STRATEGIC PLANNING PRACTICES BY FIRMS IN THE TELECOMMUNICATION SECTOR IN KENYA

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DECLARATION

This research project report is my original work and has never been submitted for a degree in any other university or college for examination or other academic purposes.

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This research project report has been submitted for presentation with my approval as University of Nairobi supervisor.

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DEDICATION

This research work is dedicated to my dear fiancé Peter Makau, my parents Mr. &Mrs. Andrew Kituu and my brothers Joshua Kituu and Samuel Kituu for their immeasurable love, support, prayers and inspiration.

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LIST OF ABBREVIATIONS AND ACRONYMS

CCK	:	Communication Commission of Kenya
HR	:	Human Resource
ICT	:	Information Communication and Technology
ISP	:	Information Service Provider
IT	:	Information Technology
KCA	:	Kenya Communication Act
PR	:	Public Relations
PwC	:	Pricewaterhouse Coppers
RBV	:	Resource Based View
RDT	:	Resource Dependence Theory
ROI	:	Return on Investment
SPSS	:	Statistical Packages for the Social Sciences
UK	:	United Kingdom
USA	:	United States of America
ZTE	:	Zhongxing Telecommunication Equipment

ABSTRACT

Strategic planning, is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources in a bid to pursue this strategy, including its capital and people. A host of factors influence an organization’s choice of direction, actions, and ultimately its organizational structure and internal processes that are easily managed through use of strategic management. The telecommunication industry’s environment in Kenya, just like the rest of the world, is going through profound changes where new markets, new players, and new challenges have characterized the market. This study endeavored to find out the strategic planning practices that firms in the telecommunication sector in Kenya applies in their day to day operations. The study employed a descriptive research design on a sample of five representative firms in the sector. Using a semi-structured questionnaire, the study acquired data from the research respondents which was analyzed both quantitatively and qualitatively. The study found that various strategic planning practices are applied in all the firms and are used as guide to the departmental roles within the firms. The firms’ strategic practices were found to be specific to the area of operations with each area having some unique strategic practices such as marketing, financial management, human resource management, public relations, and procurement. The study found these strategic practices to be highly effective in meeting the firms’ objectives. Also, the strategic management practices were found to be affected by a few challenges that were observed to be avoidable if concrete measures are observed at the strategy conception level. The study recommends application of these strategic management practices in all firms in the sector as the firms are bound to benefit from them.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Industry attractiveness and competitive conditions are the main sources of challenges for firms and determine strategic direction. According to Thompson and Strickland (1997), a firm's assessment of the industry and competitive environment directly affects how it should try and position itself in the industry, and what its basic competitive strategy should be. The key influence on strategy includes the specific business opportunities a company has and the threats to its position that it faces.

Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy, including its capital and people. It is a tool for organizing the present in order to deliver the projections of the desired future. Ansoff, who many considers as the father of strategic management, defines strategic planning as, a rational analysis of the opportunities offered by an environment and of strengths and weaknesses of the firm, and selection of a match (strategic) between the two which best satisfy the objective of the firm" (Ansoff, 1976). Drucker, another well-known management guru defines strategic planning as, "the continuous process of making present entrepreneurial (risk-taking) decisions systematically and with the greatest knowledge of their futurity; organizing systematically the efforts needed to carry out these decisions; and measuring the results of these decisions against the expectations through organized, systematic feedback (Drucker, 1974).

Strategic planning as a process was migrated from the corporate world and has been practiced in so many companies for at least 40 years (Fain, 2007). However, its use has exploded only in the last decade and now virtually most companies have in place some form of a strategic planning process. The sudden rise in strategic planning activities among companies especially the corporate world may be attributable to the need to combat the following challenges: increasing intensity of competition, globalization, increasing costs of operations, increased demand of technology, need for greater accountability, Political influence and emphasis on quality corporate governance (Kaplan & Beinhocker, 2003). Examining the possibilities and formulating strategies to meet those challenges can help the company maximize the opportunities and minimize threats. It can use its energies and resources more effectively and conduct its core business more successfully, despite changes in the environment.

An effective strategic management process has to be ensured that all members in the organization are informed of its contents and allowed to participate directly in the formulation of the plan. This is necessary to ensure that each member has a claim to its ownership. It also has to be strategic in nature. Though this is rather obvious, it is not easy to put it to practice, (Fain, 2007).

Response strategies adopted by companies reflect the firm's internal strengths and the opportunities faced in the external environment. Strategy will also consider how best to deal with internal weakness and avoid external threats. Internal new venturing is a strategy employed when a company has a set of valuable competencies in its existing business than can be leveraged to enter a new business area, (Hill and Jones, 2001).Science based firms use their technology to create market opportunities in related area mainly through internal new venturing. A company can also use this strategy to get into and compete in a new business area or an emerging market where there are no established players. Joint ventures as a strategy is adopted where a firm sees an opportunity in a growth industry but is unable to undertake the risks and costs associated with the project. Restructuring is a strategy for reducing the scope of a firm by exiting some business areas. In many cases, companies restructure to divest from diversified activities in order to concentrate on their core business (Hatfield, 1996).

There was a time when strategic planning was done by the biggest companies, and those who lead change. Now it is a requirement just to survive, (Hatfield, 1996). Leaders of business must be looking ahead, anticipating change, and developing a strategy to proactively and successfully navigate through the turbulence created by change. According to Hillman et al., (2003), ata micro view, the level of any individual company, strategic planning provides a company purpose and direction. “How are you going to get somewhere if you don’t know where you are going?”Everyone in an organization needs to know what you sell or do, who your target customers are, and how you compete. Hatfield, (1996) is of the views that a good strategy will balance revenue and productivity initiatives. Without strategic planning, businesses simply float, and are always reacting to the pressure of the day. Companies that don’t plan have higher rates of failure than those that plan and implement well. For many business owners and leaders, creating a vision, company values, and a strategic plan can be a daunting task for reasons like time, energy, commitment and lack of experience. It’s hard work!! It requires business leaders to come into accordance that yesterday’s success does not ensure success in the future. It requires challenging the status quo, changing behaviors, implementing new procedures, hiring different people, and putting new systems in place in order to deliver on the strategy, (Hatfield, 1996)

1.1.1Strategic Planning

In order to determine the future direction of the organization, it is necessary to understand its current position and the possible avenues through which it can pursue particular courses of action. Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy. Strategic Planning helps management understand what is happening in the business currently. This in turn allows management to plan for tomorrow. In a world of rapid change, it is becoming imperative for management to think strategically (plan for the future). Since the rate of change seems to be increasing, the importance of strategic planning continues to grow. In fact, the best managed companies tend to absorb in continuous strategic planning. Some organizations have intuitive thinkers who almost seem to see into the future. Therefore, strategic planning is a way of preparing for the future by attempting to simulate the future. Strategic Planning has a tendency to force people to think more about the future and not today. This is extremely important since many organizations are inward thinking, focusing too much on the short-term. Strategic planning looks at the long-term which is how organizations survive and thrive (John and Mathews, 2002).

According to Young (2003:4), a strategic planning process usually involves the following six activities: first, the formation of a vision for the future that defines the fundamental purpose of an organisation, its values and its boundaries; second, a situational analysis of the organisation; this includes a ‘stakeholder analysis’, which is an analysis of persons, groups or organizations whose interests and concerns are of key importance to the overall strategic process; third, the development of general goals, specific targets or objectives, and performance measurements to gauge organizational progress which will involve forecasting developments inside and outside the institution and preparing scenarios of how to respond; fourth, specification of tactical ‘action’ strategies to indicate what will be done to accomplish the goals and objectives; fifth, the implementation of detailed operational plans; and sixth, an evaluation component to monitor and revise the overall strategic approach as it unfolds the process of strategic planning may vary from one agency to another reflecting difference such as the agency’s legal, institutional, political, and resource constraints, the agency’s internal processes, and the ways agencies choose to involve external stakeholders in the strategic planning process. The current re-evaluation of strategic planning suggests that this élite process can be efficient but it results in important decisions being taken too far away from those who will be responsible for translating the grand strategy into operational and workable plans. Thus, the current movement suggests that there needs to be a strong bottom-up component to the planning process, both to ensure that the important views of those lower down the organization are heard, and to ensure that these important people are part of the process and part of the plan (Barney, 2001).

The organization needs to be able to identify, through the strategic planning process, when evolutionary change is appropriate, and when it will be ineffective. Although effective strategic planning does normally involve systematic planning processes, successful planning is people oriented. The planning process must both involve people and then recognize the contribution each person must make to the ultimate strategy. One of the reasons that strategic planning is undergoing resurgence is simply because many organizations have realized that the uncertainty of the current environment is precisely the reason why an organization should proceed with strategic planning, (Barney, 2001). In times of uncertainty, managers need a way, a mechanism, a procedure and a methodology to monitor and react to the environment. Strategic planning is a process, which is ongoing and permanent, not a product and arises from experience within military situations. When performed well, strategic planning unifies the entire organization behind a single set of marching orders designed to accomplish clear objectives

1.1.2Telecommunications Industry in Kenya

The Kenya Communications Act (KCA) of 1998, established the National Communication Secretariat (NCS), headed by a Communication Secretary, whose main objective is to advise the government on the adoption of a communication policy, which, among other things is meant to encourage competition in the provision of communication services. According to (CCK, 2004), the Communications Commission of Kenya (CCK) is independent regulators, whose objectives are to license and regulate telecommunications, radio communication and postal services. Its vision is to “enable access to reliable communications services by all Kenyans”, while its mission is to “ensure that the communications sector contributes to the country’s overall development through efficient and enabling regulation and public participation”. Current challenges facing the Telecommunications sector in Kenya include: Licensing of the Secondary National Operator process has been rather slow and lethargic and may have been overtaken by events such as the issuing of unified licenses, increasing competition and regulatory requirements, scope for m-commerce application largely unexplored, regulation and enactment of an enabling framework for provision of financial intermediary services such as mobile banking and managing growth and the impending challenges on quality of service, average revenue per user, operator capacity.

Communication Companies in Kenya are: Access Kenya, Bharti Airtel (formerly Zain, Celtel), Essar Telecom Kenya (Yu, formerly Econet), Jamii Telecom, Liquid Telecom, Nokia Siemens Networks (NSN), Safaricom (Vodafone), Telkom Kenya (Orange, France Telecom), Wananchi Online and ZTE. It has not been previously clear which arm of government deals with matters relating to IT or who is responsible for the regulation of the IT sub-sector. However, the national ICT policy approved in January 2006 recognizes CCK as the regulator of the whole of the ICT sector, including IT and broadcasting. Once this is implemented through requisite changes in the Kenya Communications Act of 1998, there will be clarity on these matters and hopefully there will be increased growth in the ICT sector, (Waema, 2007).

The sector liberalization as implemented by the CCK has significantly changed the communications sector positively. Some of the key statistics of what has been achieved with the liberalization initiatives are that, there were 303,905 fixed-line subscribers and 6.48 million mobile phone subscribers as at June2006. This translates into fixed teledensity of 0.91 per hundred inhabitants for fixed-line and19.42 per hundred inhabitants for mobile phones. The number of registered ISPs has been growing, reaching a peak of 78 between 2003 and 2005 and reducing to 51 between2005 and 2006. Out of 51 information services providers (ISP) licensees, below 50% are currently active, with approximately 1.5 million internet users. There were also over 1,000 cyber cafés and telephone bureaus by June 2005. There were 16 operational television stations and 24 FM radio stations. Around 8,915 public phones were installed throughout the country but this number has been recalled due to the high usage of mobile telecommunication. The national broadcaster (Kenya Broadcasting Corporation), with the highest penetration of radio and TV coverage, has 95% of the population covered by radio and 65% covered by television. At the same time, an estimated 87.2% of households have a radio set and 17.1% a television set, (Waema, 2007).The Kenyan public has therefore benefited tremendously from the provision of better communication services and easier information exchange.

1.2Research Problem

A host of factors influence an organization's choice of direction, actions, ultimately its organizational structure and internal processes. These factors form the basis of the opportunities and threats that an organization faces in its competitive environment and the strategies the organization uses to respond to these opportunities and threats. A good fit between an organization's strategic responses to the challenging environment maximizes the organizations strengths and opportunities and minimizes its weaknesses and threats thus ensuring profitability and competitive advantage gain (Young, 2003). Therefore, to effectively manage any corporate function, it requires a thoughtful and comprehensive strategic planning process. According to Odongo(2008), for organizations to properly plan their long term projects and activities it is imperative that the goals and objectives of the organization are in overall alignment with those of the business.

The telecommunication industry's environment in Kenya, just like the rest of the world, is going through profound changes. According to PwC in Kenya, in the past decade, technological advancement and regulatory restructuring have changed the industry. According to Sangani (2005), markets that were formerly distinct, discrete and vertical have coalesced across their old boundaries with a massive investment of capital, much of it originating from private sector participants within the telecom sector. The result is new players, new markets, and new challenges. This has created the need for the creation of competitive strategies within the industry so as to maintain the market share and improve efficiency. As in any sector, offer of telecommunication services efficiently means lowering the price, developing significant products and services faster, and improving upon quality initiatives, (Otieno & Aliogula, 2006).

Previous studies done by several scholars have been extensive in Kenya and especially on strategy and communication. For instance Kiptugen,(2003) researched on strategic responses by Kenya Commercial Bank to a changing competitive environment and established that Kenya Commercial Bank responded to its changing competitive environment through restructuring, marketing, embracing information technology and culture change. Kandie, (2001) on the other hand did a study on strategic responses by Telkom Kenya Ltd in a competitive environment and found out that although Telkom Kenya has responded to its environment, financial constraints and lack of managerial empowerment considerably limited the organization's capacity to respond to the changes. The study dwelt mainly on the competitive strategies adoption and was oblivious of other strategies including management, operational, production among other strategies.

It is apparent that very little has been done on strategic planning practices within the telecommunication sector in Kenya. The purpose of this study is therefore to fill this gap in knowledge by answering the questions: "What are the strategic planning practices adopted by the firms in the telecommunication sector in Kenya?", "What are the factors that influence the strategic planning practices adopted by the firms in the telecommunication sector in Kenya?" and "Which measures are taken by the firms in the telecommunication sector in Kenya to deal with the challenges facing the implementation of strategic planning practices adopted in enhancing growth and performance?"

1.3 Research Objectives

The specific objective of the study is to analyze the strategic planning practices in the Telecommunication industry in Kenya. The specific objectives of the study are:

i. To determine the strategic planning practices adopted by firms in the telecommunication industry in Kenya;
ii. To establish the factors that influence the strategic planning practices adopted by the firms in the telecommunication industry in Kenya;
iii. To determine the challenges encountered and measures taken by firms in the telecommunication industry in Kenya to deal with these challenges facing the implementation of strategic planning practices.

1.4 Value of the Study

This study will be a light and source of knowledge to a variety of stakeholders. These include the government, CCK, telecommunication service providers and the scholars. To the Communication commission of Kenya the study will provide useful information on the effect of strategic planning practices the growth and performance and policies on the market dynamics of the communication services. This will help them in making sound polices which promote use of communication services in Kenya among the telecommunication service providers.

The findings may be used as a way of maintaining or improving service delivery and efficiency. Public managers may adopt these practices expecting to improve the effectiveness and efficiency of their organizations and accrue benefits similar to those produced or advertised in the private sector.

To the scholars this study will add value to the existing body of information on the telecommunication industry and act as future reference for scholars and academicians.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the available literature related to strategic planning practices especially those adopted in the telecommunication sector in Kenya. It covers theoretical foundation of the study, resource dependence theory, resource based theory, Strategic planning (practices, factors influencing and challenges).

2.2 Theoretical Foundation of the Study

Strategy is the fundamental pattern of present and planned objectives, resource developments and interactions of an organization with markets, competitors and other environmental factors, (Mullins,Walker,Boyd&Larréché,2002).For this reason, a good strategy should always specify: a)What is to be accomplished; b)where–the product, markets, or industries that are to be focused, and; c)how–resources and activities that will be allocated to each market / product to gain a sustainable competitive advantage. Organizationsdefinetheirobjectivesandstrategiesthroughtheprocessofstrategicplanningthat shouldbelong-termfocused.Strategicplanninginvolvesactivitiesthatleadtothedevelopmentofawell-statedorganizationalmission,objectiveandstrategiesthatguidethecompany towards the achievement of itsobjectives, (Hofer & Schendel, 1978).

2.2.1 The Resource Dependence Theory

Resource dependence theory (RDT) is the study of how the external resources of organizations affect the behavior of the organization. The procurement of external resources is an important tenet of both the strategic and tactical management of any company. Nevertheless, a theory of the consequences of this importance was not formalized until the 1970s, with the publication of *The External Control of Organizations: A Resource Dependence Perspective (Pfeffer and Salancik 1978)*. Resource dependence theory has implications regarding the optimal divisional structure of organizations, recruitment of board members and employees, production strategies, contract structure, external organizational links and many other aspects of organizational strategy. The basic argument of resource dependence theory can be summarized as: organizations depend on resources. These resources ultimately originate from an organization's environment. The environment to a considerable extent contains other organizations, the resources one organization needs are thus often in the hand of other organizations. Resources are a basis of power and legally independent organizations can therefore depend on each other. Power and resource dependence are directly linked that is, organization A's power over organization B is equal to organization B's dependence on organization A's resources and that power is thus relational, situational and potentially mutual.

Organizations depend on multidimensional resources; labor, capital and raw material. Organizations may not be able to come out with countervailing initiatives for all these multiple resources. Hence, organization should move through the principle of criticality and principle of scarcity. Critical resources are those the organization must have to function. For example, a burger outlet can't function without bread. Viewing an organization from the resource dependence basis, it may adopt various countervailing strategies, choosing to associate with more suppliers or integrate vertically or horizontally (Hillman et al. 2009).

Drees & Heugens (2013) are of the views that resource dependence concerns more on the external organizations that provide, distribute, finance and compete with a firm. Although executive decisions have more individual weight than non-executive decisions, in aggregate the latter have greater organizational impact. Thus customers are the ultimate resource on which companies depend.

2.2.2 Resource Based View

From the resource based view, it is evident that the firm is only surrounded by resources in form of labor, capital, raw material, and customers which it has to exploit competitively so as to be able to survive in its environment. The resource-based view (RBV) as a basis for a competitive advantage of a firm, lies primarily in the application of the bundle of these valuable interchangeable, intangible and tangible resources at the firm's disposal (Wernerfelt, 1984).To transform a short-run competitive advantage into a sustained competitive advantage requires that these resources are heterogeneous in nature and not perfectly mobile (Peteraf, 1993). Effectively, this translates into valuable resources that are neither perfectly imitable nor substitutable without great effort. If these conditions hold, Barney, (1996), claims that the bundle of resources can sustain the firm's above average returns.

A resource-based view of a firm explains its ability to deliver sustainable competitive advantage when resources are managed such that their outcomes cannot be imitated by competitors, which ultimately creates a competitive barrier (Crook et al., 2008). RBV explains that a firm's sustainable competitive advantage is reached by virtue of unique resources being rare, valuable, inimitable, non-tradable and non-substitutable as well as firm-specific (Barney 1996a). These authors write about the fact that a firm may reach a sustainable competitive advantage through unique resources which it holds and these resources cannot be easily bought, transferred or copied and simultaneously, they add value to a firm while being rare. It also highlights the fact that not all resources of a firm may contribute to a firm's sustainable competitive advantage. RBV is focused on the factors that cause these differences to prevail (Mahoney & Pandian, 1992).

Given that although a competitive advantage has the ability to become sustained, this is not necessarily the case since a competing firm can enter the market with a resource that has the ability to invalidate the prior firm's competitive advantage, which results in reduced (read: normal) rents (Barney, 1986a). RBV views that sustainability in the context of a sustainable competitive advantage is independent with regard to the time frame. Rather, a competitive advantage is sustainable when the efforts by competitors to render the competitive advantage redundant have ceased (Rumelt, 1984). When the imitative actions have come to an end without disrupting the firm's competitive advantage, the firm's strategy can be called sustainable. Therefore, RBV views a successful firm's strategy as that which is able to sustain competitive advantage.

2.3 The Concept of Strategy

Strategy is an essential part of any effective business plan. By using an effective competitive strategy, an organization finds its industry's niche and learns about its customers (Porter, 1980). Porter (1985), asserts that there are three basic business strategies; differentiation, cost leadership, and focus. Companies perform best by choosing one strategy on which to concentrate. However, many researchers feel a combination of these strategies may offer a company the best chance to achieve a competitive advantage (Hlavacka *et al.*, 2001). Whatever strategy a business chooses, it must fit within the company and its goals and objectives to gain a competitive advantage.

Pearce and Robinson offered the management field the grand strategies often called master or business strategies which provide basic direction for strategic actions. According to Pearce and Robinson (2000), the fifteen principals of grand strategies are: concentrate growth, market development, product development, innovation, horizontal integration, vertical integration, concentric diversification, conglomerate diversification, turnaround, divestiture, liquidation, bankruptcy, joint ventures, strategic alliances and consortia. Any of these strategies could serve as the basis for achieving the major long-term objectives of a single firm. However, a firm involved with multiple industries, businesses, product lines or customer groups usually combines several grand strategies.

2.4Strategic Planning Practices

It has been pointed in the introduction that many researchers have been conducted in the literature from this area where the influence of different factors on the incidence of strategic planning has been examined. All these factors have been categorized by different criteria, and different results on the individual influence of each strategic planning factor have been determined. In the research conducted by Gibson and Cassar (2002), the impact of the business structure factors and management structure factors on the strategic planning practice has been measured. This research suggests that the business size, measured by the number of employees and revenues, the management training, the intention to change the operation and the major decision makers' on education and experience appear to have a significant association with the planning. Although business age and industry type affect the planning, this relationship is much weaker than the univariate analysis suggests. Falshaw and Glaister (2006), finds that the firm size, industry type and environmental turbulence, leads to a more formalized planning system. Geller (2007), demonstrated a significant correlation between the size of a company, clarity (the expression of purpose and shared values through a mission statement for the company) and the formalized strategic plan. Matthews and Scott (1995), suggest that "entrepreneurial firms engage in more sophisticated planning than small firms and that in both types of firms as perception of environmental uncertainty increases strategic and operational planning decrease". Risseeuw and Masurel (1994), find that planning intensity increases with environmental complexity and firm size and planning intensity decreases with firm's age and specialization rate.

2.5Factors Influencing Strategic Planning Practices

In consideration of many factors that influence the strategic planning practice, as well as the limited range of different research in this subject, wider list of factors on the strategic planning practice are categorized in three groups: demographic factors (business size, business age, industry type and business ownership), management structure factors (specialization rate, intention to change the operations, use of outside and inside funding sources and business flexibility) and environmental factors (environmental dynamics).

2.5.1 Demographic Factors

Business size is demographic factor or a business structure factor which has been very frequently used in research from this area and whose influence on strategic planning has been examined. Frederickson and Mitchell (1984), points out that the greater available resources (staff, expertise and time) and increased internal differentiation lead to increased planning. In their research they managed to confirm the positive association between business size and business planning. The positive relationship between business size and strategic planning has also been verified in other research from this area (Risseeuw and Masurel, 1994; Geller, 2007; Falshaw and Glaister, 2006).

Business age is another demographic variable that has been frequently used in these types of studies. Gibson and Cassar (2002), finds significant correlation between business age and strategic planning but in two out of three sample years. However, rather than the linearly decreasing relationship expected in their study, the results suggest a U-shaped relationship between age and planning, with both relatively young firms and relatively old firms more likely to plan. Risseeuw and Masurel (1994), in their research explain that there are reasons to assume that very young firms show higher planning intensity. “Entrepreneurs enforce their solvency by making a business plan. When a firm has proven its viability, it builds equity by retaining earnings and thus becomes less dependent on loans or venture capital”.

Due to the influence of specific environmental factors in different sectors (industry types) in the economy, the enterprises from different industries could manifest differences in the planning behavior. Berman et al. (1997) examined the relationship between business growth and planning they found out that production enterprises differ from other enterprises in the economy since only in this industry type significant association has been indicated.

2.5.2 Management Structure

The specialization rate is one of the management factors that refer to the scope of operations, activities, products or services in the enterprises' business portfolio. Risseeuw and Masurel (1994) stress that, "The wider the scope of a firm's activities, the stronger will be the need for internal adjustment of employees' activities. The more specialized a firm is, the more it can rely on daily routine and existing experience, and the lesser the need to make formal plans for an unknown future." This has been established by the research done by authors which tells that planning intensity decreases as the specialization rate increases. An intention to considerably change the firm's operations (business volume, new location, and new line of products or services) might be related to the planning activities. Gibson and Cassar (2002), points out that the firm's effort to enhance its capacity to cope with the future is one of the reasons for the presence of planning in the enterprises.

Also, enterprises engage in formalized strategic planning (preparation of strategic planning) when they plan to finance their investments by issuing shares or increasing equity stakes. Despite this consideration, the research of this author does not support statistically significant association between strategic planning and the use of outside funding sources.

Rudd et al. (2008) identify four types of business flexibility: Financial flexibility is the organizational ability to rapidly gain access to and deploy financial resources, structural flexibility is the organizational ability to rapidly restructure and technological flexibility is defined as the organizational ability to alter technological capacity in line with competitive requirements". In their study, these authors investigate the influence of strategic planning on these four flexibility types; the influence of flexibility on the non-financial, financial performance and the influence of flexibility on the mutual relationship between strategic planning and performance. In this study the joint influence of all four flexibility types will be measured, having in mind that enterprises with higher level of flexibility express greater readiness and ability to build internal capacity and to adjust to strategic changes in the external environment.

2.5.3 External Environment Factors

As Bracker and Pearson (1986) note, entrepreneurs who apply structural strategic planning could be better prepared for anticipating and coping with future change. Risseeuw and Enno (1994) in their research finds that uncertainty caused by environmental complexity has a positive influence on the planning sophistication, although this is not confirmed as statistically significant and that the planning intensity is highest in an environment that is perceived as moderately dynamic. Another group of authors give some counter arguments that increasing turbulence could lead to reduced reliance on formal planning systems and greater reliance on experience or other informal systems (Johnson and Scholes, 1997). Glaister et al. (2008) indicate that the correlation between planning and performance may be stronger in a turbulent environment, hence environmental turbulence leads to greater incidence, formalization and effectiveness of strategic planning.

2.6Challenges of Strategic Planning

Strategic plans frequently remain in the form of untouched documents, failing to materialize as a part of the firm or its people. Research indicates that 90% of organizations fail to effectively execute their strategic plans (Burnes, 2004). The reasons for this are varied, but most hinge on the fact that strategy implementation is resource intensive and challenging. Nonetheless, strategic planning remains a top priority among successful law firms, based on the fundamental notion that an effective strategy offers unique opportunities for market differentiation and long-term competitive advantage.

Other challenges includes: management inefficiencies as a result of the malpractices of the management teams given the mandate of implementing a strategic plan may cause its demise; frequently changing environment that causes changes in the operations of the firm such as through increased competition and/or an uneven competitive field, declining market share, low service/product quality and innovation; poorly staffed firms where the staff may not be ready to change so as to embrace the strategic plans especially due to cultural emphasis on workers' entitlements to the detriment of their obligations to the team and loss of competent staff to the first world; firm Management structure may be too rigid to change and may affect implementation of the strategic plans in which some are such that there are too many commanders but too few workers, autocratic and/or poor performance management; poorly debated risks and benefits which may arise due to poor strategy creation process hence creating strategies that are not fit to the firm's needs and position brought about by late and/or inaccurate information for decision-making; government regulation or deregulation or mal-regulation which may affect the initial plans of the implemented strategy hence forcing a strategic planner to go back to the drawing board since the strategy have to be within the government regulation; and, uncooperative stakeholders of the firm since the created strategy may not be acceptable to some part of the stakeholders such as customers or suppliers or employees, who would therefore fight instead of support it.

2.6.1 Dealing with Strategic Planning Challenges

Burnes, (2004) claims that the challenges observed above are mainly as a result of poor strategic planning creation process. Therefore, the main solution is the creation of a strategic plan that is perfect for the firm through prior collection of all the requisite information and involvement of all the stakeholders.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research methodology and concentrates on the research design, the target population, sample size and selection, data collection, and data analysis.

3.2 Research Design

According to Coopers and Schindler (2003), descriptive studies are more formalized and typically structured with clearly stated hypotheses or investigative questions. It serves a variety of research objectives such as descriptions of phenomenon or characteristics associated with a subject population, estimates of proportions of a population that have these characteristics and discovery of associations among different variables. This study therefore adopted a descriptive research design that is said to help researchers to describe the population using measures of central tendencies such as mean, mode and median as well as measures of dispersion and distribution (Mugenda and Mugenda, 2003).

3.3 Population of the Study

Mugenda and Mugenda (2003) described population as the entire group of individuals or items under consideration in any field of inquiry and have a common attribute. The population of interest in this study is composed of all the firms in the telecommunication industry in Kenya.

3.4 Sample Size and Selection

A simple random sampling technique was used to select a representative sample of the desired firms. Five of the telecommunication companies in Kenya were randomly selected to be representative of the other similar firms. The firms selected include, Jamii Telecommunications, Safaricom, Nokia Siemens Networks (NSN), Access Kenya and Bharti Airtel. A sample of five top management staff was selected from each of the five companies to represent human resource, finance, sales and marketing, procurement and information technology departments. The sample size for this study was therefore comprised of a total of 25 top management respondents.

3.5 Data Collection

The study used both primary and secondary data sources. The primary data was collected using questionnaires while the secondary data was collected from existing materials. Secondary, means "next after the first" or "derived" (Kinoti 1998). Hart, (2005) defines secondary data as data previously assembled for some project other than the one at hand.

The study mainly relied on primary data which was collected via questionnaires. The instrument was a semi-structured questionnaire having both open and close-ended questions in one questionnaire. Copper and Schindler (2003), state that structured questions necessitate getting as much information as possible from the limited space on the form. All the 25 respondents selected for this study filled the questionnaires offering their quantitative and qualitative views and experiences on strategic planning practices.

The questionnaires were administered to the respondents through drop and pick method, then the respondents were given time to fill, after which the filled questionnaires were collected within a period of three days and follow up made to ensure that there was an adequate completion rate.

3.6 Data Analysis

Since the instrument of choice for this research was a semi-structured questionnaire, data analysis had both quantitative and qualitative analysis. The quantitative analysis was done to establish the measures of central tendency that include the mean, mode, and median highlighting the key findings.The quantitative data was edited and coded into Statistical Package for Social Sciences (SPSS) for analysis. SPSS generated descriptive statistics such as frequencies, mean and standard deviation. The qualitative data was analyzed by means of content analysis. This process uses inductive reasoning, by which themes and categories emerge from the data through the researcher's careful examination and constant comparison (Patton, 2002).

Analyzed data was presented inform of frequencies, percentage, averages and measures of variation, such as the means, variances and standard deviation. Diagrammatically, the data will be presented in bar graphs, histograms, tables, and pie charts.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the findings of the study. Data analysis involved intensive analysis of primary data collected from the five selected firms in the telecommunication sector of Kenya. Since the analysis of both qualitative and quantitative data is applicable to this study, specific procedures for data analysis were adopted. A brief explanation accompanies each figure so as to make the findings more user-friendly and easy to understand.

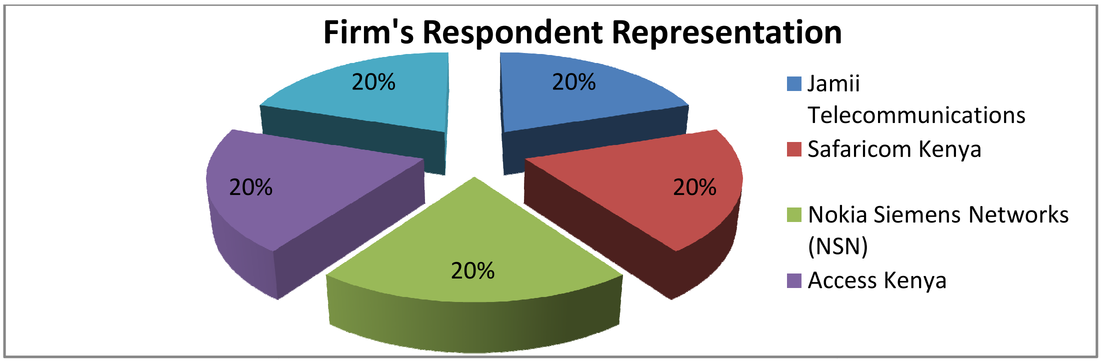
4.2 Demographic Characteristics

The study looked at various characteristics that were eminent from the area and sample of study. These characteristics are important in creating the profile of the respondents and showing the normality of the study group and sample and acts as evidence of the study's reliability and viability. These include the respondent and the firm characteristics.

4.2.1 Respondent Characteristic

The study was carried out in the Kenyan telecommunication sector. This sector has many players and a stratified sample was acquired from this population for the analysis. The study acquired its information from five senior employees of these companies who were observed to have all the requisite information for the study so as to eliminate information biases. The following were the characteristics of the study respondents.

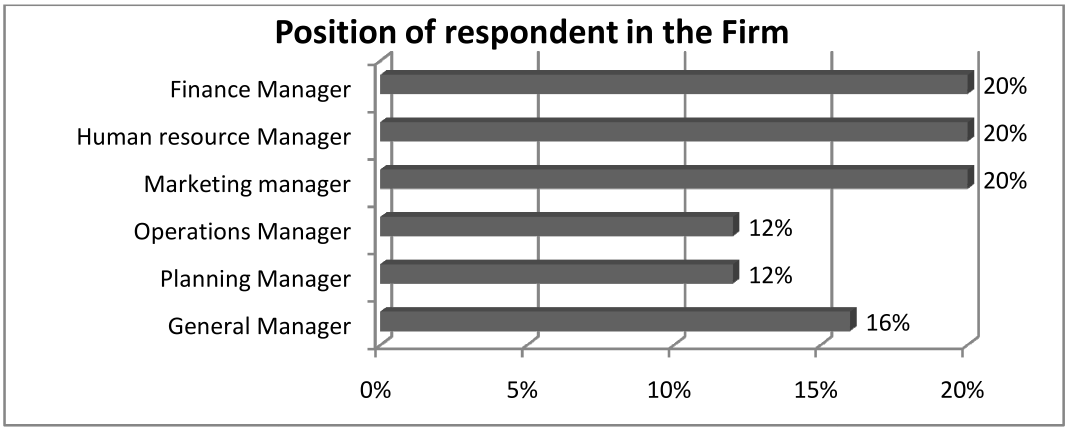
Figure 4.1: Firms representation in the study



Source: Research Data 2013.

The study acquired its information from a five firms in the telecommunication companies with each having a 20% representation in the study. The study used respondents from Jamii Telecommunications Company (20%), Safaricom Kenya (20%), Nokia Siemens Networks (20%), Access Kenya (20%), and Bharti Airtel (20%). The study realized 100% response rate in all the firms involved in the study, though it was noted it took longer to get the full respondent representation. The study also considered the position of the respondents in the firms and the following was the observations.

Figure 4.2: Position in the firm

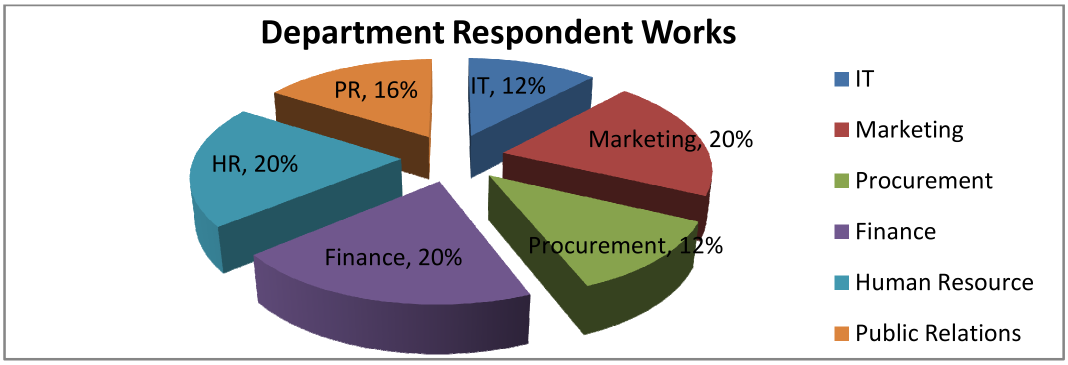


Source: Research Data 2013.

The study had respondents' representation of senior managers in the where the general managers were interviewed (16%), finance managers (20%), Human resources managers

(20%), marketing managers (20%), operations managers (12%), and planning managers (12%). This shows that the study had a cross sectional representation of each firm considered for the study and therefore may be said to be representative to all areas of the firm's operations. The study also considered the representation per department of the firms' different departments and the following was observed.

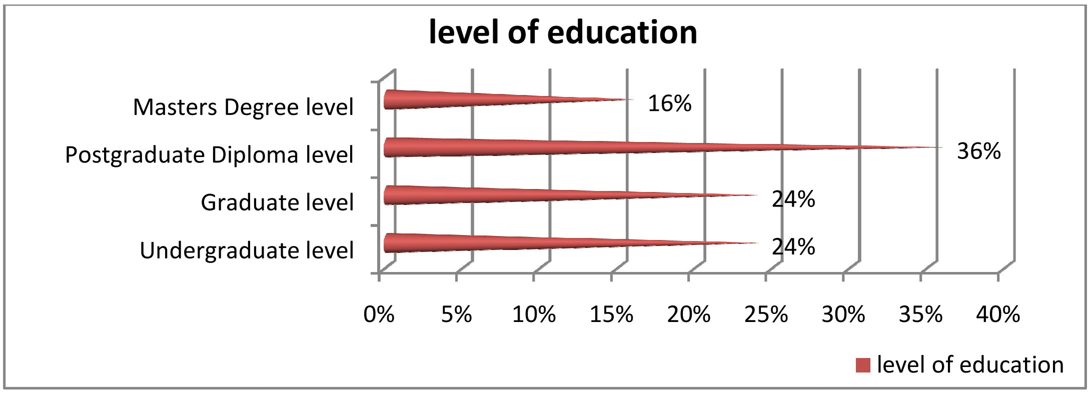
Figure 4.3: Departments of work for the respondents



Source: Research Data 2013.

The study in its endeavour to access the most reliable information sought the assistance of the respondents from different departments in the firms that were represented as 12% for IT department, 20% marketing department, 12% procurement department, 20% from finance departments, 20% from HR departments, and 20% from public relations department. The study also looked at the level of education of the respondents acquired and the figure below represents the findings of the study.

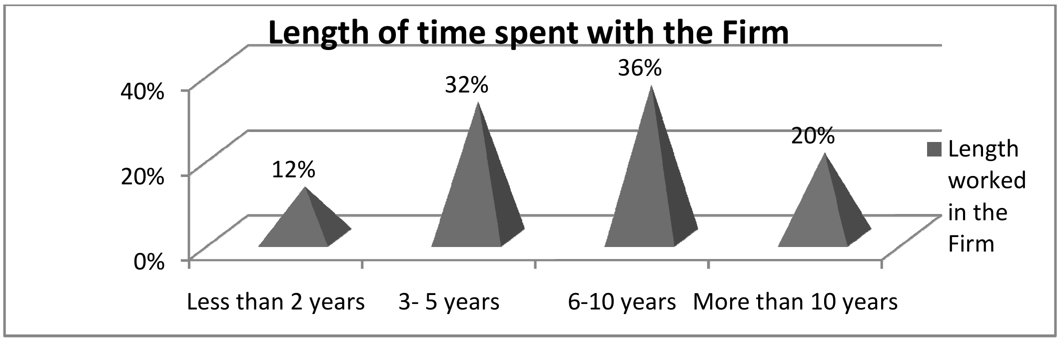
Figure 4.4: Level of Education



Source: Research Data 2013.

The level of education among the respondents were distributed such that 16% had made it to master degree level, 36% had acquired post graduate diplomas, 24% had gone up to graduate level and 24% were at the undergraduate degree level.This shows that the respondents were fully familiar with the concept of strategic management and practices and their information was reliable. The study also considered the length of service for the respondents within the firms to test their level of knowledge of the firm’s operations. The figure below shows the outcomes of the study.

Figure 4.5: length of service in the firm



Source: Research Data 2013.

The study found that 20% of the respondents had spent more than 10years with the firms they were working with, most of the respondents 36% had spent 6-10 years, 32% had spent 3-5 years, while only 12% had spent less than 2 years.

4.2.2 The Firms' Background

The study looked at the major areas of operations of the firms involved in the study. The study found the following to be the services offered by the firms.

Table 4.1: Area of Operation of the Firms and their Products

Company	Services	Infrastructure Used
Jamii Telecommunications (JTL)	data communications services to telecommunications operators, corporate, Media Houses and Government	terrestrial fiber optic cable, satellite and broadband wireless networks (Wimax)
Safaricom LTD	Internet service provision (Mobile, Wireless, & Fibre optic) Internet services (Cloud services) ; IT Hardware sales and promotions; voice & text communication services; Mobile money transfers; Internet Voice telecommunication	GSM 2G 3G Optic fibre Broadband HSPDA M PESA
Nokia Solutions Network (NSN) previously Nokia Siemens Network	Provision of telecommunication equipment; IPTV; Mobile backhaul; Mobile TV; Outsourcing; Unified charging and billing; WCDMA frequency reframing; Optical multiplexers; Surpass hiT	Optic fibers Telecommunication and networking equipment; Satellite Networks
Access Kenya	web hosting, collocation, disaster recovery, networking, software and IT services solutions; DCNO, Internet service provider (ISP), Public/Private Data Network Operator (PDNO), and Local Loop Operator	Data Management Optic Fiber networking Telecommunication and networking equipment
Bharti Airtel	Internet services provision (Mobile n Wireless) Voice services and Text Mobile money Transfer	GSM 3G HSDPA Airtel Money

Source: Research Data 2013.

The study found that the telecommunication firms that were involved in the study were diverse in nature and were representative to all the services that are provided within this sector. The five firms were found to be large corporate that serves the entire country and therefore have the capacity that requires them to have strategic management practices in the firms to guide their processes and procedures.

4.3 Research Findings

The study was carried out in five Kenyan telecommunication firms in which involvement of five senior management employees was sought from each company with representation from different working positions in the firms distributed as general managers, finance managers, human resource managers, marketing managers, operations managers, and planning managers. The five firms that were involved includes Jamii telecommunications, Safaricom Kenya, Nokia Siemens Networks, Access Kenya, and Bharti Airtel, all with equal representation which ensured the firm realize 100% response rate. Most of the respondents were from finance, human resource, and marketing departments while public relations, IT and procurement followed in that order. This ensured that there was cross sectional presentation of views from all areas of the firm and the study acquired the required views from the right person when collecting data. All the respondents were well educated with most having a postgraduate qualification level and the least level of education was at the degree level. This shows that the respondents had the capacity to understand the concept of strategic planning. Most had spent enough time with their firms to know all the firms' activities since it was observed that none of the respondents had spent an insignificant time period of less than 1 year, though a few (12%) had been with the firm for just one and half years which the study considered significant. This shows a representative sample of the telecommunication sector in Kenya was acquired for the study. The study investigated the strategic management practices carried out within the telecommunication industry in Kenya and the following were the outcomes of the study.

4.3.1 Strategic Planning practices in the Telecommunication sector

The study looked at different strategic practices that were observed to be operational in the five telecommunication companies. All the firms agreed that they have a five (5) year strategic planning periods and therefore their long term strategic plans run within five years. The study observed that in creation of a strategy, it is based on major areas of competitiveness in the firm and the following table shows the areas considered in creation of strategies in telecommunication industry.

Table 4.2: Area of operation of the firms and their products

	Resource based strategic response (Technological change)	Market based strategic response	Human resource (Departments with specialized strategic plans)	Time based strategic response	External environment based strategic response
YES	92%	92%	88%	88%	88%
NO	8%	8%	12%	12%	12%
Total	100%	100%	100%	100%	100%

Source: Research Data 2013.

The firms significantly agreed creating resource based, market based, Human resource needs based, time based, and external environment based strategic plans. The study therefore observes that the strategies employed in the telecommunication sector are all round as they integrate the resource needs, market conditions, human resource availability, external environment and the strategic planning period. These are therefore easy to operationalize, can be easily applied in all areas of the firm, and have concrete and reachable goals. The firms apply strategic planning in different ways as shown in the table below.

Table 4.3: Usage of strategic planning tools

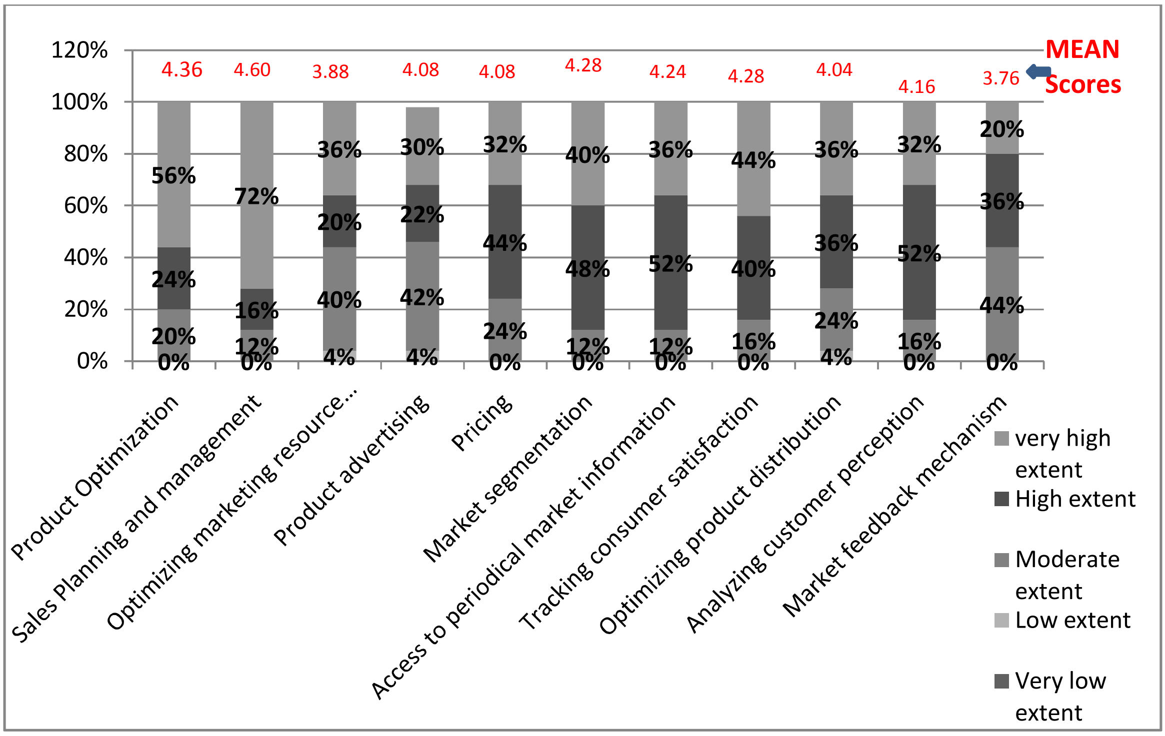
strategic planning as a tool for decision making or as a guide to better performance						
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Decision making tool	7	28%	28%	28%
	Performance Boosting	7	28%	28%	56%
	Both	11	44%	44%	100%
	Total	25	100%	100%	

Source: Research Data 2013.

The study found that 28% of the respondents apply strategic management as a decision making tool only while another 28% apply strategic management as a performance boosting tool. Of the respondents, 44% uses strategic management as a tool for both performance boosting as well as decision making.

The study looked at various strategic practices in the telecommunication sector where the respondents were to rate the extent of usage of the various practices using a five point Liker scale: 5) very high extent 4) high extent, 3) moderate extent, 2) low extent 1) very low extent. The study looked at the extent to which various strategic planning practices in the marketing section were applied in the telecommunication firms. The figure below shows the outcome of the analysis.

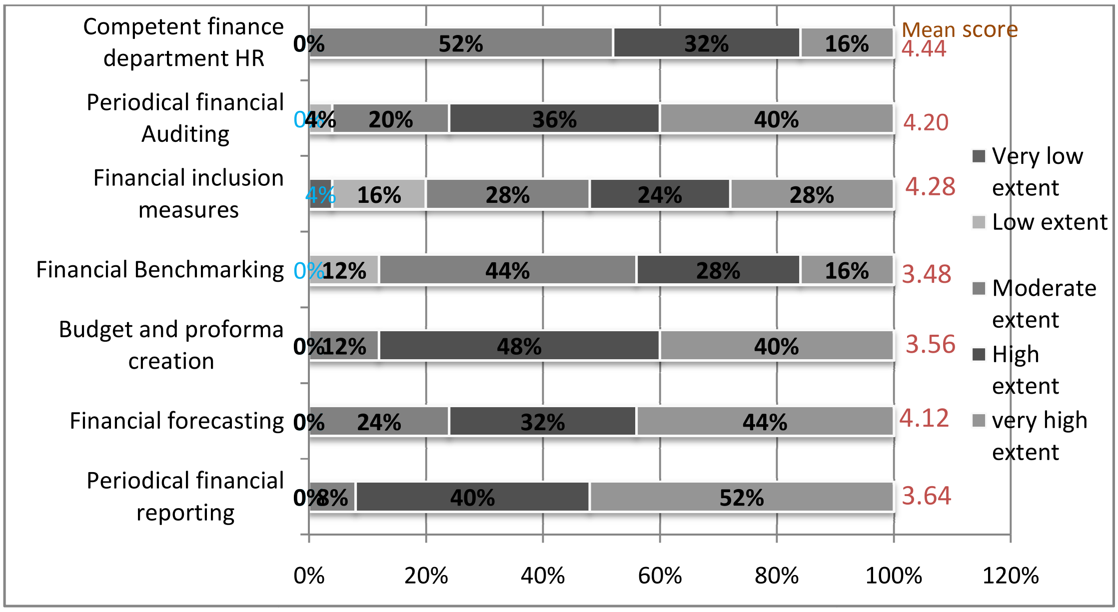
Figure 4.6: Marketing strategic practices



Source: Research Data 2013.

The study found that all the various strategic marketing practices were used to a high extent in the telecommunication industry. It was observed that product optimization is practiced to a high extent (mean score 4.36) in the telecommunication firms. Also, sales planning and management is practiced to a very high extent (mean score 4.60) while to a high extent, optimizing marketing resource allocation (3.88); product advertising (4.08); pricing (4.08); market segmentation (4.28); access to periodical market information (4.24); tracking consumer satisfaction (4.28); optimizing product distribution (4.04); analyzing customer perception (4.16); and market feedback mechanisms (3.76), are practiced in the Kenyan telecommunication sector. All these are major strategic planning practices in the marketing realm of all businesses that are geared towards better sales of their products and their usage in the sector shows their honor for strategic marketing. The study looked at the strategic practices in financial management and the figure below represents the findings of the study.

Figure 4.7: rate of usage of financial strategic practices



Source: Research Data 2013.

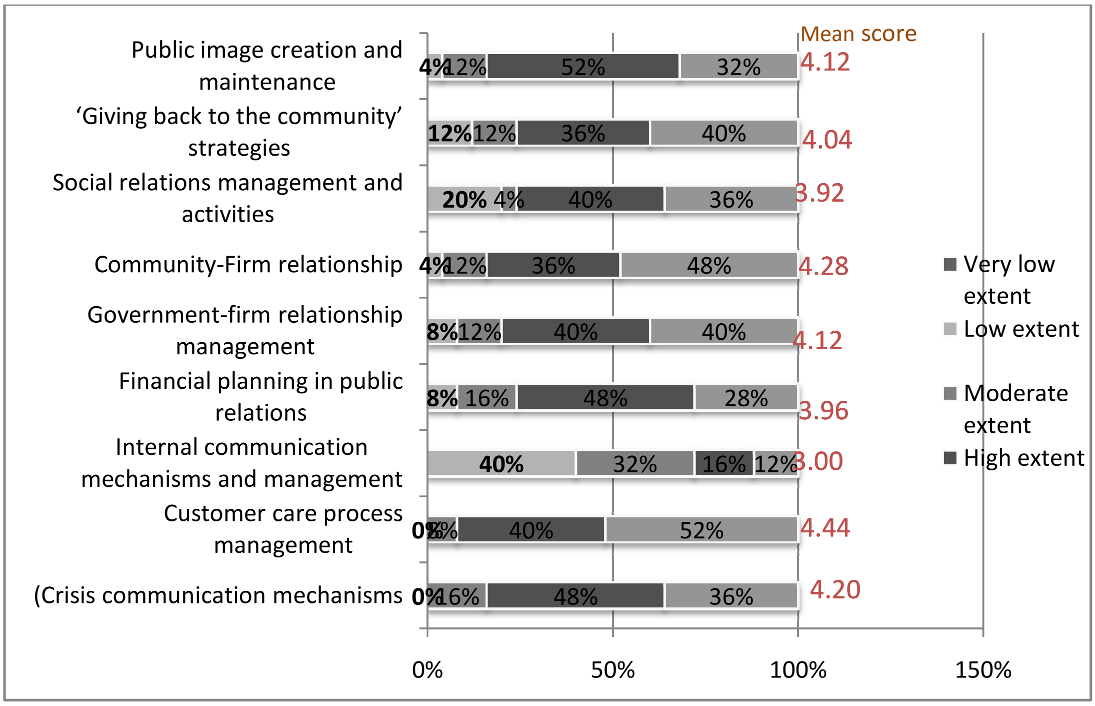
The study found that to a great extent, firms in the telecommunication sector apply the following financial strategic practices in their operations: competent finance HR sourcing (mean 4.44); periodical financial auditing (4.20); financial inclusion measures (4.28); budget and proforma creation (3.56); financial forecasting (4.12); and periodical financial reporting (3.64). The only moderately used financial strategic practice was financial benchmarking which had a mean score of (3.48) with a majority of the respondents (44%) applying this strategic practice to a moderate extent. The study therefore found that different strategic practices in financial management are very usual in the telecommunication sector and are widely used. The study also considered strategic human resource management practices in the sector and the following were the observations.

Figure 4.8: Rate of usage of Human resources strategic practices

Source: Research Data 2013.

The study found that to a very great extent integration of workforce into the organization (mean score 4.56) is practiced while employee welfare management (3.80); need based HR sourcing (4.28); management of psychosocial staff relationship (4.08); on-work training and development (4.48); career development and promotions (4.32); employee identification with the firm (3.56); internalization of workforce into the firm (4.24); and linking HR policies with strategic goals are practiced to a great extent and employee commitment management is practiced to a low extent in the industry. The study also looked at various public relations strategic practices and the following were the observations.

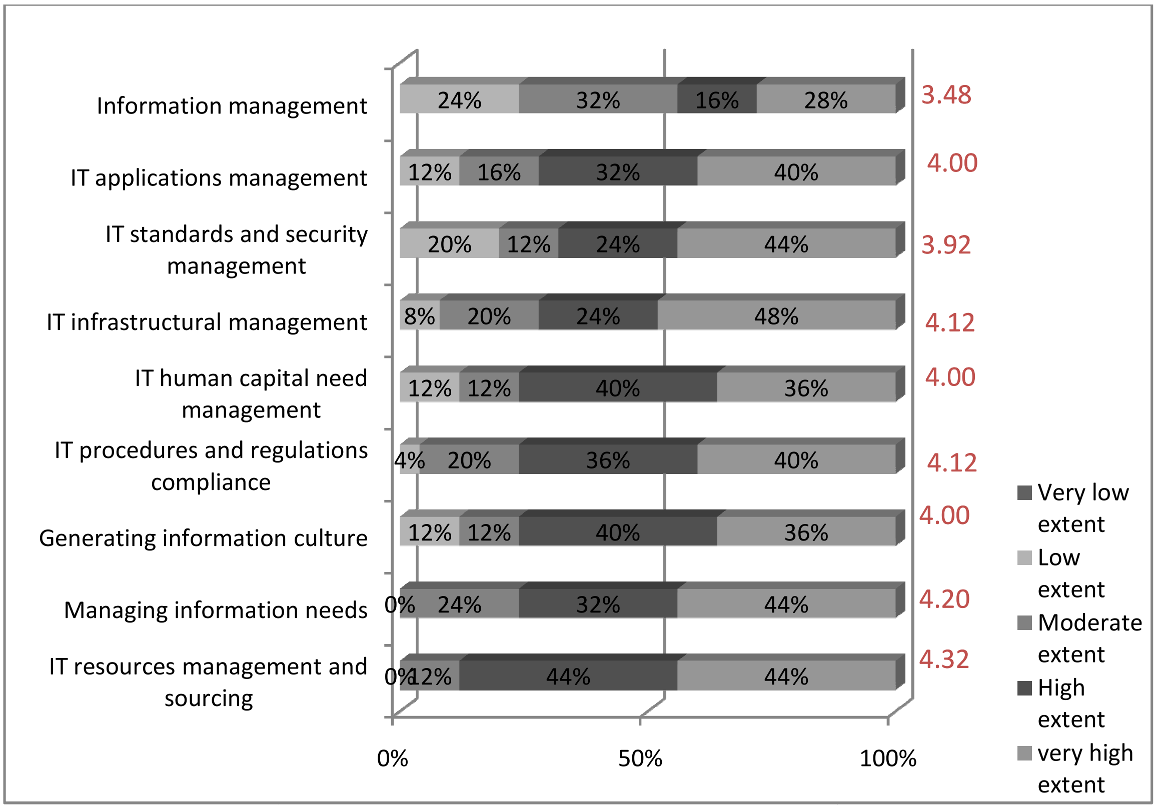
Figure 4.9: Rate of usage of public relations strategic practices



Source: Research Data 2013.

The study observed that various public relations strategies are used in the Telecommunication sector. The most widely used is customer care management (mean score 4.44), followed by community-firm relationship management (4.28), crisis communication mechanisms (4.20), government firm relationship management (4.12), public image creation and maintenance (4.12); social corporate responsibility-giving back to the community (4.04); and social relations management and activities (3.92) while internal communication mechanisms and management are moderately (3.00) applied in the firms. The study also looked at various strategic management practices applied in the information technology department. The following was observed from the analysis.

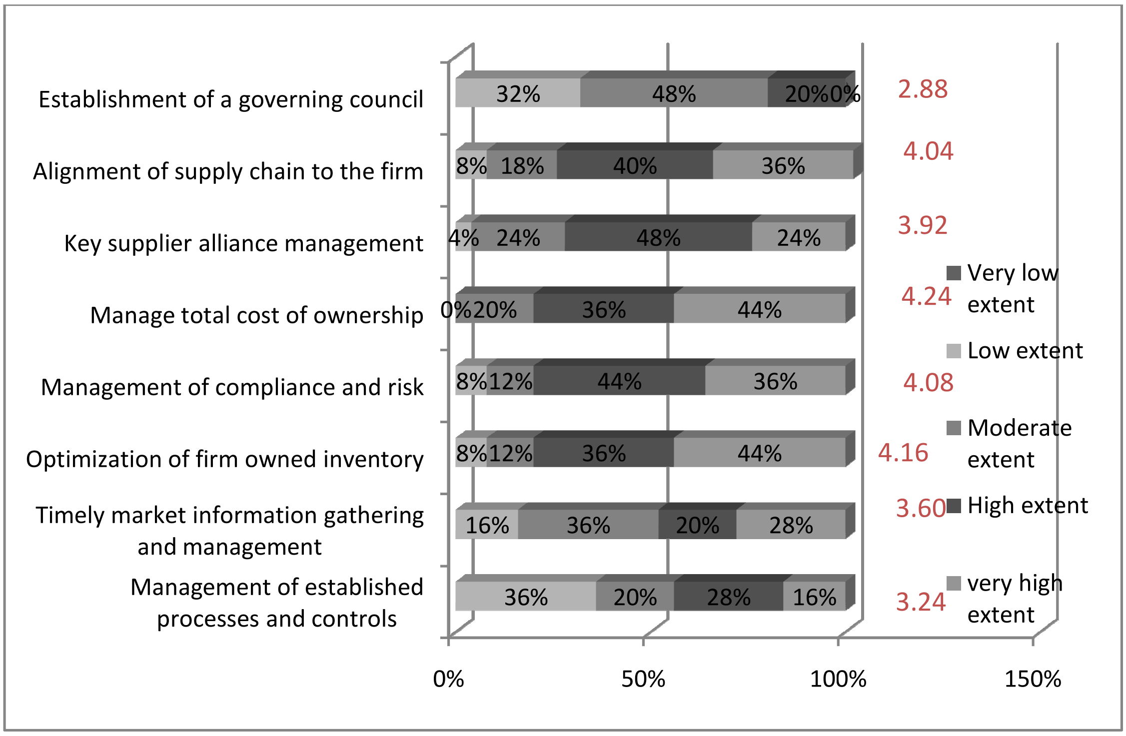
Figure 4.10: Rate of usage of IT management strategic practices



Source: Research Data 2013.

The study found that IT resource management and sourcing practices are most widely used among the telecommunication firms (mean score 4.32) followed by managing information needs (4.20), IT procedures and regulations compliance (4.12), IT infrastructural management (4.12), IT human capital need management (4.00), IT applications management (4.00), and IT standards and security management (3.92), while information management is practiced to a moderate extent (3.48) in the sector. The study also looked at the application of procurement strategic practices in the telecommunication firms. The study found that the most adopted strategic practice in procurement management is the management of total cost of ownership (4.24) followed by optimization of firm owned inventory (4.16), alignment of supply chain to the firm (4.04), key supplier alliance management (3.92), timely market information gathering and management (3.60), while to a moderate extent, management of established procurement processes and controls (3.24) and establishment of a governing council (2.88) are applied in the procurement processes. This information is presented in the figure below.

Figure 4.11: Rate of usage of procurement strategic practices

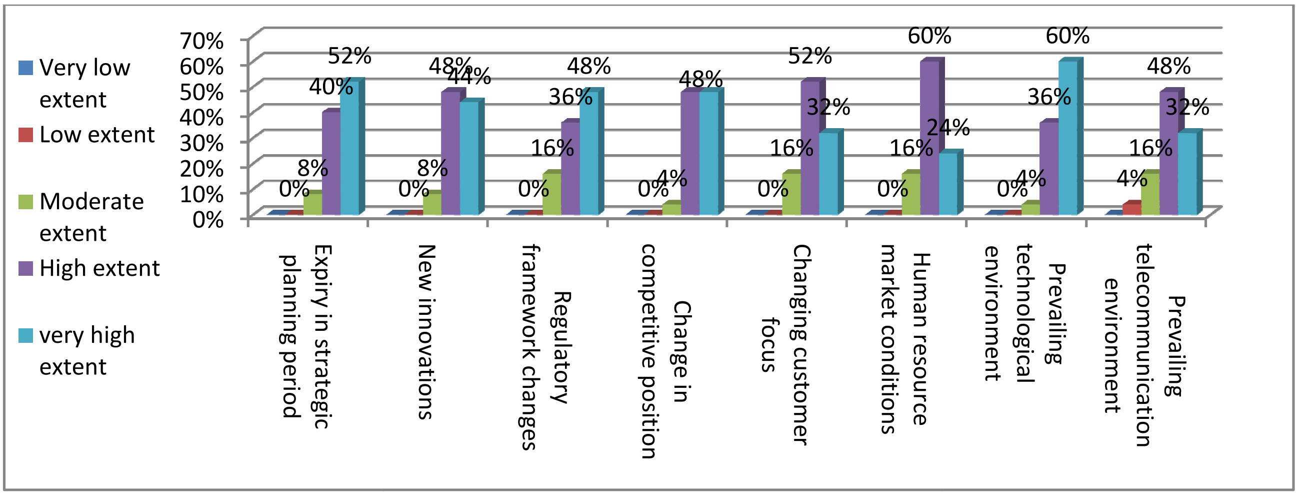


Source: Research Data 2013.

4.3.2 Factors that Influence Strategic Planning Practices in the Sector

This study looked at various factors that the telecommunication firms consider as signals of the need to change into a new strategic plan. The table below shows the outcomes of the study.

Figure 4.12: factors that signal strategic practices



Source: Research Data 2013.

The study found that to a very great extent, the prevailing telecommunication environment (mean score 4.56) indicates the need to change the strategic plans in the firm. To a great extent, prevailing technological environment (mean 4.08), expiry in strategic planning period (mean 4.44), new innovations (mean 4.36), regulatory framework changes (4.08), change in competitive position (mean 4.16), changing customer focus (mean 4.44), human resource market conditions (mean 4.32) were found to be factors that affects the strategic planning period with most of these being applied in changing from one strategic plan to another.

The study looked at various management factors that affect strategic management practices and the following table presents the findings of the study.

Table 4.4: Management factors affecting strategic planning practices

Management Factors	N	Minimum	Maximum	Mean	Std. Deviation
Area of Specialization (management factors affecting strategic planning practices)	25	3	5	4.44	.712
Scope of Operations (management factors affecting strategic planning practices)	25	2	5	4.12	.881
Telecommunication products and/or services (management factors affecting strategic planning practices)	25	3	5	4.40	.764
Management structure (management factors affecting strategic planning practices)	25	3	5	4.40	.577
Management process (management factors affecting strategic planning practices)	25	2	5	4.32	.852
Valid N (list wise)	25				

Source: Research Data 2013.

The study found that area of specialization of the management team to a large extent (4.44) affects the strategic management practices in the telecommunication sector. The same way does scope of operations (4.12), telecommunication products and/or services (4.40), management structure of the firm (4.40), and the management process (4.32) affect strategic management practices, which all affects it to a great extent. The study also looked at the demographic factors that affect strategic management in the telecommunication sector. The table below shows the outcomes of the study.

Table 4.5: Demographic factors affecting strategic planning practices

Internal factors	**N**	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
Age of business in the Kenyan telecommunication industry (demographic factors affecting strategic planning practices)	25	3	5	4.56	.583
Size of the firm (demographic factors affecting strategic planning practices)	25	3	5	4.48	.653
Number of staff in the firm their level of expertise (demographic factors affecting strategic planning practices)	25	2	5	3.68	1.108
Strategic planning periods (demographic factors affecting strategic planning practices)	25	2	5	2.92	1.115
Valid N (list wise)	25				

Source: Research Data 2013.

The study found that age of business in the Kenyan telecommunication industry to a very great extent (mean 4.56) affects strategic planning practices in the sector. It was also found that to a great extent, the size of the firm (mean 4.48) and number of staff in the firm and their level of expertise (mean 3.68) affects strategic management practices. The study found that strategic planning periods to a moderate extent affects strategic planning in telecommunication firms. The study also considered the external factors that affect strategic planning and the following were the observations from the study.

Table 4.6: External factors affecting strategic planning practices

External factors	N	Minimum	Maximum	Mean	Std. Deviation
High dependence on technology (external environment factors affecting strategic planning practices)	25	2	5	3.76	1.052
Competitive nature due to many entrant (external environment factors affecting strategic planning practices)	25	3	5	4.52	.586
High costs in implementing changes (Capital intensive) (external environment factors affecting strategic planning practices)	25	3	5	4.36	.757
Dependence on IT literacy in the country (external environment factors affecting strategic planning practices)	25	2	5	3.88	1.130
Rapidly changing operating environment (due to rapid changes in technology) (external environment factors affecting strategic planning practices)	25	2	5	4.28	.936
Intensive communication regulatory framework (external environment factors affecting strategic planning practices)	25	3	5	4.24	.663
Valid N (list wise)	25				

Source: Research Data 2013.

The study found that to a very great extent, competitive nature of the telecommunication sector due to many entrant (mean 4.52) affects strategic management practices, while to a great extent, high dependence on technology (3.76), high costs in implementing changes (4.36), dependence on IT literacy in the country (3.88), rapidly changing operating environment (4.28), and Intensive communication regulatory framework (4.24) affects strategic planning in telecommunication industry.

4.3.3 Challenges of Strategic Planning

The study looked into the challenges that the respondents face in the implementation and operating under the strategic plans and the following were their views. These are as given in the table below.

Table 4.7: Challenges in application of strategic planning practices

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
Challenges-(Complications in execution of the strategic plans)	25	2	5	3.44	1.193
Challenges-(Management inefficiencies)	25	2	5	3.48	1.005
Challenges-(Uncooperative stakeholders)	25	3	5	4.12	.726
Challenges-(Rapidly changing telecommunication environment)	25	3	5	4.32	.748
Challenges-(Poor staffing)	25	1	5	2.72	1.242
Challenges-(Rigidity/inability to change for a firm)	25	1	5	2.92	.997
Challenges-(Poorly created strategies)	25	1	3	2.12	.726
Challenges-(Government regulations/deregulations)	25	3	5	4.08	.759
Valid N (list wise)	25				

Source: Research Data 2013.

The study found that government regulations/ deregulations (4.08) and rapidly changing telecommunication environment (4.32), and uncooperative stakeholders (4.12) to a great extent are major challenges to strategic planning practices in the telecommunication sector especially due to the fact that the sector is highly regulated and many players in the industry. Others such as complications in execution of the strategic plans (3.44); management inefficiencies (3.48); poor staffing 2.72); rigidity/inability to change for a firm (2.92) were observed as moderate challenges in strategic planning in the sector while poorly created strategies was observed to be a challenge to strategic planning to a low extent therefore indicating that it might have very low impact on strategic planning.

These challenges were observed to be solvable through measures such as those presented in the table below.

Table 4.8: Counter Challenges Measures in Strategic planning practices

	N	Minimum	Maximum	Mean	Std. Deviation
Counter Challenges measures (Involvement of all stakeholders)	25	2	5	4.00	.866
Counter Challenges measures (Basing the strategy on complete and concrete information)	25	2	5	4.36	.810
Counter Challenges measures (Proper resource planning prior to implementation)	25	2	5	3.88	.881
Counter Challenges measures (Objective rather than subjective implementation process)	25	2	5	4.00	.866
Counter Challenges measures (Enough time for full strategy implementation)	25	2	5	4.04	.935
Counter Challenges measures (Periodical reviews and monitoring of the implementation process)	25	1	5	3.68	1.180
Counter Challenges measures (Ensuring flexibility in the strategies created)	25	3	5	4.16	.746
Valid N (list wise)	25				

Source: Research Data 2013.

The study found that the previously mentioned challenges can easily be solved by involvement of all stakeholders (4.00), Basing the strategy on complete and concrete information (4.36), Proper resource planning prior to implementation (3.88), Objective rather than subjective implementation process (4.00), Enough time for full strategy implementation (4.04), Periodical reviews and monitoring of the implementation process (3.68), and ensuring flexibility in the strategies created (4.16) to a great extent.

4.3.4 Effectiveness of strategic planning practices

The study looked into the effectiveness of the various strategic practices applied in the telecommunication sector and came up with the following findings from the analysis. The table below presents these findings from the study.

Table 4.9: Effectiveness of strategic planning practices

	N	Minimum	Maximum	Mean	Std. Deviation
Effectiveness of strategic planning (Meeting Organization's Goals)	25	2	5	3.88	.971
Effectiveness of strategic planning (Developing a sustainable competitive position)	25	3	5	4.36	.757
Effectiveness of strategic planning (Developing a shared vision for the organization)	25	2	5	3.64	1.075
Effectiveness of strategic planning (Fit between the external environment and the internal capabilities)	25	3	5	4.48	.653
Valid N (list wise)	25				

Source: Research Data 2013.

They study found that to a great extent, the strategic practices have been effective in meeting organizations goals (3.88), developing a sustainable competitive position (4.36), developing a shared vision for the organization (3.64), and acquiring a fit between the external environment and the internal capabilities in the firms (4.48). This shows that strategic planning is of great importance to the firms and supports the outcomes on the overall effectiveness of strategic planning as being very effective.

The respondents offered some of the benefits of strategic planning in the telecommunication sector in Kenya to include: Gain in efficiency in firm operations; increased productivity; better market penetration; intensive HR participation; better customer-firm relationship; eased internal processes; increased income/ profitability; gain of cost effectiveness, better conflict management measures and preparedness, Eased funding through concrete financial reporting; and reduced workload.

4.4 Discussion

The study investigated various strategic planning practices that are in existence within the telecommunication sector. These were divided into financial, marketing, HR, procurement, IT and public relations practices. Strategic financial practices were found to dominate the day to day operations of the sector. These were found to include competent finance HR sourcing; periodical financial auditing; financial inclusion measures; budget and proforma creation; financial forecasting; periodical financial reporting; and sometimes financial benchmarking. These practices bring about financial flexibility observed by Rudd et al. (2008) as important to build internal capacity and to adjust to strategic changes. These factors except on the importance of finance HR sourcing and financial inclusion were suggested in the study by Gibson and Cassar (2002) and Falshaw and Glaister (2006) who found them highly influential on the financial planning and performance of the firms. These strategic practices are aimed at optimizing financial management and performance in the firms and have been found to have been widely used in other sectors where they were found to immensely contribute to the efficiency of the firms as indicated by Bracker and Pearson, (1986), in their study on planning and financial performance of small, mature firms. It also found wide usage of strategic marketing practices such as product optimization; sales planning and management; optimizing marketing resource allocation; product advertising; pricing; market segmentation; access to periodical market information; tracking consumer satisfaction; optimizing product distribution; analyzing customer perception; and, market feedback mechanisms to in the marketing front of the sector. These among other methods have been found to have far reaching influence to the competitiveness of the firms as they were found to have direct influence to the market in various studies. Kandie (2001) for example identified some of these marketing practices as major contributors to the gain of competitiveness by Telkom Kenya Company. Ondongo (2008) brought out similar issues in his study on complexity considerations and market behavior. The study also found wide usage of various HR management strategies such as integration of workforce into the organization; employee welfare management; need based HR sourcing; management of psychosocial staff relationship; on-work training and development; career development and promotions; employee identification with the firm; internalization of workforce into the firm; and, linking HR policies with strategic goals, all which are well known to have very critical influence on the type of HR the firm acquires and the quality of its products and services. These practices are able to streamline the HR needs of the firm hence ensures efficiency in operations and processes as these have been identified in our reviewed literature to be linked to various strategic management practices. The study also supported Frederickson and Mitchell (1984), views that point out that the greater available resources (staff, expertise and time) and the increased internal differentiation lead to increased planning. The study upholds the resource based theory (Mahoney& Pandian, 1992) as it has stressed the importance of human resources in the firm. Also, the views are similar to Peteraf (1993) study findings that human resource is at the center stage in gaining competitive advantage for firms in his study' Cornerstones of Competitive Advantage: A Resource-Based View'. Various public relations practices such as customer care management: community-firm relationship management; public image creation and maintenance; social corporate responsibility-giving back to the community; and, the internal communication mechanisms management are used in the telecommunication sector. These are important practices as they ensure a good firm-environment relationship that ensures there are no obstacles from the environment that may affect the operations of the firm. Since the telecommunication sector is mainly IT dependent, this function is given very high importance and hence the firms strategically manages it by carrying out the practices such asIT resource management and sourcing; management of information needs; procedures and regulations compliance plans; IT infrastructural management; human capital need management; applications management; and, standards and security management. These observations are in contention to the findings of Loube, (2001) in his study the Institutional Conditions for Technological Change: Fiber to the Home, who concentrated on the IT application side but forgot the management side of the process, though it supports the views by Kandie (2001) who found IT human capital availability and standards and management to affect Telkom Kenya IT adoption strategy. This 0study adds up on previous studies to include IT infrastructure, procedures and regulations and IT resource management issues to the IT strategy issues. The procurement function in these firms was found to be strategically carried out through various practices such as cost of ownership management; optimization of firm owned inventory; alignment of supply chain to the firm; key supplier alliance management; timely market information gathering and management; management of established procurement processes and controls; and the establishment of procurement governing council, which ensure minimized purchasing costs while ensuring quality and efficiency in the purchase process. These findings are as observed by Greenley (1994) in his study Strategic planning and company performance: An appraisal of the empirical evidence, where various who found that procurement is an important strategic bearing that firms should capitalize on so as to acquire competitiveness. The study though went further to than Greenley did by concentrating into the individual procurement practices.

Various factors were found to affect strategic planning such as the prevailing telecommunication environment; prevailing technological environment; expiry in strategic planning period; new innovations; regulatory framework; in competitive position; customer focus; and human resource market conditions. These factors influence the applicability of the strategic practice and may signal the need to change a strategic plan as indicated by Risseeuw and Enno (1994) who found environmental complexity to have positive influence on the planning process. Others such as area of specialization; scope of operations; telecommunication products and/or services; management structure of the firm: and the management process adopted by the firm were found to stem from the management of the firm, age of business; size of the firm; number of staff in the firm and their level of expertise, and strategic planning periods were demographic in nature while competitive nature of the telecommunication sector; high dependence on technology; high costs in implementing changes; dependence on IT literacy in the country; rapidly changing operating environment; and intensive communication regulatory framework were found to stem from the external realm of the firms which Risseeuw and Enno (1994) claims that it causes uncertainty in the firm operations and hence have to be considered in strategic planning. All these factors were found to affect the creation process, the outcomes of the implementation and the length of the application period of the strategy and the strategic practices envisaged in the strategy. These factors being considered in strategic planning shows that the telecommunication sector operates in a turbulent environment that according to Glaister et al. (2008) leads to greater incidence, formalization and effectiveness of strategic planning.

Various challenges were found to affect strategic planning in telecommunication sector. These includes government regulations or deregulations; rapidly changing telecommunication environment; uncooperative stakeholders; complications in execution of the strategic plans; management inefficiencies; poor staffing; and the rigidity/inability to change for a firm; and, poorly created strategies. The study upholds the views by Burnes (2004) that showed failure to execute strategic plans as a major challenge but also added other challenges to the existing few known. All these challenges were found to be easily avoidable if at the creation stage there is availed adequate involvement of all stakeholders; creation of strategies based on complete and concrete information; proper resource planning prior to implementation; objective rather than subjective implementation process; allowing enough time for full strategy implementation; periodical reviews and monitoring of the implementation process; and also ensuring flexibility of the strategies created, part of what was suggested by Burnes (2004). Strategic planning practices are effective in that they help the firms in meeting their organization goals; in developing sustainable competitive positions; in developing a shared vision within the organization; and in acquiring a fit between the external environment and the internal capabilities of the firms as seen in the study. As observed by Kaplan, & Beinhocker, (2003), Rudd et al. (2008) among others, strategic planning practices were said to help the firm to gain efficiency by optimizing input and outputs, improving conflict management and preparedness, improving the firms' competitiveness and improving the profitability of the firms.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter covers the discussions on summary of findings that helps in developing conclusion and recommendations from the study outcomes. It also includes the suggestion of further research to cater for the areas that were not covered in this research but needs to be explained. The chapter is split into sections such as the summary of findings, conclusions and recommendations of the study and goes further to include suggestions for further research.

5.2 Summary of Findings

The study accessed information from firms that are near perfect representatives of the telecommunication sector in Kenya and also ensured cross sectional information sourcing from each of these firms with a normal respondents group that is representative at the firm level. The data collected for this study is therefore observed to be very reliable and can be used to generalize the strategic planning practices in telecommunication industry in Kenya. The following were the summary of the research findings upon which the conclusion and recommendations of the study were made.

The study set out to find the strategic planning practices adopted by firms in the telecommunication industry in Kenya and it observed that most of the firms in the telecommunication sector operate on five years strategic plans and the strategic plans are resource based, market based, time based (periodicity of the strategic planning), or external environment based. However some employs more than one area to base their strategy on. Strategic planning is found to be used as both decision making tool and performance boosting tool while only a few use it as either of the two. The study found that strategic planning practices in these firms are subdivided into marketing, financial, human resource, procurement and public relations strategic practices. The study found that in carrying out the marketing activities of the firms, the telecommunication firms encounter some of the following strategic management practices in their day to day operations that include: product optimization; sales planning and management; optimizing marketing resource allocation; product advertising; pricing; market segmentation; access to periodical market information; tracking consumer satisfaction; optimizing product distribution; analyzing customer perception; and, market feedback mechanisms. All these factors if well applied through a strong strategic plan would help the firm gain competitiveness in its marketing activities. The study found various financial practices employed in telecommunication firms to be strategic in nature and found the following to dominate the day to day operations of the firms in managing its financial realm that includes: competent finance HR sourcing; periodical financial auditing; financial inclusion measures; budget and proforma creation; financial forecasting; periodical financial reporting; and sometimes financial benchmarking. All these are strategic practices aimed at ensuring optimal financial management and performance in the firms. The study found that effective HR management practices have to be streamlined to the needs of the firm. The study found that various strategic planning practices are very typical in the field of human resource management which includes: integration of workforce into the organization; employee welfare management; need based HR sourcing; management of psychosocial staff relationship; on-work training and development; career development and promotions; employee identification with the firm; internalization of workforce into the firm; and, linking HR policies with strategic goals. All these practices are aimed at maximizing on the output from the HR in the firm and also extending a humane work environment for the workforce. This ensures that the firm is able to meet its HR needs and also maximize the output from existing HR.The study also found various public relations practices eminent in the telecommunication sector in Kenya to be strategic in nature that include: customer care management: community-firm relationship management; public image creation and maintenance; social corporate responsibility-giving back to the community; and, the internal communication mechanisms management. These practices ensure preparedness in crisis management and creation of a perfect image that positively affects the firm's market. These PR strategies were found to be widely used in the telecommunication sector in Kenya by the firm to attain competitiveness. Strategic practices in procurement were observed to be very critical in the operations of the procurement section of the telecommunication sector that were found to include: cost of ownership management; optimization of firm owned inventory; alignment of supply chain to the firm; key supplier alliance management; timely market information gathering and management; management of established procurement processes and controls; and the establishment of procurement governing council. All these practices allows the firms to strategically position itself in such a way that it can optimally benefit from the procurement process and their availability in these firms proved that the firms are highly competitive and able to operate in a competitive market as the telecommunication industry in Kenya. The study also looked at various strategic planning responses that are aimed at improving the performance of a firm in its information technology section. These includes: IT resource management and sourcing; management of information needs; procedures and regulations compliance plans; IT infrastructural management; human capital need management; applications management; and, standards and security management. All these practices are applied to instill a strategic plan response and are very crucial in the success of the IT section of these firms. All the above mentioned strategic practices were found to be widely experienced in the telecommunication sector in Kenya and they are also considered during strategic planning process. In the process of strategic management, the study found the following factors were agreed upon as to dictate the need to change from one strategic plan to another. The study found that the firms change their strategic plans whenever there arises a change in: the prevailing telecommunication environment; prevailing technological environment; expiry in strategic planning period; new innovations; regulatory framework; in competitive position; customer focus; and human resource market conditions.

The study also set out to find the factors influencing the strategic planning practices adopted by the firms in the telecommunication industry in Kenya and found the following factors to be highly influential to those practices within the firms. These factors were divided into management factors, demographic factors of the firm and the external environment of the firm.The study found some management factors that affect strategic planning in the telecommunication firms to include: area of specialization; scope of operations; telecommunication products and/or services; management structure of the firm: and the management process adopted by the firm. The demographic factors on the other hand were found to include: age of business; size of the firm; number of staff in the firm and their level of expertise; and also though moderately, strategic planning periods. Also, some external characteristics of the Telecommunication industry were found to have significant influence on the strategic practices of the firms. These were found to include: competitive nature of the telecommunication sector; high dependence on technology; high costs in implementing changes; dependence on IT literacy in the country; rapidly changing operating environment; and intensive communication regulatory framework.

The study also looked into the challenges affecting strategic planning and the strategic planning practices in the telecommunication sector and found that in the day to day operations of the firms using various strategic practices, the firms embraces different challenges. The study found the major challenges to include: government regulations/ deregulations; rapidly changing telecommunication environment; uncooperative stakeholders. Others encountered in moderation were observed to include: complications in execution of the strategic plans; management inefficiencies; poor staffing; and the rigidity/inability to change for a firm; while the least experienced challenge was observed to be poorly created strategies. It was realized that these challenges of strategic planning may be avoided if: at the creation stage there is availed adequate involvement of all stakeholders; strategies were created based on complete and concrete information; proper resource planning prior to implementation; objective rather than subjective implementation process; allowing enough time for full strategy implementation; periodical reviews and monitoring of the implementation process; and also ensuring flexibility of the strategies created.

In addition, the study looked at the effectiveness of strategic planning and found that strategic planning practices in the telecommunication industry are highly effective. The study found that strategic planning practices are effective in that they help the firms in meeting their organization goals; in developing sustainable competitive positions; in developing a shared vision within the organization; and in acquiring a fit between the external environment and the internal capabilities of the firms. The study also found that application of strategic management practices in the telecommunication firms is very beneficial in that it allows the firms to gain efficiency in firm operations, increase productivity, improve market penetration, ensure intensive HR participation in all firm's activities hence optimizing input, improves customer-firm relationship, eases internal processes, increases cost effectiveness, increases income and profitability, improves conflict management measures and preparedness, ease funding through concrete financial reporting, and reduces work load for the managers. The study therefore found that the strategic practices in telecommunication sector in Kenya to be very important for the success and competitiveness of the firms.

5.3 Conclusion

The study found that various strategic planning practices are applied on various departmental operations of the firms within the sector. The firms' strategic practices were stratified on major areas of operations with each area having some unique practices. The marketing department applies strategic practices such as product optimization; sales planning and management; optimizing marketing resource allocation; product advertising; pricing; market segmentation; access to periodical market information; tracking consumer satisfaction; optimizing product distribution; analyzing customer perception; and, market feedback mechanisms. The finance departments in the sector applies strategic planning practices such as competent finance HR sourcing; periodical financial auditing; financial inclusion measures; budget and proforma creation; financial forecasting; periodical financial reporting; and sometimes financial benchmarking. The HR realm of the sector applies strategic practices such as integration of workforce into the organization; employee welfare management; need based HR sourcing; management of psychosocial staff relationship; on-work training and development; career development and promotions; employee identification with the firm; internalization of workforce into the firm; and, linking HR policies with strategic goals. The PR realm of the sector on the other hand applies strategic practices such as customer care management: community-firm relationship management; public image creation and maintenance; social corporate responsibility-giving back to the community; and, the internal communication mechanisms management. The sector is highly dependent on the IT realm of the firm and hence their success may be highly attached to this part of their firms. The study found strategic practices in this section to include IT resource management and sourcing; management of information needs; procedures and regulations compliance plans; IT infrastructural management; human capital need management; applications management; and, standards and security management. Finally, the procurement functions in the firm were observed to possess the following strategic management practices such as cost of ownership management; optimization of firm owned inventory; alignment of supply chain to the firm; key supplier alliance management; timely market information gathering and management; management of established procurement processes and controls; and the establishment of procurement governing council. These strategic practices are very crucial to the firm's success in each and every one of their operations and their success is highly dependent on the application of these strategic plans.

It was observed that various factors affect strategic planning practice in the telecommunication sector. These include some management factors such as area of specialization; scope of operations; telecommunication products and/or services; management structure of the firm: and the management process adopted by the firm. Also some demographic factors were found such as age of business; size of the firm; number of staff in the firm and their level of expertise; and also though moderately, strategic planning periods. Some external environment factors such as competitive nature of the telecommunication sector; high dependence on technology; high costs in implementing changes; dependence on IT literacy in the country; rapidly changing operating environment; and intensive communication regulatory framework were found to affect strategic planning practices in these firms.

The study also looked at challenges that affect strategic planning practices in the sector and came up with a list of challenges that includes government regulations/ deregulations; rapidly changing telecommunication environment; uncooperative stakeholders, management inefficiencies; poor staffing; and the rigidity/inability to change for a firm. The study also found that firms can cushion themselves from the occurrence of these challenges through adequate involvement of all stakeholders; creation of strategies based on complete and concrete information; ensuring proper resource planning prior to implementation; objective rather than subjective implementation process; allowing enough time for full strategy implementation; periodical reviews and monitoring of the implementation process; and ensuring flexibility of the strategies created.

The strategic planning practices in the telecommunication sector was found to be highly beneficial to the firms in that they help the firms gain efficiency in firm operations, increases productivity, improve market penetration, ensure intensive HR participation in all firm's activities hence optimizing input, improves customer-firm relationship; ease internal processes; enhance cost effectiveness, increases income and profitability of the firms, improve conflict management measures and preparedness, eases funding through concrete financial reporting; and reduces work load for the managers. These benefits may arise singly while some of the benefits arise from gain of another benefit hence they are either primary benefits or secondary benefits.

The study therefore concludes that strategic planning practices are widely applied in the telecommunication sector where the firms that apply these practices benefits immensely from them. It can also be concluded that these strategic practices are departmentalized for better outcomes and have been effective in meeting intended outcomes within the firms in the sector. The study observes that though there are challenges involved in strategic planning in the sector, these challenges can be easily resolved at the strategic plan creation level where counter measures are observed so as to avoid the challenges.

5.4 Recommendations for Policy and Practice

The study observed that all the firms involved in the study were practicing strategic management. Due to the envisaged benefits of using these practices, the study recommends that all the firms in the telecommunication industry in Kenya should adopt strategic management so as to gain competitiveness in the sector and also so as to gain efficiency in operations and hence improve their profitability.

The study also found that at the helm of factors that affect strategic planning practices was government regulations and deregulations factor. The study therefore proposes that the government should ensure that there are no frequent changes in the sector regulations but rather offer constant periods for implementing new regulatory changes with which the firms would base their strategic planning periods so as to ensure that the firms do not embark in creating new strategies frequently, since the changes may affect their prior strategic plans.

The study also recommends the policy makers to create a concrete and easy to follow strategic planning model that the firms could follow since the study has observed that challenges in most of the strategic planning practices may be avoided at the strategy conception and creation stage by ensuring that the strategic plan created is comprehensive and competitive. The existing models are mainly international and none of these models are specific to the Telecommunication sector which is very unique compared to other firms.

5.5Limitations of the Study

The researcher encountered quite a number of challenges related to research and most particularly during the process of data collection. During the study, the researcher travelled to different companies to access the respondent. Some of the respondents had to be hard-pressed to assist with data collection. Many follow up calls had to be made to remind them. The study also faced time limitations. The duration that the study was to be conducted was limited hence exhaustive and extremely comprehensive research could not be carried on strategic planning practices. However, the researcher tried to conduct the study within the time frame that was specified.

5.6 Suggestions for Further Research

Since this study looked at the cross sectional level of the firms strategic practices, further study should be carried out in each of the specific departments and/or key areas of the firms in the telecommunication sector in Kenya to find further insights of the effects of strategic planning practices in these areas and to the rest of the firm. This would help the firms to know the most important areas in the firm that they would concentrate their strategies on so as to reap more in meeting their endeavors.

Since this study qualitatively assessed the effectiveness of strategic planning practices in the telecommunication sector, the study also recommends that further study should be done to quantify this effectiveness so as to give face and value to how effective strategic planning is to the telecommunication firms.

Further comparative research should also be done to compare the firms that have applied strategic planning in their operations and those that do not have them so as to bring further understanding of the importance of strategic planning practices in the telecommunication industry in Kenya.

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APPENDICES

Appendix i: List of the Firms in the Telecommunication Industry in Kenya

1) Ace Villa Development Co. Limited
2) Access Kenya Group
3) Africa One Ispeed Limited
4) Africa Online Limited
5) Alfa Solutions Limited
6) Afsat Communications
7) Airtel Kenya
8) Alphanet Communications Ltd
9) Ameriken Telnet Kenya Limited
10) Antel Telecommunications
11) Browse Internet Access Limited
12) Callkey (EA) Limited
13) Cam Communications Limited
14) Communication Solutions Limited
15) Copkenyan.Com Co Limited
16) Cybernatics Communications Ltd
17) Data Net Options Limited
18) Deep Africa
19) Dialnet Communication Systems Limited
20) Edgenet Limited
21) EDP Limited
22) Extreme Internet
23) EZSAT Africa Limited
24) Flexible Bandwidth Services Limited
25) Geonet Communications Limited   Nairobi
26) Global Broadband Solution Kenya Limited
27) Global Implementation Solutions Limited

28) i Way Africa
29) Inter Connect Limited
30) Internet Solutions
31) IPHONE Global Limited
32) ITNETS East Africa Limited
33) Jambo Telkom Limited
34) Jamii Telecommunications
35) Kasnet Internet Services Ltd
36) Karibu Networks Limited
37) Karibu Telecom Limited
38) Kenya Data Networks
39) Kenyaweb.Com
40) Liam Telecommunications Limited
41) Meteor Millennium
42) Mitsuminet (K) Limited
43) Mount Kenya Online Limited
44) MTN Business
45) My ISP Limited
46) Nairobinet (K) Limited
47) Neotis Kenya Limited
48) Niltel Kenya Limited
49) Nirali Enterprises Limited
50) Nokia Siemens Networks (NSN),
51) Orange Kenya
52) Pace Setters Communication Network
53) Philotronic Limited
54) PwaniTelecomms Limited
55) Rasmilink
56) Safaricom Ltd
57) Sahannet Limited
58) Sky Connection Limited

59) Skyweb Technologies Limited
60) Swift Global (Kenya) Limited
61) Tangerine Ltd
62) Texada Limited
63) Telkom Kenya
64) Todays Online Limited
65) UUNET Kenya Limited
66) Visionlab Communications
67) Virtualsat Limited
68) Wananchi Online Limited
69) Web Engineering Limited
70) Webrunner Limited
71) Yu Essar

Source: Communication Commission of Kenyawebsite(*http://www.cck.go.ke/licensing/telecoms.pdf*)

Appendix iii: Research Questionnaire

The following sections provide sample questions to be used in evaluating strategic practices by the firms in the telecommunication sector in Kenya especially in relation to changes in operating environment. Please fill the questionnaire in the spaces provided. Your participation is highly appreciated.

Part A: Demographic Background

1. Which firm do you work in?

Jamii Telecommunications	[ ]
Safaricom Kenya	[ ]
Nokia Siemens Networks (NSN)	[ ]
Access Kenya	[ ]
Bharti Airtel	[ ]

2. Please indicate your position in the firm in the space provided

Chief Executive Officer, (CEO)	[ ]
Managing Director	[ ]
General Manager	[ ]
Planning Manager	[ ]
Operations Manager	[ ]
Marketing manager	[ ]
Human resource Manager	[ ]
Finance Manager	[ ]

3. Which department do you work in?

IT	[ ]
Marketing	[ ]
Procurement	[ ]
Finance	[ ]
Human resource	[ ]
Public Relations	[ ]

4. Please indicate your level of education

Certificate level [ ]

Diploma level [ ]

Undergraduate level [ ]

Graduate level [ ]

Postgraduate Diploma level [ ]

Master Degree level [ ]

PhD Level [ ]

5. How long have you worked in this telecommunication firm?

Less than 2 years [ ]

3- 5 years [ ]

6-10 years [ ]

More than 10 years [ ]

6. What products and or services do your firm offer to your customers?

……………………………………………………………………………………………

……………………………………………………………………………………………

……………………………………………………………………………………………

7. What is your long term strategic planning period?

After every one year [ ]

After every two years [ ]

After every three years [ ]

After every four years [ ]

After every five years [ ]

After every six and above years [ ]

8. What strategic planning response do you use in strategic plan creation?

Resource based strategic response (Technological change) [ ]

Market based strategic response [ ]

Time based strategic response [ ]

External environment based strategic response [ ]

9. Does your firm use strategic planning as a tool for decision making or as a guide to better performance?

a). Decision making tool [ ]

b). Performance Boosting tool [ ]

Part B: Strategic Planning Practices

10. Rate the extent to which the following strategic marketing practices are applied in your firm operations? Base your answer on a five point Likert scale: 5) very high extent 4) high extent, 3) moderate extent, 2) low extent 1) very low extent

Sn.		**Very high extent**	**High extent**	**Moderate**	**Low extent**	**Very low**
a	Product Optimization					
b	Sales Planning and management					
c	Optimizing marketing resource allocation					
d	Product advertising					
e	Pricing					
f	Market segmentation					
g	Access to periodical market information					
h	Tracking consumer satisfaction					
i	Optimizing product distribution					
j	Analyzing customer perception					
k	Market feedback mechanism					

11. Rate the extent to which the following strategic financial management practices are applied in your firm operations? Base your answer on a five point Likert scale: 5) very high extent 4) high extent, 3) moderate extent, 2) low extent 1) very low extent

Sn.		Very high extent	High extent	Moderate	Low extent	Very low extent
a	Periodical financial reporting					
b	Financial forecasting					
c	Budget and proforma creation					
d	Financial Benchmarking					
e	Financial inclusion measures					
f	Periodical financial Auditing					
g	Competent finance department HR					

12. Rate the extent to which the following strategic Human Resource management practices are applied in your firm operations? Base your answer on a five point Likert scale: 5) very high extent 4) high extent, 3) moderate extent, 2) low extent 1) very low extent

Sn.		Very high	High exten	Moderate	Low exten	Very low
a	Linking HR policies with strategic goals					
b	Internalization of existing workforce					
c	Integration of workforce into the organization					
d	Employee commitment management					
e	Employee identification with Firm					
f	Career development and promotions process					
g	On work training and development					
h	Management of psycho-social staff relationships					
i	Recruitment process based on firm HR needs					
j	Need based HR sourcing					
k	Employee welfare management					

13. Rate the extent to which the following strategic public relations management practices are applied in your firm operations? Base your answer on a five point Likert scale: 5) very high extent 4) high extent, 3) moderate extent, 2) low extent 1) very low extent

Sn.		**Very high extent**	**High extent**	**Moderate extent**	**Low extent**	**Very low extent**
a	Crisis communication mechanisms					
b	Customer care process management					
c	Internal communication mechanisms and management					
d	Financial planning in public relations					
e	Government-firm relationship management					
f	Community-Firm relationship					
g	Social relations management and activities					
h	'Giving back to the community' strategies					
i	Public image creation and maintenance					

14. Rate the extent to which the following strategic information technology management practices are applied in your firm operations? Base your answer on a five point Likert scale: 5) very high extent 4) high extent, 3) moderate extent, 2) low extent 1) very low extent

Sn.		Very high extent	High extent	Moderate extent	Low extent	Very low extent
a	Information management					
b	IT applications management					
c	IT standards and security management					
d	IT infrastructural management					
e	IT human capital need management					
f	IT procedures and regulations compliance					
g	Generating information culture					
h	Managing information needs					
i	IT resources management and sourcing					

15. Rate the extent to which the following strategic procurement management practices are applied in your firm operations? Base your answer on a five point Likert scale: 5) very high extent 4) high extent, 3) moderate extent, 2) low extent 1) very low extent

Sn.		Very high extent	High extent	Moderate extent	Low extent	Very low extent
a	Establishment of a governing council					
b	Alignment of supply chain to the firm					
c	Key supplier alliance management					
d	Mange total cost of ownership					
e	Management of compliance and risk					
f	Optimization of firm owned inventory					
g	Timely market information gathering and management					
h	Management of established processes and controls					

Part C: Factors Affecting Strategic Planning Practices

16. To what extent do the following factors signal the need to for your firm to its change strategic plan? Base your answer on a five point Likert scale: 5) very high extent 4) high extent, 3) moderate extent, 2) low extent 1) very low extent

Sn.		**Very high extent**	**High**	**Moderate extent**	**Low**	**Very low extent**
a	Prevailing telecommunication environment					
b	Prevailing technological environment					
c	Human resource market conditions					
d	Changing customer focus					
e	Change in competitive position					
f	Regulatory framework changes					
g	New innovations					
h	Expiry in strategic planning period					

17. Rate the extent to which the following management factors affect strategic planning practices on a five point Likert scale where 5)very high extent 4) high extent, 3) moderate extent, 2)low extent, and 1) very low extent:

Sn.		**Very high extent**	**High extent**	**Moderate extent**	**Low extent**	**Very low extent**
a	Area of Specialization					
b	Scope of Operations					
c	Telecommunication products and/or services					
d	Management structure					
e	Management process					

18. Rate the extent to which the following demographic factors affect strategic planning practices on a five point Likert scale where 5)very high extent 4) high extent, 3) moderate extent, 2)low extent, and 1) very low extent:

Sn.		Very high	High	Moderate extent	Low	Very low extent
a	Age of business in the Kenyan telecommunication industry					
b	Size of the firm					
c	Number of staff in the firm their level of expertise					
d	Strategic planning periods					

19. Rate the extent to which the following external environment factors affecting strategic planning practices on a five point Likert scale where 5)very high extent 4) high extent, 3) moderate extent, 2)low extent, and 1) very low extent:

Sn.		Very high extent	High extent	Moderate extent	Low extent	Very low extent
a	High dependence on technology					
b	Competitive nature due to many entrant					
c	High costs in implementing changes (Capital intensive)					
d	Dependence on IT literacy in the country					
e	Rapidly changing operating environment (due to rapid changes in technology)					
f	Intensive communication regulatory framework					

20. To what extent has strategic planning affected the following areas of your firm on a five point Likert scale: 5) very high extent 4) high extent, 3) moderate extent, 2) low extent 1) very low extent

Sn.	**To what extent has strategic planning affected your firm's capability in:**	**Very high extent**	**High extent**	**Moderate extent**	**Low extent**	**Very low extent**
a	Meeting Organization's Goals?					
b	Developing a sustainable competitive position?					
c	Developing a shared vision for the organization?					
d	Fit between the external environment and the internal capabilities?					

Part D: Challenges and Measures of Strategic Planning

21. To what extent would you rate the following challenges as affecting the strategic planning practices in the telecommunication industry?

Sn.		**Very high extent**	**High extent**	**Moderate extent**	**Low extent**	**Very low extent**
a	Complications in execution of the strategic plans					
b	Management inefficiencies					
c	Uncooperative stakeholders					
d	Rapidly changing telecommunication environment					
e	Poor staffing					
f	Rigidity/inability to change for a firm					
g	Poorly created strategies					
h	Government regulations/deregulations					

22. To what extent do you feel the following factors may help one to avoid these challenges when carrying out strategic planning?

Sn.		Very high extent	High	Moderate extent	Low	Very low extent
a	Involvement of all stakeholders					
b	Basing the strategy on complete and concrete information					
c	Proper resource planning prior to implementation					
d	Objective rather than subjective implementation process					
e	Enough time for full strategy implementation					
f	Periodical reviews and monitoring of the implementation process					
g	Ensuring flexibility in the strategies created					

23. What benefits have you realized from employing different strategic planning practices in the management of your firm?

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THANK YOU FOR YOUR PARTICIPATION