approach**. Thomson, New York

Awino Z. B (2001) **Effectiveness and problems of strategy implementation of Financing Higher Education in Kenya by the HELB**. Unpublished MBA Research Project, University of Nairobi

Beer, M. and Spector, B (1989) **Corporate Wise Transformations in Human Resource Managemen: Trends and Challenges**, Harvard University School Press, Boston M.A.

Business Daily, July 1, (2009)

Boxall, P. (1996) "**The Strategic HRM Debate and the Reosurce Based View of the Firm**" Human Resource Management Juournal, 6 (3), 59 – 75

Cappelli, P. (2000) **A market driven approach to retaining talent**. Havard Business review, Jan/Feb issue PP103 -11

Certo, S.C. and Peter, J. P. (1995) **Selected cases in Strategic Management** 3rd Edition, Irwin, Boston

Chandler, Alfred D., Jr. 1962/1998, **Strategy and Structure**: Chapters in the History of the American Industrial Enterprise. Cambridge, MA: MIT Press

Collis, D. J. and Montgomery. C. A. (1997) Corporate Strategy: Resources and Scope of the Firm, Chicago Mc Graw Hill

Garavan, T.N. (1997) **Training Development, Education, and Learning**: Different or the same? Jornal of European Industrial Training, 21 PP 39 – 50

Hambrick, D.C., and Fredrickson, J.W. (2001). **Are you sure you have a strategy?** Academy of Management Executive, 15(4), 48-59.

Handy, C (1990) **The Age of Unreason**, Arrow, London

Hardson, R (2000) **Employee Development**, 2nd Edition IMP, London

Hill, C. W. L. and Jones, G R. (2004) Strategic Management an Integrated Approach, 6th Ed New York, Houghton Mifflin Company

Hirsh, W (2000) **Succession Planning Demystified**, Report No. 372, Institute of Employment Studies.

Honey, P. (1998) **The Debate Starts Here, People management** 1st Oct PP. 28- 29

Kithinji, G. Boore (2005) **Factors affecting implantation of Government Strategies in Agriculture to Reduce Poverty in Kenya** – Case of Meru Cetral District, Unpublished MBA Project, University of Nairobi, Nairobi

Koske F. K.(2003) **Strategy Implementaion and its challenges in pubic corporations – the Case of Telcom Kenya Ltd,** Unpublished MBA Research Project, University of Nairobi

Michael J. M. (2004) **Factors influencing strategy implementation by international NGOs operating in Kenya** Unpublished MBA Research Project, University of Nairobi

Machuki, Vincent (2005) **Challenges to Strategy Implementation at CMC Motors group Ltd** Unpublished MBA Project, University of Nairobi, Nairobi

Manyarkiy, T. J. (2006) **The Challenges of facing Middle Legal Managers in the Implementation of Corporate Strategic Plan at NSSF** Unpublished MBA Project, University of Nairobi, Nairobi.

Mugenda A G, Mugenda O M (1999); **Research Methods, Quantitative and Qualitative Approaches,** *ACTS Press*, Nairobi

McCalman, J. and Paton, R(1992) **Change Management** : A guide to effective Implementation, Paul Chapman, London

Michaelson, G. A. (2001). **Sun Tzu: The art of war for managers - Fifty strategic rules**. New York: Adams Media.

Muthuiya, F.A (2004) **Strategy Implementation and its Challenges in Non Profit Organizations in Kenya.** The Case of AMREF Unpublished MBA Project, University of Nairobi, Nairobi

Nadler, L and Nadler , Z (Eds.) (1990) **The Handbook of Resource Development**. 2nd Edition Wiley, New York

Njiru J. N. (2007) **Challenges in Implementing Electronic Banking Strategy by Commercial Banks in Kenya.** Unpublished MBA Project, University of Nairobi, Nairobi

Ndungu, B. (2005) **An Investigation of the Relationship between Human Resource Systems, Business Strategy and Performance** Unpublished MBA Project, University of Nairobi, Nairobi

Ngobia D. K. (2004) **The Basis of Competition in the Mobile Phone Industry in Kenya,** Unpublished MBA Project, University of Nairobi, Nairobi

Ngumo, E. Mwangi (2006) **Challenges of Strategy Implementation in the Scripture Union** in Kenya Unpublished MBA Project, University of Nairobi, Nairobi

Olila, P. N. Mathui (2006) **A Survey of the Challenges in the Strategic Plan Implementation in the Co-operative Bank of Kenya.** Unpublished MBA Project, University of Nairobi, Nairobi

Obare G. (2006) **Implementation of strategic plans in the public sector: A case study of Personnel Management of Government of Kenya,** Unpublished MBA Research Project, University of Nairobi

Otieno B. O. (2006) **Strategy Implementation by Major Petroleum companies in Kenya,** Unpublished MBA Research Project, University of Nairobi

Pepotane, James (2000) **Human Resource Performance Consulting**: Transformation of Human Potential into productive business Performance, Gulf, Houston

Porter, E. Michael (1998) **Competitive Advantage**; Crating and sustaining superior performance, Free Press, New York.

Porter, E. Michael (2004) **Competitive Advantage,** New York, Free Press

Roscoe, J. T. (1975) **Fundamental Statistics for Behavioral Science.** 2nd Edition, Harvard Business School Publishers, Boston

Johnson, G. and Scholes, K (2002) , **Exploring Corporate Strategy,** Prentice Hall, 6th Edition

Schuler. R S and Jackson, S E (1987) **Organizational Strategy and Organisational Level as Determinants of Human Resource Management Practices**, Human Resource Planning, 10, 3

Smilansky, J. (2005) **The Systematic Management for Executive Talent**, Hydrogen, London.

Thomson, Aurthor. A Jrn. & Strickland III, A. J. (1989) **Strategy Formulation and Implementation**, Irwin, Boston

Thomson A. A. Jrn., Strickland III A. J. , and Gamble, E. John (2007) **Crafting and Executing Strategy**: the Quest for Competitive Advantage – Concepts

Washburn, b. (1995) **Adapting to Changing Times**, Telcom Asia Journal; May 95, Vol. 6 No. 5 pg 6.

Wilson J. P (2005) Human Resource Development: Learning & Training for Individuals and Organization, London. Kogan Page

Winter R (1995) **"An Integrated Approach to Training and Development"** In Truelove (ed) the Handbook for Training and Development, Oxford, Blackwell

QUESTIONNAIRE

SECTION A

1. Name..

2. What is the name of your organization? ....

3. What is your current job title..

4. What is your highest academic qualification?
    - ❖ O-Level/A-Level   [ ]
    - ❖ College   [ ]
    - ❖ University   [ ]
    - ❖ Others (Please indicate)...............................

5. For how long have you been working in your current position?
    - ❖ Less than five years   [ ]
    - ❖ Between six to ten years   [ ]
    - ❖ Between eleven to fifteen years   [ ]
    - ❖ Over sixteen years   [ ]
    - ❖

6. Does your organizations do strategic planning?

    Yes   [ ]   No   [ ]

7. If no, please explain what informs your organizational goals.
    ....
    ....
    ....

8. What is the Vision of your organization
    ....
    ....

9. What is the Vision of your organization
    ....
    ....

10. What are the objectives of your organization?
    ....
    ....
    ....
    ....

11. Are the objectives of your organizations well communicated to all employees working under you?
    Yes   [ ]   No   [ ]

12. How does your department contribute to the overall corporate objective. ....
    ....
    ....

45

....

....

SECTION B: LINKING HUMAN RESOURCE DEVELOPMENT TO STRATEGY DEVELOPMENT

1.   Do you regard human resource development (i.e training, education, and other development programmes) as an important component of strategy development?
       Yes   [ ]   No   [ ]
Please explain your answer
....
....
....
....

2. In your organization , who is responsible for training and development programmes?
....
....
....

3. Are those responsible for training and development involved in strategic planning?
....
....
....

4.   How does your department identify training needs for employees?
....
....
....
....

5.   As a manager, are you involved in assessing training and development   needs of those working under you?

       Yes   [   ]
       No   [   ]

6. If yes, are you responsible for recommending what training and development programmes would be suited?
....
....
....
....

7. What is the nature of your training and development?   Tick appropriately.
         (i)   On-the-job training   [ ]
         (ii)   Off-the-job training   [ ]
8. How do you know whether training has been effective?
....
....
....

10.   How are the employees output measured?
....
....

....

....

11. To what extent do the factors stated below influence strategy development in your organization? Rate them on the scales provided below. Responses are in a scale from 5 to 1 as below

5 – Very Great Extent
4 – Great Extent
3 – Moderate Extent
2 – Small Extent
1 – Not at all

		Very Great Extent	Great Extent	Moderate Extent	Small Extent	Not at all
		5	4	3	2	1
(i)	Vision and Mission of the organization is well stated and communicated to all employees					
(ii)	The performance appraisal tool is used as a feedback mechanism tool to employees.					
(ii)	The training and development needs for all employees identified according to the goals of your department					
(iii)	Individual training and development needs are identified, evaluated and addressed					
Iv	There is well defined and operational training and development policy					
(v)	Managers and subordinates work closely together to realize the objectives of the organization					
(vi)	Training and development helps employees continue to be relevant to the organization and promote organizational development					

SECTION C: CHALLENGES IN STRATEGY IMPLEMENTATION

1.   Do the employees meet their targets:

    Yes   [ ]   No   [ ]

2.   What difficulties do they encounter when undertaking daily tasks?
....
....

3. Can the difficulties be addressed through training and development ?

Yes   [ ]   No   [ ]

explain briefly

....

....

4.   Please list other solutions to the list you indicated in one (2) above.

....

....

....

5.   In your opinion as a manager what do you think is the most important   factor in order to succeed in meeting your targets? ....

....

....

....

————————*END*————————

APPENDICIES

Appendix I: Introductory letter

<div align="right">

Petronilla K. Kyengo
P.O. Box 16193 00100
NAIROBI

</div>

The Director General,
Communication Commission of Kenya,
NAIROBI Attn. Licensing Dept.

Attn: Stella Demo

PROPOSED STUDY OF THE MAJOR CELLULAR PHONE SERVICE PROVIDERS IN KENYA

I am a student at the Nairobi University currently pursuing Master of Business Administration. I am desirous to undertake a study within the Cellular Phones Service Industry in Kenya. CCK being the regulatory and licensing body would be the ultimate source of information on the licensed firms in Kenya.

The purpose of this letter is to request for a list of all the licensed Mobile phone service providers in Kenya to enable me understand the industry better and to consider the possibility of undertaking a study in the industry.

I will appreciate your prompt response. My email address is kapet911@yahoo.com should you wish to email the list.

Petronilla Kyengo

Appendix II: Proposed study of the major cellular phone services in Kenya

Monday, July 20, 2009 5:11 AM

From:
"Karungu, P J" <Karungu@cck.go.ke>
<u>Add sender to Contacts</u>
To:
kapet911@yahoo.com
Cc:
"Kemei, Christopher" <Kemei@cck.go.ke>

Ms. Petronilla Kyengo

Dear Madam,

This has reference to your letter on the above subject.

Please find below the list of the mobile operators and there contacts.

| 1. Safaricom Ltd P. O. Box 46350 Nairobi-00100 Tel: +254 20 427 3272 Fax: +254-20-4274090 Email: advantage@safaricom.co.ke	2. Zain Kenya Ltd P. O. Box 42964 Nairobi 00100 Tel: + 254 733 100 720 Email: customercare.ke @zain.com	3. Telkom Kenya Ltd P. O. Box 30301 Nairobi-00100 Tel: +254 20 3232000 Fax: +254 20 343399 Email: service@telkom.co.ke	4. Essar Telecom Kenya Ltd P. O. Box 45742 Nairobi 00100

We are available for further inquiries.

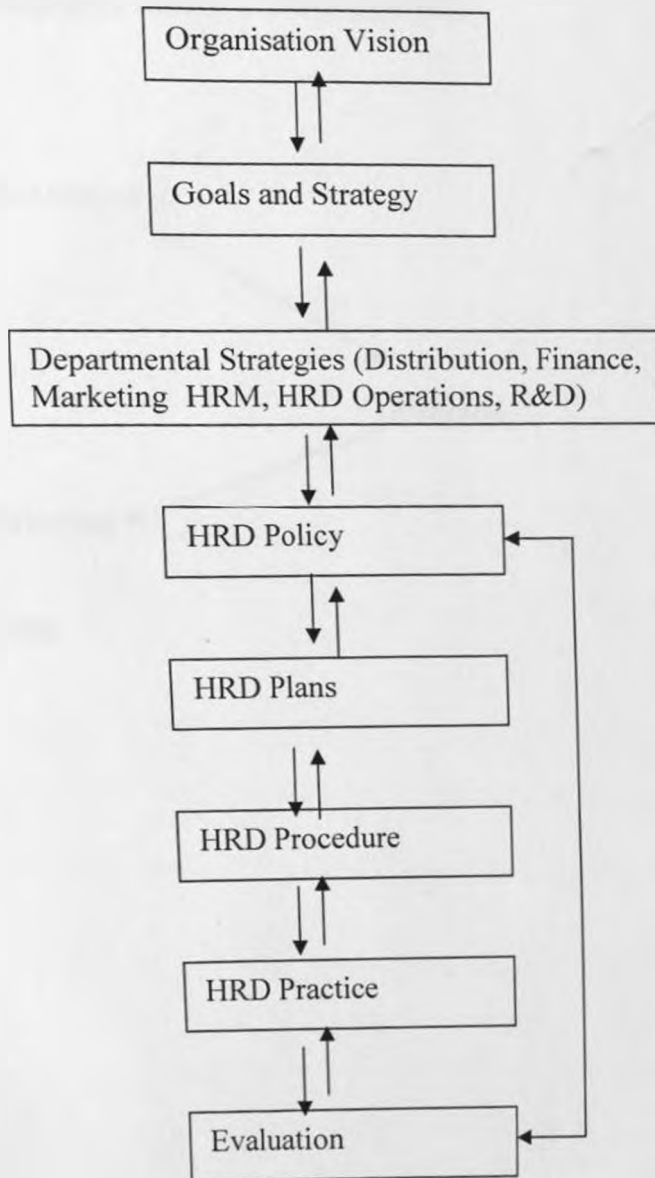**P. J. Karungu**

Manager/Telecom Licensing

Tel; 4242234

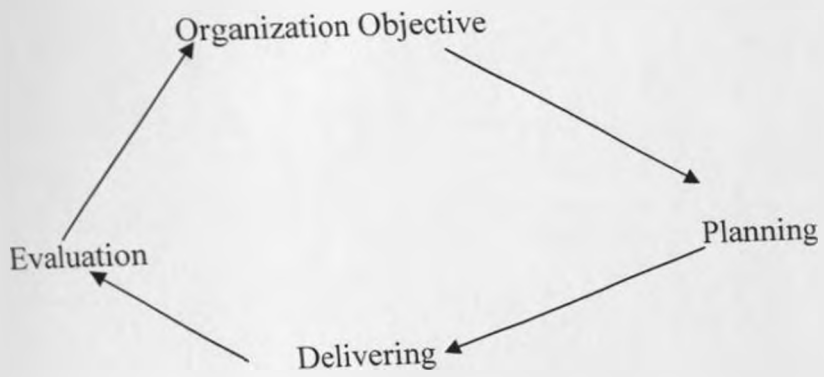# Appendix III: Components of Human Resource Development
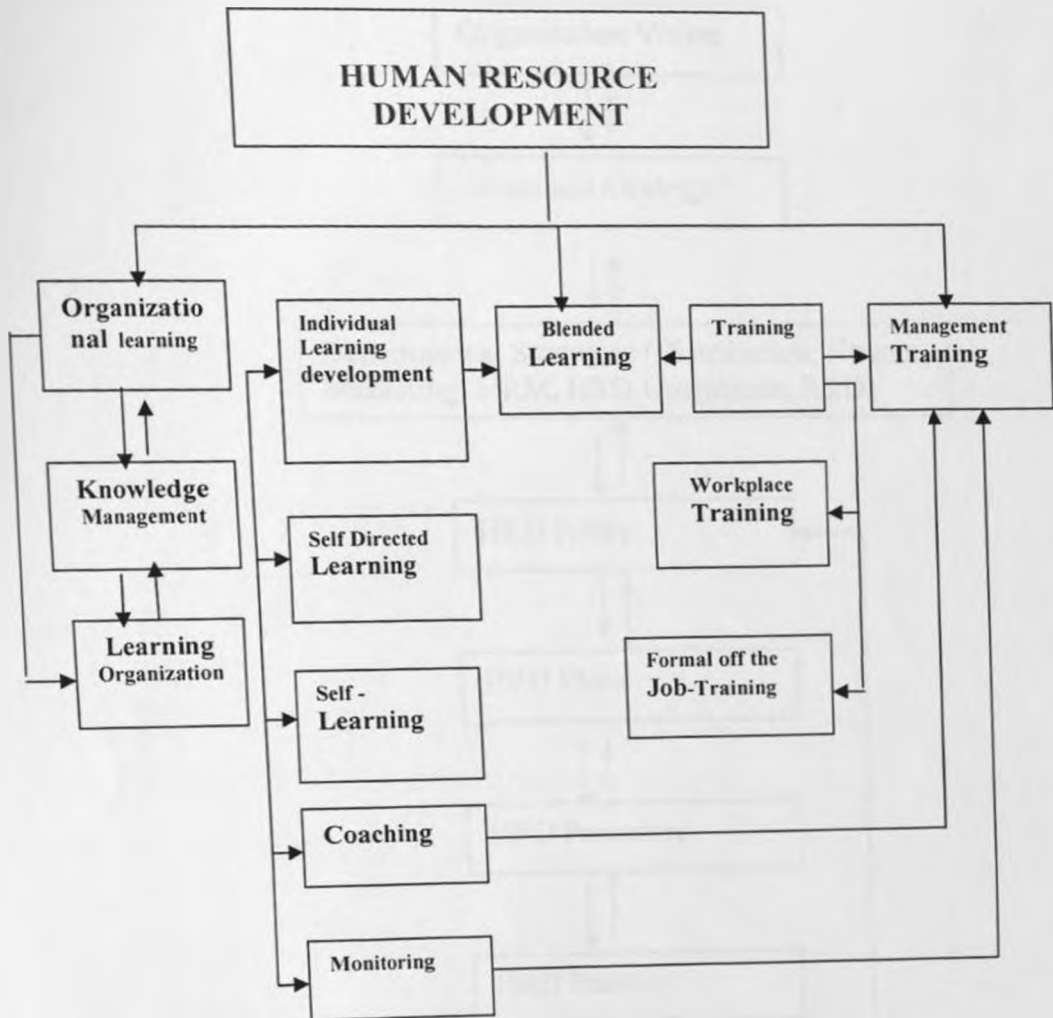
Source: Armstrong: Human Resource Management 2006 pp.534.

Appendix IV: Learning and Competitive Strategy

Source: Wilson (2005)

Appendix V: Business Objective within a Training Cycle

Organization Objective

Planning

Evaluation

Delivering

Source: (Winter, 1995)