

**THE ROLE OF STRATEGIC HUMAN RESOURCES MANAGEMENT IN
DEVELOPING COMPETITIVE ADVANTAGE IN THE
TELECOMMUNICATION INDUSTRY IN KENYA**

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DECLARATION

This research project is my original work and has not been presented for examination in any other university.

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This research project is submitted for examination with my approval as the university supervisor.

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DEDICATION

This project work is dedicated to my loving parents Mr. Jackson Gitau Muiruri and Mrs. Peris Wairimu Gitau whose words of encouragement, support, inspiration, push for tenacity ring in my ears, for instilling the importance of hardwork, higher education and for believing in their little girl for the myriad ways in which, throughout my life you have actively supported me in my determination to find and realise my potential. I would not have done this without you dad and mom. To my awesome and the most amazing husband Edwin Ng'ururu Gachuchu who has been a constant source of support, encouragement, and understanding and who remains willing to engage with the struggle and ensuing discomfort and is actively engaged in redefining and redesigning that role of a wife, to the competing demands of business, work, study and personal development. All for the debt unowed that can never be repaid, for always being in support of my full academic life.

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ABSTRACT

The changes in the business environment with increasing globalization, changing demographics of the workforce, increased focus on profitability through growth, technological changes, intellectual capital and the never ending changes that organizations are undergoing have led to increased importance of managing human resources. The main objective of the study was to determine the role of strategic human resource management in developing competitive advantage in the telecommunication industry in Kenya. Policy and decision makers at various levels of management may gain value added information on the human resource strategies that influence competitive advantage. This study employed a cross sectional study design. The target population for this study was the 4 leading telecommunication companies in Kenya i.e. Safaricom limited, Airtel Kenya, Yu mobile and Orange Kenya. Primary data was used in this study using an interview guide. The study found that although there are many ways by which companies can gain a competitive advantage, HRM practices enable telecommunication companies to gain a competitive advantage to a greater extent. So there appears to be a significant benefit from having HRM considerations represented in the strategy formulation stage rather than only in the implementation stage. The study therefore recommends that once the strategy is formulated and the appropriate HRM thrust identified, specific HRM practices need to be developed. These practices, such as staffing and compensation, are the ones that actually create the competitive advantage for the company. In addition, selection of the most appropriate practices should be appropriate to the strategy and lead to behaviors that are supportive of the strategy; for example, if cooperative behaviors are needed among employees, then group or organizational level compensation incentives should be provided rather than an individual-level incentive system.

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

Organizations are increasingly looking at human resources as a unique asset that can provide sustained competitive advantage. The changes in the business environment with increasing globalization, changing demographics of the workforce, increased focus on profitability through growth, technological changes, intellectual capital and the never ending changes that organizations are undergoing have led to increased importance of managing human resources (Devanna, Fombrum, & Tichy, 1981; Wright, 1998). A human resource (HR) department that is highly administrative and lacks strategic integration fails to provide the competitive advantage needed for survival, thus losing its relevance. Huselid and Becker, (1997), found that there were noticeable financial returns for organizations whose human resource management (HRM) systems have achieved operational excellence and are aligned with strategic business goals. According to Ulrich (1998), a major role of HR personnel is to become a strategic business partner. Youndt and Scott, (1996), find that firms employing HR practices according to the stated strategy are regarded as having better perceptual performance.

Singh, (2003), gives a broader approach to looking at strategic human resources management (SHRM) by integrating various functions and establishing the linkage of these functions with the business plan. It is important not only to identify HR competencies in concurrence with the business needs and to develop selection and development practices to secure those competencies, but also to evolve and implement a performance evaluation plan that links the performance of the employees to the strategic goals. Knowledge is important for organizational performance, and by implementing a human resource strategy to develop the knowledge worker and to retain the knowledge, a firm can understand how to create, transfer, and use it effectively to develop a competitive advantage.

As a result, knowledge has emerged as the most strategically significant resource of the firm (Grant, 1996) and is built into the very nature of the firm (Penrose, 1959).

Knowledge workers are not labour, they are capital (Drucker, 2002). The loyalty of knowledge workers and the ways to minimize turnover are critical management problems (Alvesson, 2000).

Corporate organizations in Kenya contribute around 16.3% to GDP and this has remained largely unchanged since 2004 (Kenya Economic Development report, 2009), and are faced with many challenges including rapid environmental changes, competition to provide innovative products and services, changing customer and investor demands, poor infrastructure and globalization. Therefore, they are also faced with major challenges of constantly improving their performance by reducing costs, enhancing quality and differentiating their products and services. The market environment in the country has been extremely turbulent during the past decade, and to maintain continuous success in the face of global competition, firms must identify and analyze environmental characteristics and develop strategies to meet changing market needs.

According to Kenya Economic Development Report (2009), corporate organizations in Kenya employ 25 % of the labour force and contribute over 16.3 % of Kenya's gross domestic product. The sector is also among the largest employers in Kenya in addition to the tax opportunities it presents. According to this report, the economies of most successful countries in the world originated from their successful business organizations which drive the economy of the country. These organizations need to respond to greater global imperatives and challenges to compete effectively in local and global markets.

1.1.1 Strategic Human Resource Management

Human resource management (HRM) involves all management decisions and practices that directly affect or influence the people, or human resources, who work for the organization. HRM is strategy-focused, i.e., by itself it is strategic in nature. HRM at strategic level is SHRM. (Kazmi, 2002)

Strategic Human Resource Management (SHRM) implies a concern with the ways in which HRM is crucial to organizational effectiveness. Miller, (1987), defines Strategic

Human Resource Management practice as the decisions and actions, which concern the management of employees at all, levels in the business, and is related to the implementation of strategies directed towards sustaining competitive advantage. Organizations are increasingly becoming aware of the importance of linking the organization's human resource practices to strategy that leads to greater performance (Youndt et al., 1996; Delery and Doyt, 1996). Wright, (1998), defines Strategic HRM that "centers on how organizations can improve their competitive performance by considering and utilizing their human resource more effectively."

Wright, (1998), defined Strategic HRM as "the pattern of planned human resource deployments and activities intended to enable the firm to achieve its goals." The definition implies four components to Strategic HRM. First, it focuses on a firm's human resources, which is the primary resource to be strategically leveraged as a source of competitive advantage. Second, the concept of activities highlights HR programs, policies and practices as a means by which people of the firm gain competitive advantage. Third, both the "pattern" and "plan" describe the goal and process of strategy, described as "fit." The definition has the people, practices, and planned pattern are all purposeful, in "goal achievement"

1.1.2 Competitive Advantage

Competitive advantage is probably the most popular business concept today (Mooney, 2007). As the building block of competitiveness, this concept was first described by Ansoff, (1965), as the properties of individual products/markets which will give the firm a strong competitive position. Uytendhoeven *et al*, (1973), referred to competitive advantages as the manner in which a firm applies its skills and resources to gain superior return on investment in a product market. The conceptual difference between competitive advantage and core advantage (Andrews, 1971), distinct advantage (Hitt and Ireland, 1985; Collis and Montgomery, 1995) or comparative advantages (Neil, 1986) is vague. Because this term is used to identify firm's advantages in dealing with market competition, it can be seen as coordinating and integrating all these different forms of specialized advantages.

The term competitive advantage has gained popularity because of the study of Michael Porter, a management and economics professor at Harvard Business School. The essence of his five forces model (Porter, 1980) is that the structure of an industry determines the state of competition within the industry. The five structural forces are direct rivals, the threat of new entrants, the bargaining power of buyers and suppliers and the impact of substitute products or services. They together determine the development of a competitive strategy.

Therefore, a firm has a competitive advantage when it creates more economic value than its rivals, and this competitive advantage in return will enable the firm to earn greater economic value than its competitors. The notion of competitive advantage is made more precise by equating it with added value because the added value ensures the chances of survival (Adner and Zemsky, 2006). The added value comes from a firm's high performance, therefore the link is created between high performance and competitive advantage (Greve, 2009).

1.1.3 Telecommunications Industry in Kenya

Telecommunications is the exchange of information over significant distances by electronic means. A complete, single telecommunications circuit consists of two stations, each equipped with a transmitter and a receiver. It means transmission between or among points specified by the subscriber, of information of the subscriber's choosing, without a change in the form or content of the information as sent or received (Laffont & Tirole, 2000). Telecommunications is also defined as forms of communications by electrical, optical, wire, cable and radio signals. The telecommunications business is not only a capital-intensive industry, in which access to capital is a key factor to ensuring the development and expansion of a robust network but, also, one in which management skills, competencies and the capabilities of qualified people are solid drivers in accelerating the expansion and sustainability of the businesses (Guislain & Qiang, 2006). In Kenya, the drive to deregulate and liberalize the market has led to attempts at more precise economic definitions of what constitutes a natural monopoly: taking cost as

exogenous. This has led to the opening of these markets, which previously were thought to be natural monopolies, to competition. Major ways of introducing competition into regulated utilities with different competitive potential, at each stage, was to separate the monopolistic and competitive components as different units. This approach has overcome, but not very effectively, the problem of a monopolist extending his monopoly power in the whole industry. However, this approach hinders realization of economies of scope and that of density (in telephony industry) that might be available for a firm undertaking several connected activities.

1.2 Research Problem

Wright, McMahan, and McWilliams, (1994), proposed that it is through the human resource capital pool and employee behavior that human resources can constitute a sustained competitive advantage. Thus, managers can implement human resource practices that can positively impact the knowledge creation process and, as a result, the strategic goals of the firm. A manager can use human resource practices such as developmental assignments, formal training opportunities, and compensation to create new tacit knowledge and new explicit knowledge, and to reduce tacit knowledge loss by reducing employee turnover. Given the dynamic environment and the criticality of knowledge workers, firms must have human resource practices that promote continuing skill development. Contemporary understanding of the market success of companies is linked to the concept of strategic competitiveness. Although often mentioned, strategic competitiveness for many managers is still a concept that is very complex with a spectacular question of “how to get it”. Namely, it is necessary to determine the manner in which the company becomes competitive and becomes the first and best on the market, and provides self – survival, growth and development. There are a growing number of managers who achieve competitive advantage due to human resources instead of using a particular technology, the availability of financial capital and the like. Therefore, today more and more attention is paid to the nature and characteristics of these resources.

Performance of telecommunications industry in Kenya being a knowledge-based industry depends on the organizations attracting, holding, and motivating knowledge workers

(CCK, 2013). According to CCK, (2013), developing unique human resource practices in the Kenya mobile telecommunication industry affect both the HR capital pool and the overall human resource behaviour towards achieving the organization's goals through developed and sustainable competitive advantages. In telecommunications industry Kenya, firm growth in the number of employees is an important aspect of competitive advantage. Human resources are a critical component in every area of the organization, from finance to sales to customer service to line management. Successful organizations do not isolate their "people programs". They consider them an integral part of their business strategy (Ndung'u, 2002). In response to fast-changing economic and technological environments in Kenya, the telecommunications companies are shifting to new organizational models characterized by flat hierarchies and highly autonomous teams. In such environments, aligning employees with the organization's strategy becomes even more critical at the very time when the traditional command-and control mechanisms for achieving that alignment are becoming less effective (Ndung'u, 2002). Dimba, (2009) studied the effect of strategic human resource management practices on organizational performance of manufacturing multinational companies in Kenya. Dorcas (2006) studied Strategic Human Resource Management practices among insurance Companies in Kenya.

Torrington, Hall, Taylor, Beardwell, Holden, Claydon and Dessler, (2004) gave their contribution to understanding human resources as a factor for competitive advantage. Beside them, many authors researched and wrote about management and human resources, for example Claydon and Dessler, (2004), emphasized the importance of staffing and human resources function. Also, Schultz believed that investment in human resources has several times the effects of investment in material resources. If companies are not investing in human resources at least as much as invests in other resources it will have little chance for success (Schultz, 1985). New employment and the introduction of new staff in the structure of the business or other organizational system, according to the rules of theory and practice of the organization, is focused on further development, improvement of efficiency and effectiveness in achieving the objectives of programmed business system or other social organizations (Vučenović and Leković, 1998).

As the number of knowledge workers increases in the workforce, human resource management plays a critical role in creating and engaging the critical knowledge required to sustain a competitive advantage. Drucker, (1993), maintains that knowledge workers are unlike previous generations of workers, not only in the high levels of education they have obtained, but also because in knowledge-based organizations, they own the organization's means of production, i.e., knowledge. The international economies are in the process of changing from a society based on industrial technology, organization, and values to one based on knowledge and information (Vega & Lacey, 1996).

Studies indicate that there is a relationship between employee socialization, conversion of explicit knowledge to tacit knowledge through formal training (knowledge creation) and human resource behaviour in creating and sustaining organization competitive advantage. Very few studies have been done on the role of strategic human resource in the telecommunication industry. The understanding in the telecommunication industry in Kenya about the relation between HRM as a strategic element in developing competitive advantage is not been developed. Therefore, this study aims to do so by answering the following question; what is the strategic role of human resources management in developing competitive advantage in the telecommunication industry in Kenya?

1.3 Research Objectives

To determine the role of strategic human resource management in developing competitive advantage in the telecommunication industry in Kenya

1.4 Value of the Study

Policy and decision makers at various levels of management will gain value added information on the human resource strategies that influence competitive advantage. For instance, the managers responsible for strategy may use the findings to formulate effective human resource systems to mitigate against the challenges while formulating and adopting human resource strategies.

Academics and business researchers will be able to borrow from the findings of this research to support literary citations as well as develop themes for further research.

Specifically, the study hopes to make theoretical, practical and methodological contributions. The findings will contribute to professional extension of existing knowledge in marketing strategy by helping to understand the current strategies adopted for competitive purposes and their effects on environmental response in various organizations in general.

Business people and entrepreneurs can use the findings from this research to aid them in implementing their human resource strategies. The findings will also enable the human resource department to understand how HR strategy and structure relationship contributes to a firm's competitiveness in a changing environment.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section draws on literature in the area of human resource strategies in response to competitive environment. Secondary material such as books, journals, and articles which carry previous research work on the study topic are analyzed. The material is of importance to this study as it forms a basis for observations which will be made during the study in line with the aims and objectives of the study.

2.2 Theoretical Foundation of the Study

The resource-based view of the firm has its roots in the organizational economics literature, where theories of profit and competition associated with the writings of Ricardo, (1817), Schumpeter, (1934), and Penrose, (1959), focus on the internal resources of the firm as the major determinant of competitive success. Central to the understanding of the resource based view of the firm are the definitions of resources, competitive advantage, and sustained competitive advantage.

According to Schumpeter, (1934), a resource is "anything which could be thought of as a strength or weakness of a given firm...those tangible assets which are tied semi permanently to the firm" Jenson, (1980), expands this definition to include "all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness" According to Hamish, (2003), resources fall into three categories: physical capital resources, human capital resources, and organizational capital resources. Physical capital resources consist of such things as the firm's plant and equipment, technology and geographic location. Human capital resources include such things as the experience, judgment, and intelligence of the individual managers and workers in the firm. Organizational capital resources consist of such things as the firm's structure, planning, controlling and coordinating systems, and the informal relations among groups within the firm and between the firm and other firms in its environment.

In the resource-based view of the firm, these resources are the sources of competitive advantage. Barney describes a competitive advantage as occurring "when a firm is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors" (Rumelt, 1991). According to the resource-based view of the firm, competitive advantage can only occur in situations of firm resource heterogeneity and firm resource immobility, and these assumptions serve to differentiate the resource-based model from the traditional strategic management model. Firm resource heterogeneity refers to the fact that resources vary across firms. In contrast, in the environmentally focused strategy model, firm resources are viewed as homogeneous across firms in an industry (Rumelt, 1991). Firm resource immobility refers to the inability of competing firms to obtain resources from other firms or resource markets. In the environmentally focused strategy model, resources are considered mobile in that firms can purchase or create resources held by competing firms.

2.3 Strategic Human Resource Management and Competitive Advantage

Wright and McMahan, (1992), defined strategic human resource management as "the pattern of planned human resource deployments and activities intended to enable the firm to achieve its goals". There are two assumptions implied in this definition. First, organizations are able to impact firm level outcomes through their human resource management and second, it is the combination or system of HRM activities working in concert rather than single practices that defines the ability of HRM to impact the firm at a strategic level. Although there has been some criticism, past and emerging research in SHRM indicates that human resource management does indeed have an impact on firm as well as other levels of outcomes. An increasing number of studies have found significant relationships between various measures of human resource management and performance. Measures of HRM that have been used in these studies include: high performance and high involvement work systems (Huselid, 1995; Batt, 2002; Arthur 1994), HR orientation (Snell & Youndt, 1995; Welbourne & Cyr, 1999), Work life balance: (Perry-Smith & Blum, 2000; Konrad & Mangel, 2000) and single HR practices: (Shaw, Gupta, & Delery, 2002; Gerhart & Milkovich, 1990). Global competition,

technological advances, shortening of the business cycle as well as the shift from a manufacturing to a knowledge based economy have all influenced the business community in its search for sources of sustained competitive advantage (Dyer & Reeves, 1995). These changes put pressure on organizations to find new sources of competitive advantage. Employees and the systems of practices that are set up to manage them are increasingly seen as a source of this competitive advantage (Wright, Dunford, & Snell, 2001).

Historically, the field of human resource management has been concerned with the study of specific HR functional areas often categorized as selection, training, appraisal and compensation by the field of industrial and organizational psychology (Boxall & Purcell 2001). Past research involved the study of these specific HR functional areas as means and ends within themselves. For example, training was studied in isolation from other functions with an emphasis on the inputs processes and outputs or outcomes specific to the training function. Not much research attention was given to how training might work in combination with other HRM functions such as compensation or selection or how individual level HR functions might impact firm level performance.

This focus on specific HR functional areas led to knowledge about specific HR functions evolving in isolation from each other without much coordination between different functional areas (Wright & McManan, 1992). The rise of the concept of strategy and strategic management (Miles & Snow, 1984, Porter, 1985) created an increased interest in how firms can position themselves strategically to compete. This was followed closely by an increased interest in how HRM might contribute to that process (Wright & McManan, 1992). Initial studies addressing HRM and its relationship to business strategies continued to focus on specific HRM functional areas such as compensation and its individual impact on the accomplishment of business strategy. The findings from these initial studies suggested that HRM functions such as training or compensation could be aligned with firm strategy and proper alignment between these individual

HRM functional areas and strategy contributed to sustainable competitive advantage (Schuler & Jackson, 1987; Miles & Snow, 1984). Russel, Terborg, and Powers, (1985), for example, examined human resource training at an organizational level and linked training to organizational performance. While this research addressed the issue of individual HR practices and performance as well as aligning specific HR practices with strategy, it did not address the alignment of individual HR practices with each other or the impact of the entire HRM system on firm performance.

2.4 Human Resources as a Firm Resource

Human resource practices, on the other hand, are the organizational activities directed at managing the pool of human capital and ensuring that the capital is employed toward the fulfillment of organizational goals. This leads to recognizing two aspects of human resources. Similar to Flamholtz and Lacey, (1981) and McKelvey, (1983), we focus on the knowledge's, skills, and abilities inherent in the individuals that make up the organization.

Flamholtz and Lacey's, (1981), application of human capital theory focuses directly on the skills of human beings in organizations. McKelvey, (1983), on the other hand, seeks to genotypically classify organizations based on what he refers to as their competencies. In his model, these competencies are found in the knowledge, skills, and abilities (KSA's) of organizational members. Both of these approaches recognize the importance of the individual members of organizations as the important resource, rather than the practices and/or procedures used by the firm. Much of the writing in the strategic human resource management literature has focused on employee behaviour, rather than on employee skills, as the mediator in the relationship between a firm's strategy and performance (e.g., Jackson, Schuler & Rivero, 1989; Schuler and Jackson, 1987; Schuler, in press). However, Wright and Snell, (1991), present an open system model of the Human Resource System which explicitly notes the interrelationships between employee KSA's and employee behaviours. According to their model, KSA's are necessary, but not sufficient for employee behaviour to be in line with firm goals.

Wright and Snell,(1991), distinctly recognizes that although employee behaviour is the most direct way in which strategies are implemented, employees must have the competencies (KSA's) necessary to exhibit the behaviours. Although this point may seem obvious, much of the literature on strategic human resource management (e.g., Jackson et, al., 1989; Schuler & Jackson, 1987; Schuler,1992) has focused on employee behaviour, and has virtually ignored employee competencies. In fact, in their delineation of the "Behavioural Perspective," Schuler and Jackson stated "...the rationale developed is based on what is needed from employees apart from the specific technical knowledge's, skills, and abilities (SKA's) required to perform a specific task," (Jones, 1984).

Past research suggests that an organization's employees can be a source for sustained competitive advantage and can determine the ultimate success of their organizations (Pfeffer, 1994; Prahalad, 1983). Given the importance of people in organizations, most *strategic* human resource departments consider the management of the competencies and capabilities of these human assets the primary goal. Such forward-looking, strategic operations contrast sharply with more bureaucratic, traditional human resource departments, which tend to manage human costs as liabilities (e.g., as incurring wage bills and benefit expenses) (Hamel & Prahalad, 1994; Schuler,1992).

Strategic HR departments are future-oriented and operate in a manner consistent with respect to the overall business plan in their organizations (Adler & Ghadar, 1990; Adler, 1997; Kobrin, 1988; Milimani, et, al., 1991; Tung & Punnett, 1993). Such departments tend to employ progressive human resource practices in which the emphasis is on assessing the knowledge, skills and abilities needed for the future and to institute staffing, appraisal and evaluation, incentive and compensation, and training and development programmes to meet those needs (Cascio, 1995; Schuler & Walker, 1990; Schuler & Jackson, 1987; Stroh & Reilly, 1994). Huselid (1995) refers to these strategic HR practices collectively as 'high performance work practices'. Ideally, these functions should fit together to meet the greater goal of strategic human resources to support, manage and maintain high-commitment and high-performance employees

Burack et al, and Burack, et al, (1994) suggest several ways that organizations can maintain high commitment and high performance among employees and ultimately organizational effectiveness: by promoting the organization's credibility with employees; encouraging the use of participative management-and employee involvement programmes; focusing on high achievement, mutual trust and commitment; and developing a combined group/entrepreneurial approach to management, thereby creating an organizational culture in which individual employees are encouraged to be adaptive, competitive and successful.

Research by several scholars has shown a close association between these high performance work practices and organizational effectiveness. McDuffie, (1995), for example, found that the presence of integrated strategic HR practices was related to higher productivity and higher quality in automotive assembly plants. Terpstra and Rozell, (1993), studying a variety of industries, found that the presence of strategic staffing practices was positively related to an organization's annual profit and its profit growth. Finally, in a study of more than 1,000 organizations, Huselid, (1995), found that a relationship existed between high-performance work practices and such positive employee outcomes as lower turnover and higher productivity, as well as better corporate financial performance.

Research has also shown that executive company-wide view strategic HR departments as more effective partners in directing their organizations' larger business plans (Dyer, 1983). One could conclude, therefore, that, when an organization's HR strategy is linked to its business strategy, organizational effectiveness should improve (Dyer, 1983; Lengnick & Lengnick-Hall, 1988; Schuler & MacMillan, 1984; Tichy et al., 1982; Stroh & Reilly, 1994). Whether corporations choose their HR practices from a 'best practices' or a contingency or 'fit' perspective has been debated extensively. Those who favour the 'best practices' approach believe that there are a distinct set of practices that, when implemented, will result in greater organizational effectiveness. Those who favour the contingency perspective believe that HR practices should be designed in response to such

organizational and environmental factors as the economic status of the industry, the maturity of the market and technological considerations (Dyer & Reeves, 1995; Kochan & Osterman, 1994; Lawler, 1992; Miles & Snow, 1984; Pfeffer, 1994). As Becker and Gerhart, (1996), noted, the inconsistencies in the studies that have examined the relationship between HR practices and organizational effectiveness have made it difficult to compare the value of these two approaches. Becker and Gerhart, (1996), suggest, for instance, that the level of analysis has not been analogous across studies, ranging from broad guiding principles (macro) to specific policies or practices (micro). It is possible that the 'best practices' approach may be more valuable in explaining guiding principles, while the specific policies and practices supporting a given guiding principle may be situation dependent (Becker & Gerhart, 1996), so that companies may follow both approaches.

Currently, the question arises is HRM can enable firms to sustain their growth, maximize their economic opportunities, build the capability to meet the social goals in order to critically challenge the twenty-first century. It is necessary to see that in which way HRM can be a source of competitive advantage. Competitiveness refers to a firm's ability to maintain and gain market share in its industry. It is related to firm's effectiveness, which is determined by whether the firm satisfies the needs of stakeholders. According to the resource-based view, in order for a resource to qualify as a source of sustained competitive advantage, the resource must add value to the firm, it must be rare, it must be inimitable, and there must be no adequate substitutes for the resource (Barney, 1991).

In order for human resources to be a source of sustained competitive advantage, they must provide value to the firm. Steffy and Maurer, (1988), pointed out that Firm Specific Human Capital Theory (Hashimoto, 1981 & Mangan, 1983) provides an examination of the conditions under which human value creation is and is not possible. According to this theory, when both the demand for labour is homogeneous (i.e., employees are perfectly substitutable) and supply of labour is also homogeneous (all employees and potential employees are equal in their productive capacity), there is no variance in individual

contribution to the firm. In this situation, it is not possible to create value through investment in human assets.

However, Steffy and Maurer, (1988), noted that, in fact, both the demand for labour is heterogeneous (i.e., firms have different jobs which require different skills) and the supply of labour is heterogeneous (i.e. individuals differ in both the types and level of their skills). Thus, there is variance in individuals' contribution value to the firm. This argues that human capital can create value for the firm. Traditionally, conceptualizing the value human capital resources provide has been quite elusive. However, recent work in the area of utility analysis for human resource programs has provided both a theoretical rationale for the ways in which human capital resources increase firm value and techniques for estimating this increase in value (Boudreau, 1983; Boudreau & Berger, 1985; Cascio & Ramos, 1986; Cronshaw & Alexander, 1986; Schmidt et al., 1979).

A resource must be rare if it is to be a source of sustained competitive advantage. One could easily argue that human resources are not rare, due to the fact that where unemployment exists, there is obviously an excess of workers. Related to the issue of the homogeneity of labour supply discussed above, to the extent that all current and potential employees have the same skill levels, human capital resources could not be considered rare. In fact, much of the scientific management literature (e.g., Taylor, 1911) is focused on designing jobs in a way that makes human skills irrelevant to performing a job. Campion (1988) noted that the scientific management literature calls for designing simplified jobs which require no (or few) specific skills. To the extent that jobs are designed in this way, skills become relatively irrelevant, thus, human resources can be characterized as a commodity rather than a rare resource.

However, to the extent that jobs require skills which allow for variance in individual contributions (i.e., when job-relevant skills are no longer a commodity), these skills should be normally distributed in the population. Thus, under these conditions, high quality human resources are rare. For example, as previously discussed, one measure of the quality of human resources is cognitive ability (Hunter & Hunter, 1984; Schmidt et

al., 1979) due to its consistent empirical support as one of the best, if not the best, predictors of performance in work organizations (Hunter & Hunter, 1984). For the purpose of this analysis, cognitive ability measures are useful as a surrogate measure of the quality of the human resource pool.

Although many different characteristics could be identified and analyzed, we will focus primarily on differences in cognitive ability for the following reasons. First, cognitive ability has been consistently demonstrated to have a strong positive relationship with individual job performance (Hunter & Hunter, 1984). In fact, it is usually cognitive ability tests that have been used in demonstrating the value of selection to organizations in utility examples (Boudreau, 1983; Schmidt, Hunter, McKenzie & Muldrow, 1979). Underlying these analyses is, of course, the assumption that it is cognitive ability which is responsible for the increased economic value.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a discussion of the outline of the research methodology that will be used in this study. It focuses on the research design, target population, data collection and comes to a conclusion with the data analysis methods that will be used in this study.

3.2 Research Design

This study employed a cross sectional study design. It involves making observations of a population or sample of the study at one point in time (Mugenda, 2003). The design is useful in identifying characteristics of an observed phenomenon or exploring possible correlations among two or more phenomenon.

This study design allowed the researcher to integrate literature, in-depth interviews, a pilot study and the actual survey as main procedures to gather data. The use of such methods may gather accurate and less biased data (Kothari, 2010). This design is appropriate for this study as it enabled the researcher to explore the prevalence of certain variables in a cross section of the population at a given point in time.

The design also enabled collection of quantitative and allowed the researcher to identify allow patterns of association among the variables in order to confirm the overall interpretation of the relationships between the study variables. The cross sectional design is also consistent with the positivist research philosophy which underpins this study as it will allow the researcher to make inferences about the population of interest. Cross-sectional study designs are widely used in business research such as the one proposed in this study (Davidsson, 2004)

3.3 Target Population

Target population in statistics is the specific population about which information is desired. According to Ngechu, (2004), a population is a well-defined or set of people, services, elements, and events, group of things or households that are being investigated. This definition ensures that population of interest is homogeneous. The target population

for this study was the 4 leading telecommunication companies in Kenya i.e. Safaricom limited, Airtel Kenya, Yu mobile and Orange Kenya.

3.4 Data Collection

Primary data was used in this study. To achieve this, an interview guide was used to collect primary data. The interviews were conducted by the researcher on how the companies employ human resource management for a competitive advantage. The study involved human resource managers of the telecommunication companies in Kenya

The interview guide had unstructured questions which was used so as to encourage the respondent to give an in-depth response without feeling held back in revealing of any information. With unstructured questions, the responses may give an insight to his feelings, background, hidden motivation, interests and decisions and give as much information as possible without holding back.

3.5 Data Analysis

The data collected was qualitative in nature. The data was checked for completeness and consistency. Responses were analyzed using content analysis. This is a qualitative technique for making inferences by systematically and objectively identifying specified characteristics (Mugenda and Mugenda, 2003). This means that the responses were analyzed to determine who says what and why in order to make inferences about the interviewees' message, its effect on recipients and to describe the attributes of the message. Responses were categorized using key words and referential units such as words or terms, themes, characters, paragraphs and items. For this reason, the recording units were identified, and criteria determined so as to specify which recording unit falls into what category.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents data analysis, findings and discussion. Information in this chapter is divided into two sections. This section deals with analysis of data on the objectives based on descriptive statistics. The data pertaining to the profile of respondents and objectives of the study was analyzed by employing content analysis.

4.2 Response Rate

The respondents/interviewees were 4 human resource managers drawn from the 4 leading telecommunication companies in Kenya i.e. Safaricom Kenya limited, Airtel Kenya, Yu mobile Kenya and Orange Kenya who are responsible for formulation and implementation of strategic human resource policies in developing competitive advantage. All the respondents' responded to the interview schedule. The high response rate could be attributed to the personal efforts of the researcher, who made a follow up of every interview guide sent out.

4.3 Demographic Characterization of the Respondents

4.3.1 Work Experience

The respondents were asked to indicate the period of time they had worked in their respective organizations. It is assumed that the longer one worked in an organization, the more they understood the organization and hence the higher the ability to articulate issues pertaining to the organization.

From the study findings majority of the respondents indicated that they had been in their position for a period more than 10 years followed by those who indicated that they had been in the position for a period ranging from 6-10 years with only few indicating that they had been in their position for a period ranging from 0-5 years. This meant that they would invest time and effort to make sure they succeed. It may also imply that work related experiences are important in developing motivation for becoming competent in

strategic human resource practices. The study therefore observes that the respondents are experienced people who are in the human resource department for the long haul. Longevity at the business therefore becomes a trait that ensures continuity and perpetuation of the vision of an organization.

4.3.2 Respondent's level of education

The study had also sought to establish the highest level of education attained by the respondents. The highest level of education attained and prior experience in business have been recognized as critical success factors for business organizations. According to Box, White and Barr (2013), a positive relationship exists between high education levels and organization performance. The results reveal that the respondents had a relatively high level of qualification with all having a minimum of university first degree. The level of education has been cited as a critical success factor in helping firms survive and manage in difficult conditions and to improve business profitability (Yusuf, 2005).

4.4 The Role of Strategic Human Resource Management in Developing Competitive Advantage in Telecommunication Industry

In order to meet the objective of this study, to determine the role of strategic human resource management in developing competitive advantage telecommunication industry, the respondents were required to describe some of the strategic resource management practices in their organizations and how they aid in developing the competitive advantage. The responses were as described below.

4.4.1 Influence of socialization in creating and developing a competitive advantage at your organization

Socialization represents the process used by companies to expose new employees to their culture and ways of doing things. When done successfully, it results in intensely loyal employees who are dedicated to the company. From the respondents views companies that have perfected the socialization process include Safaricom and Airtel. According to the respondents, often the socialization process begins before the employee is hired. At Safaricom for example, an elite cadre of line managers trained in interviewing skills probes as the "ability to turn out high volumes of excellent work." Only after applicants

for entry level positions in brand management for such qualities successfully completing at least two interviews and a test of general knowledge. According to the respondents, if an applicant passes this extensive screening process, (s) he is confronted with a series of rigorous job experiences calculated to induce humility and openness to new ways of doing things. Typically this phase of socialization involves long hours of work at a pressure cooker pace. Throughout this phase and others of the socialization process, the new employee is constantly made aware of transcendent company values and organizational folklore. Such values and folklore include the emphasis on product quality and the dedication and commitment of employees long since performance appraisals are viewed as one of the most form in the management of employees.

4.4.2 Influence of compensation in creating and developing a competitive advantage at your organization

According to the respondents, in addition to Airtel and Orange, who use compensation practices to gain a cost/efficiency competitive advantage, Safaricom Company use compensation to drive their search for innovative products and services. At Safaricom company according to respondents, entrepreneurial behaviour is stimulated in project leaders by tying more rewards to their success. Successful project leaders are being given banquets, stock options, and personal computers. At all telecommunication companies, units or teams are given credit for sales generated in another department in return for helping that department. Consistent with the prescription by human resource manager at Safaricom, Airtel and Orange, Safaricom fosters innovation by stimulating interdependence through its compensation practices. This company does get what it pay for-a steady stream of product and service improvements and enhancements that help it stand alone among its competitors.

4.4.3 Influence of Training and Development in creating and developing a competitive advantage at your organization

According to the respondent's views, telecommunication companies teach programming skills to customers' employees-capturing unending loyalty of the firms and the employees to their products. According to respondents Safaricom, Airtel Yu mobile and Orange for

instance use training to ensure its distributors of a competitive advantage through cost/efficiency. They further use their intensive training program to ensure that its franchisees or distributors run as efficiently as possible. Although training is also done in order to attain consistent quality, its competitive advantage from training is attained from a cost/efficiency thrust.

4.4.4 Influence of targets creating and developing a competitive advantage at your organization

The respondents indicated targets as one of the strategic human resource management practice in developing competitive advantage in telecommunication industry. According to respondents there are four targets of strategic human resource practices that can be used for competitive advantage. These four targets represent upstream and downstream activities as well as the company itself. Accordingly, the four include: self (the focal company); customers; distributors, servicers; and suppliers. The respondents indicated that companies can reach backward or reach forward to help shape the strategic human resource management practices of other companies. For instance; companies like Safaricom offer training to Mpesa agents transaction techniques' to help increase service delivery as well as sales of Safaricom Company. Further the study found that most telecommunication companies helps customers with their performance appraisal systems, making their customers-more competitive and thus better able to buy their services and products.

4.4.5 Influence of thrusts in creating and developing a competitive advantage at your organization

According to the study findings, there are two strategic thrusts, or ways to beat the competition, through strategic human resource management practices in telecommunication industry. One is a cost efficiency thrust. The case of safaricom outlets was identified as an example of the use of strategic HRM practices to increase the efficiency of service delivery and thereby lower the cost of the safaricom products. Airtel, Orange and Yu cash outlets is a similar example of, a cost/efficient thrust. Telecommunication agents assist in the HRM practices of their customers, distributors,

and suppliers, respectively, in order to help them keep costs down as well- as to ensure a competitive, and thus enduring, set of customers, distributors, and suppliers.

The second thrust option according to the respondents is a differentiation thrust. The cost/efficient thrust represents HRM practices that are used to improve the efficiency of service delivery and thus to lower the cost, of the service. The respondents further indicated that the differentiation thrust uses HRM practices in ways to differentiate the product/service or the company from its competitors. Although this may not make them more efficient, their system and promotion policies help differentiate the respective organizations from competitors in the eyes of its customers; For instance Safaricom opened many outlets in major parts of the country and facilitated the opening of many Mpesa agents across the country to facilitate efficiency and convenience of customer transactions. Orange has maintained its internet distribution among government offices as a way of differentiating itself from the competitors.

4.4.6 Influence of Planning in creating and developing a competitive advantage at your organization

The respondents further indicated that telecommunication companies are being forced to link human resource planning with strategic business planning. One aspect of planning is that of the baby boom bulge (people aged 25-54) that is moving through the work force. This is creating a rapid expansion of potential managers with a narrowing base of managerial jobs. Added to this situation is the desire by many of those in this age category to be promoted and be successful. The intersection of these events is producing a company need for flexibility and current, up-to-date skills. Companies such as Orange and Yu are trying to gain this flexibility and skill currency by offering attractive early retirement packages for carefully selected groups of employees. Since it seems as if all the current demographic, economic, and technological trends will continue, it is reasonable to assume that the companies that most systematically plan with their human resources in mind will be most likely to gain a competitive advantage by having "the right people at the right place at the right time" to produce quality products efficiently.

4.4.7 Influence of staffing in creating and developing a competitive advantage at your organization

According to the study findings telecommunication organizations utilizes its staffing practices to gain a competitive advantage. Furthermore it supports its staffing practices with consistent training practices. According to the respondents, hiring consultants they specifically look for the generalist; an individual who has high propensity to learn other areas in the productivity domain; an individual whose appreciation system and skills span both the qualitative and quantitative aspects of productivity and organizational effectiveness. A value of the organization is placed on organizational integration. They indicated that they promote cross training and a multi-disciplinary approach to consulting engagements. The competitive advantage is that most members of the consulting staff can "sell" any of the other specialty areas but can also be reasonably effective in the delivery of those specific services.

Against consulting firms that are more specialized and do not seem to have this broad perspective emphasis on hiring generalists and promoting internal integration among consultants has provided competitive advantage. The telecommunication companies also attain differentiation through their staffing practices, this time with their suppliers. Their human resource management departments combine a selection policy emphasizing internal promotion and support this with an extensive training system. According to the respondents of these two HRM practices, it appears as if the internal promotion is more critical to their overall success. The result of both these practices, however, is a service that is clearly differentiated from other teams in the industry: a consistency at winning, yet retaining key employees at compensation levels far below many competitors despite the lucrative bidding that goes on for top players.

For instance in order for Safaricom to successfully implement its new structure requiring professional managers rather than entrepreneurs, it has slowly replaced many of its homegrown managers with more experienced ones from outside. To ensure the success of this staffing practice, Safaricom Company, spent a vast amount of personal time on hiring only those managers whose styles and interests fit with telecommunication services. The

styles and interests that best seem to fit with telecommunication industry now are those reflecting a desire for organization, long range strategic planning, and more stable and methodical growth patterns. According to the respondent's views on further interview, this practice of careful selection to ensure a better fit between company and employee is also a critical HRM practice at other telecommunication companies. There, every partner interviews every job applicant to ensure that the new employees fit the company. They indicated that in selecting to bring the right people on board leads naturally to another important staffing practice:

4.5 Discussion

In order to meet the objective of this study, to determine the role of strategic human resource management in developing competitive advantage telecommunication industry, the respondents were required to describe some of the strategic resource management practices in their organizations and how they aid in developing the competitive advantage. According to Burack et, al, and Burack, et al, (1994) there are several ways that organizations can maintain high commitment and high performance among employees and ultimately organizational effectiveness: by promoting the organization's credibility with employees; encouraging the use of participative management-and employee involvement programmes; focusing on high achievement, mutual trust and commitment; and developing a combined group/entrepreneurial approach to management, thereby creating an organizational culture in which individual employees are encouraged to be adaptive, competitive and successful.

Socialization represents the process used by companies to expose new employees to their culture and ways of doing things. When done successfully, it results in intensely loyal employees who are dedicated to the company. From the respondents views companies that have perfected the socialization process include Safaricom and Airtel. According to the respondents, often the socialization process begins before the employee is hired. At Safaricom for example, an elite cadre of line managers trained in interviewing skills probes as the "ability to turn out high volumes of excellent work." Only after applicants for entry level positions in brand management for such qualities successfully completing at least two interviews and a test of general knowledge.

Telecommunication companies also use compensation to drive their search for innovative products and services. At these companies according to respondents, entrepreneurial behaviour is stimulated in project leaders by tying more rewards to their success. Successful project leaders are being given banquets, stock options, and personal computers. At all telecommunication companies, units or teams are given credit for sales generated in another department in return for helping that department.

According to the respondent's views, telecommunication companies teach programming skills to customers' employees-capturing unending loyalty of the firms and the employees to their products. According to respondents Safaricom, Airtel Yu mobile and Orange for instance use training to ensure its distributors of a competitive advantage through cost/efficiency. The respondents indicated targets as one of the strategic human resource management practice in developing competitive advantage in telecommunication industry. These findings are consistent with Campion (1988) who noted that the scientific management literature calls for designing simplified jobs which require no (or few) specific skills. To the extent that jobs are designed in this way, skills become relatively irrelevant, thus, human resources can be characterized as a commodity rather than a rare resource.

According to respondents there are four targets of strategic human resource practices that can be used for competitive advantage. These four targets represent upstream and downstream activities as well as the company itself. Accordingly, the four include: self (the focal company); customers; distributors, servicers; and suppliers.

The respondents indicated that companies can reach backward or reach forward to help shape the strategic human resource management practices of other companies. For instance; companies like Safaricom offer training to Mpesa agent's transaction techniques' to help increase service delivery as well as sales of Safaricom Company. Research by several scholars has shown a close association 'between these high performance work practices and organizational effectiveness. McDuffie, (1995), for example, found that the presence of integrated strategic HR practices was related to .higher productivity and higher quality in automotive assembly plants. Terpstra and

Rozell, (1993), studying a variety of industries, found that the presence of strategic staffing practices was positively related to an organization's annual profit and its profit growth. Finally, in a study of more than 1,000 organizations, Huselid, (1995), found that a relationship existed between high-performance work practices and such positive employee outcomes as lower turnover and higher productivity, as well as better corporate financial performance.

According to the study findings telecommunication organizations utilizes its staffing practices to gain a competitive advantage. Furthermore it supports its staffing practices with consistent training practices. According to the respondents, hiring consultants they specifically look for the generalist; an individual who has high propensity to learn other areas in the productivity domain; an individual whose appreciation system and skills span both the qualitative and quantitative aspects of productivity and organizational effectiveness. A value of the organization is placed on organizational integration. They indicated that they promote cross training and a multi-disciplinary approach to consulting engagements. To ensure the success of this staffing practice, telecommunication companies spent a vast amount of personal time on hiring only those managers whose styles and interests fit with telecommunication services. The styles and interests that best seem to fit with telecommunication industry now are those reflecting a desire for organization, long range strategic planning, and more stable and methodical growth patterns.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the study and makes conclusion based on the findings. The recommendations of the study and areas for further research are also presented.

5.2 Summary

The study found the human resource management plays a vital role in developing competitive advantage in telecommunication industry through various practices such as socialization, compensation, training and development, targets, thrusts, planning and staffing. Socialization represents the process used by companies to expose new employees to their culture and ways of doing things. When done successfully, it results in intensely loyal employees who are dedicated to the company. According to the respondents, often the socialization process begins before the employee is hired.

Telecommunication companies also use compensation to drive their search for innovative products and services. At these companies according to respondents, entrepreneurial behaviour is stimulated in project leaders by tying more rewards to their success. Successful project leaders are being given banquets, stock options, and personal computers. At all telecommunication companies, units or teams are given credit for sales generated in another department in return for helping that department.

According to the study findings telecommunication organizations utilizes its staffing practices to gain a competitive advantage. Furthermore it supports its staffing practices with consistent training practices. Hiring consultants they specifically look for the generalist; an individual who has high propensity to learn other areas in the productivity domain; an individual whose appreciation system and skills span both the qualitative and quantitative aspects of productivity and organizational effectiveness. A value of the organization is placed on organizational integration. They indicated that they promote cross training and a multi-disciplinary approach to consulting engagements.

5.3 Conclusion

The study concludes that although there are many ways by which companies can gain a competitive advantage, as MacMillan (1983) has suggested, one way often overlooked is through their strategic human resource management practices. HRM practices enable telecommunication companies to gain a competitive advantage in two major ways: One is by helping themselves and the other is by helping others. So there appears to be a significant benefit from having HRM considerations represented in the strategy formulation stage rather than only in the implementation stage.

5.4 Recommendations

Once the strategy is formulated and the appropriate HRM thrust identified, specific HRM practices need to be developed. These practices, such as staffing and compensation, are the ones that actually create the competitive advantage for the company. In addition, selection of the most appropriate practices should be appropriate to the strategy and lead to behaviours that are supportive of the strategy; for example, if cooperative behaviours are needed among employees, then group or organizational level compensation incentives should be provided rather than an individual-level incentive system. If product quality is critical, quality circles and union-management cooperation should be developed. Once the strategy is formulated, the determination of the needed behaviours comes from job analysis.

The study further recommends that the HRM practices that stimulate those behaviours must be identified. They must be implemented so as to ensure consistency across HRM practices. It is this hard-won consistency which will help ensure that a competitive advantage through HRM practices is gained and sustained in telecommunication industry.

In addition to using their HRM practices on themselves, telecommunication companies can also gain a competitive advantage through using their HRM practices on others. Specifically, companies can gain a competitive advantage by helping their suppliers, customers, or servicers/distributors with their practices. The fact of the matter is that the

firm is stronger and healthier if its particular =suppliers, distributors, and customers are robust and competitive. While companies are better off when they gain a competitive advantage, few do it and even fewer do it through their human resource practices.

5.5 Limitations of the Study

Although this study helped to shed light on the dynamics of strategic human resource management and competitive advantage in the telecommunication industry in Kenya, it was subject to a number of limitations. These mainly related to the setup of the study relative to the resources available within the research period. As such the constraints influenced the scale of the study but did not affect the conduct of the research once the design was arrived at.

The findings of this study may not be generalized to all telecommunication companies but can be used as a reference to telecommunication companies in developing countries since they face almost the same challenges due to the same prevailing economic situations as opposed to telecommunication companies in developed countries. The results thus cannot be generalized to all telecommunication companies. This is because different companies may have different human resource management strategies for managing competitive strategies.

Since the main purpose of this study is to identify the effect of strategic human resource management on competitive advantage in the telecommunication industry in Kenya, These companies considered some information sensitive and confidential and thus the researcher had to convince them that the purpose of information is for academic research only and may not be used for any other intentions.

5.5 Recommendations for further research

It is hoped that the findings of this study will contribute to the existing body of knowledge and form a basis for future researches. The following areas of further research are thus suggested: Whereas the current study focused on the role of strategic human resource management in developing competitive advantage in telecommunication

industry, future studies should seek to establish whether or not the same competitive advantage are applicable to other sectors of the economy. Further studies should also focus on the challenges faced in implementation of the competitive strategies and the possible mechanisms that could be employed to overcome these challenges.

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APPENDIX I: INTERVIEW GUIDE

SECTION A: BIO DATA

- 1. Name of your organization-----
- 2. Years in operation.....
- 3. Designation.
- 4. Number of years in this organization.....
- 5. Level of education

SECTION B: ROLE OF STRATEGIC HUMAN RESOURCE MANAGEMENT IN DEVELOPING COMPETITIVE ADVANTAGE IN THE TELECOMMUNICATION INDUSTRY IN KENYA

- 1. Can human resource practices that promote socialization be the foundation for creating and developing a competitive advantage at your organization? Explain
.....
.....
- 2. Can human resource practices such as formal training be the foundation for creating and developing competitive advantage in telecommunication industry? Explain
.....
.....
- 3. Can human resource behaviour be a source of creating and developing competitive advantage when gained knowledge is reflected through employee performance? Explain
.....
.....
- 4. Is HR integrated to strategic plans in your company? Explain
.....
.....
- 5. What is the effects of organization effectiveness on improving what the organization requires of its employees and what they require of it? Explain
.....
.....

6. Does the organization use socialization practices that create competitive advantage?
Explain

.....
.....

7. What is the effects of organizational commitment, combined with job commitment on employee satisfaction, high performance, longer tenure and a willingness to accept change? Explain

.....
.....

8. Do your training and development programs help in acquiring employees with new skills that assist in retaining new customers for the company? Explain

.....
.....

9. Does the HR department ensures that programs/activities link clearly and directly to specific business impacts and objectives the line functions are required to achieve?
Explain

.....
.....

10. Does your company's culture encourage the exchange of knowledge and learning from activities and projects? Explain

.....
.....

11. Does your company have any roles dedicated to acquiring, mobilizing and coordinating knowledge? Explain

.....
.....

12. Is the HR function as focused on the company's external environment as is the rest of the company? Explain

.....
.....
13. Does the company attempts to develop the skills of its employees in modern technological practices and solutions? Explain

.....
.....
14. Are staff coached and trained in information and knowledge skills? Explain

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.....
15. Does HR at your company shoulders the responsibility for workforce-related issues (compensations, incentives, healthcare, etc.) Explain

.....
.....
16. It is reasonable to assume that the companies that most systematically plan with their human resources in mind will be most likely to gain a competitive advantage. Does your company implement such a strategy? Explain

.....
.....
17. Does HR at your company explicitly structures its activities and investments around line units' key business objectives? Explain

.....
.....
18. Do managers at your company support the actions and decisions of their employees? Explain

.....
.....
19. Does your company believe that its employees are a primary source of its competitive advantage? Explain

20. Are your employees aligned with your organization's strategy and objectives? Explain

.....
.....

21. Are individuals that bring creative change in their domains considered as a competitive-developing resource? Explain

.....
.....

22. Better utilization and management of human resources creates company competitive advantage. Explain

.....
.....

APPENDIX II: TELECOMMUNICATIONS COMPANIES IN KENYA

1. SAFARICOM LIMITED
2. AIRTEL KENYA
3. YU MOBILE
4. ORANGE KENYA

Source, Communications Commission of Kenya, (2013)