

**INFLUENCE OF STRATEGIC RESPONSES ON PROJECT PERFORMANCE OF THE
TELECOMMUNICATION SECTOR: A CASE OF TELKOM KENYA LIMITED,
NAIROBI COUNTY**

BY

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the Degree of Master of Arts in Project Planning and Management, University of Nairobi**

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DECLARATION

This research study is my original work and has not been presented to any other University or Institution for examination.

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DEDICATION

A special dedication to my loving parents Mr. Francis Kimani and Margret Waithera for facilitating my initial education which formed the basis of who I am today and also whose words of encouragement and push for tenacity ring in my ears.

I also dedicate this to my wife, Mary Wangechi and daughters Natasha Waithera and Wendy Wanjiru for unconditional moral support.

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My research report has always been a priority, but as most know, there are several priorities in a person's life at any one time. Unfortunately due to life's challenges and the changes that followed, my research report could not always be the number one priority. At any rate, I have finished, but not alone, and I am elated. I could not have succeeded without the invaluable support of several people. Without these supporters, I may not have gotten to where I am today.

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ACRONYMS AND ABBREVIATIONS

CAK: Communication Authority of Kenya

CDMA: Code Division Multiple Access

CEO: Chief Executive Officer

CIB: Consumer Innovative Behaviour

EBIT: Earnings before interest and taxes

NPD: New Product Development

OTT: Over the top

SPSS: Statistical package for social sciences

SRCC: Spearman's Rank Correlation Coefficient

TKL: Telkom Kenya Limited

ABSTRACT

Globalization and the global dynamics of the market are forcing many enterprises, including the telecommunications industry, to develop new strategies. The trends and the dynamic development in the telecommunications market are the starting points for a company's sourcing strategy and they form the framework for action. Globalization brings about turbulence in an organizations environment in that managers operating in such an environment cannot be able to predict the future. With this in mind, Successful managers, in this environment, need to understand the similarities and differences across national boundaries, in order to utilize the opportunities and deal with the potential downfalls. They have to come up with appropriate strategies that will help them succeed in such an environment.

Telecom CEOs anticipate a period of even greater change than their peers in most other industries. Eighty-seven percent expect significant changes in the next three years, compared with 83 percent of the total survey population. The purpose of this study was to determine the influence of strategic responses on project performance in the telecommunication sector.

The target population was composed all employees of TKL as contained in the personnel register as at 31st January 2015. These are a total of 3000 employees but the study only targeted a population of the 300 management staff. Data collected from the questionnaires was converted from responses to quantitative format for ease in analysis using statistical package for social sciences (SPSS Version 20). Strategic pricing, sstrategic human resource training, strategic lobbying and strategic product development were all found to be positively and significantly related to project performance. Based on these findings, the study recommended that Project managers should focus more of their effort on strategic pricing strategy because there was a significant level of effect of penetration pricing strategy on the number of customers, customer loyalty and quality of service, creating and implementing policies and human resource development practices which can ensure their contribution to acquiring the organizational goals.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Globalization and the global dynamics of the market are forcing many enterprises, including the telecommunications industry, to develop new strategies. The Telecommunications industry today is a key enabler of productivity across economies and societies. The Telecom industry is not only a significant contributor towards the economic activities of countries, but also towards the growth of other industries. In recent times, developing nations have witnessed significant transformation within this sector due to the impact it has had on their economies. Market driven challenges for carriers are changing. While in the past management focus, especially that of mobile carriers, was typically on growth in terms of customers, revenues and EBIT, the whole industry has moved into a more saturated stage. Today management focus is rather on raising the earnings before interest and taxes through cost optimization and the introduction of innovative products and services.

The trends and the dynamic development in the telecommunications market are the starting points for a company's sourcing strategy and they form the framework for action (Detecon Consulting, 2011). The global economy underwent a significant shift during 2013, with recovery observable in a number of advanced economies and global output set to increase at a faster rate from 2014. While the prospect of reduced macroeconomic uncertainty is good news for operators, a number of structural pressures from regulation on core service areas to increased competition from over-the-top (OTT) players mean that market conditions remain challenging. Globalization has become an integral part of our lives a process characterized by interaction and integration among the people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology. These processes have effects on the environment, on culture, on political systems, on economic development and prosperity, and on human physical well-being in societies around the world.

Globalization brings about turbulence in an organizations environment in that managers operating in such an environment cannot be able to predict the future. With this in mind, Successful managers, in this environment, need to understand the similarities and differences across national boundaries, in order to utilize the opportunities and deal with the potential

downfalls. They have to come up with appropriate strategies that will help them succeed in such an environment (Jones, 2002).

Johnson (2008) also states that organizations need to understand the nature of their environment before they audit the individual environmental factors. Such an analysis might be expected to help an organization decide upon the sorts of systems which are required to monitor and respond to environmental change. New technologies and increased globalization of many markets encourage environmental turbulence, such that by understanding all this, managers can come up with strategies that will help them propel through it thus avoiding downfalls and ensuring prosperity. Johnson et al (2008), define strategy as the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations.

The most important for an organization, is for its managers to adopt an international strategy. This is because most products and factor markets extend beyond the boundaries of a single country. Thus, the competition that ultimately determines a firm's performance is not constrained to individual country markets. To succeed in an industry, an organization must select a mode of strategic behavior which matches the levels of environmental turbulence, and develop a resource capability which complements the chosen mode (Acur and Englyst, 2006).

The challenges of the modern business environment and fast changing global economy demands high productivity speed and flexibility for organizations that seeks to thrive. In order to achieve the required efficiency and effectiveness, organizations must change their structure strategically. These can be achieved by retaining the best of their traditional structures while embracing radically new structures that leverage the human capital and adds value to the customers (Pearce and Robinson, 2011). The opportunities and threats evoked by globalization have caused firms to adapt their organizational structures and strategies accordingly (Jones, 2002; Knight, 2000). Firms that respond to these trends have been found to improve their performance (Knight, 2000).

In Kenya, Telkom Kenya Limited (TKL) is expected to undergo major shifts in strategy after the main shareholder, the Government, offloaded its entire original stake to the strategic investor, France Telecom. Subsequently, TKL has embarked on new product development. Its newly

launched wireless Code Division Multiple Access (CDMA) service will see the firm nearly doubling its total number of lines in the coming year.

In Europe, operators are facing a mix of intensifying competition and difficulty in replicating services across borders, reducing companies' ability to capture economies of scale. One of the clearest impacts of these constraints is that Europe having led the world in the adoption of 2G mobile has now slipped behind other developed regions in the migration to 4G networks. Despite this somber background, European telco stocks have still outperformed those of other regions since mid-2013, mainly due to investors' anticipation of large-scale merger and acquisition within the region. The telecoms industry in North America has witnessed high levels of capital intensity and rising competition but has also been innovating strongly in recent years through the introduction of new mobile pricing plans and wider service propositions for consumers and enterprises alike. In Latin America, rising competition and ambitious convergence strategies are seen limiting core earnings growth, although consolidation can help create more rational market structures (EY, 2014).

India is second largest among the emerging economies of Asia and in terms of the number of wireless connections. Over the years, India has witnessed phenomenal growth in the use of telecommunication facilities. This development has become a catalyst for the growth of the nation's commercial and industrial sectors, contributing much to the nation's economic development. Due to incredible competition, telecom service providers offer innovative services at very competitive prices to meet customers' requirements and expectations in price and service quality (Melody, 2001). The operators have to resort to non-pricing competition strategies to retain customers and provide value in terms of various calling schemes designed to suit the needs and preferences of a varied group of customers (Sharma, 2014).

It is considered that the most flourishing and developing industry of Pakistan is telecom sector (Union, 2007-2008). The sector was on its boom in the regime of Ex-President Pervaiz Musharaf. And at this time Mobile Phones is a necessity of Pakistanis. Due to the increased competitive market consumers are enjoying the good quality with low cost cellular products. The difference of 1999 and 2011 can be easily monitored by visiting the market.

In Kenya, 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 June 2006. This translates into fixed teledensity of 0.91 per hundred inhabitants for fixed-line and 19.42 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 between 2005 and 2006 (EY, 2014).

1.2 Statement of the Problem

Telecommunication sector CEOs anticipate a period of even greater change than their peers in most other industries. Telecom CEOs are acutely aware of the need for change, but unsure how to make change work. They have come to recognize that it is difficult to replace falling voice telephony revenues and fend off new rivals (Sharma, 2014). Currently, the telecommunication sector is experiencing a paradigm shift, with the liberalization and privatization of the sector further intensifying the competition. The nature of today's competition in the global telecommunications industry seems to centre on market activities aimed at gaining competitive advantages through strategic combinations of resources and presences in multiple products and geographical areas. Due to incredible competition, telecom service providers offer innovative services at very competitive prices to meet customers' requirements and expectations in price and service quality (Melody, 2011).

The issue of firm performance has been central in strategy research for decades and encompasses most other questions that have been raised in the field, as for instance, why firms differ, how they behave, how they choose strategies and how they are managed (Porter, 1991). Whereas many studies Ndirangu (2013), Gichuki (2013), Smart and Vertinsky (2006) have been carried out to determine the strategic responses adopted by firms to changes in the external environment, very few studies have been carried out to determine how strategic responses adopted by telecommunication companies impact on their performance. Despite there being numerous studies on strategy and firm performance, all these studies (Volpe (2011); Usley (2014); Colesca (2011); Hu (2007); Garavan (2007)) mainly focus on the process of strategic planning rather than on the strategic response variables incorporated in this study. To this extent, this study aimed to investigate the influence of strategic responses on project performance in the telecommunication sector.

1.3 Purpose of the Study

The purpose of this study was to determine the influence of strategic responses on project performance in the telecommunication sector.

1.4 Research Objectives

The main objective of the study was to determine the influence of strategic responses on project performance in the telecommunication sector.

The specific objectives were:

- i. To determine the influence of strategic pricing on the performance of projects in Telkom Kenya.
- ii. To establish the influence of strategic human resource training on the performance of projects in Telkom Kenya
- iii. To investigate the influence of strategic lobbying on the performance of projects in Telkom Kenya
- iv. To investigate the influence of strategic product development on the performance of projects in Telkom Kenya

1.5 Research Questions

In carrying out this study, the researcher sought to answer the following research questions:

- i. What is the influence of strategic pricing on the performance of projects in Telkom Kenya?
- ii. What is the influence of strategic human resource training on the performance of projects in Telkom Kenya?
- iii. What is the influence of strategic lobbying on the performance of projects in Telkom Kenya?
- iv. What is the influence of strategic product development on the performance of projects in Telkom Kenya

1.6 Significance of the Study

This study will be a source of knowledge to a variety of stakeholders including the government, CAK, telecommunication service providers and the scholars. To the Communication Authority 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 which will help them in making sound policies which promote use of communication services in Kenya among the telecommunication service providers. The findings of the study will be important in helping promote the strategic responses to the dynamic telecommunication sector.

This study will add to the existing literature on strategy responses and help to provide information on the influence of strategic responses on project performance in the telecommunication sector.

1.7 Assumptions of the Study

The assumptions of the study were that the participants answered honestly and confidentiality was preserved. The participants are volunteers who may withdraw from the study at any time and with no ramifications.

1.8 Scope of the Study

The study was carried out in 2015 in Nairobi County. The target of the population was 3000 employees of TKL in Nairobi. The study emphasized on the influence of strategic responses on project performance in Telkom Kenya, Nairobi.

1.9 Limitations of the Study

The study was exposed to limitations inherent in studies that relied on the self-report method of data collection such as memory lapses or the respondents misunderstanding items in the questionnaire. This research was limited by the following constraints: a limited time frame to complete the project and the limited amount of previous research on the specific topic. The definitions and conclusions taken in this paper were based in a small sample size therefore it cannot be considered to represent the position and thoughts of the whole telecommunication industry.

1.10 Delimitation of the Study

Due to the limited timeframe of the thesis project, some delimitation was imposed in order to increase the quality of the work: Nairobi, Kenya was chosen to be the geographical scope of the study, Telkom Kenya performance was chosen to be a representative sample of project performance with a target population of the 300 management staff in Nairobi being the units of observation. The objective of the study was narrowed down to focus on influence of strategic responses on project performance in the telecommunication sector.

1.11 Definition of Significant Terms Used in the Study

Performance: profit in excess of the cost of capital, depends upon the attractiveness of the industry in which the firm operates (industry-effect on performance) and the firm's competitive advantage.

Strategy: the determination of the basic term goals and objectives of an enterprise, and the adoption of course of action and the allocation of resources necessary for carrying out those goals

Competitive advantage: superior differentiation and/or lower costs by comparison with the marginal (breakeven) competitor in the product market.

Strategic Responses: A strategic response is a market-based move that involves a significant commitment of organizational resources and is difficult to implement and reverse.

Premium Pricing: practice of keeping the price of a product or service artificially high in order to encourage favorable perceptions among buyers, based solely on the price

Competitive Pricing: Setting the price of a product or service based on what the competition is charging. Competitive pricing is used more often by businesses selling similar products, since services can vary from business to business while the attributes of a product remain similar.

Bundle Pricing: selling package or set of goods or services for a lower price than they would charge if the customer bought all of them separately

Talent Development: training and guiding those employees who are able to contribute to the company's success and growth

Performance Development: the ongoing process between supervisor and employee of communicating and clarifying position responsibilities, priorities and performance expectations to guarantee mutual understanding and to enhance effectiveness in achieving the campus and departmental mission and goals

Leadership Development: a program or activity that makes people become better leaders. An example of leadership development is a program for assistant managers on how to more effectively communicate with employees

1.12 Organization of the Study

Chapter one outlined the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, justification of the study, significance of the study, assumptions of the study, scope of the study, limitations and delimitation of the study and definition of terms.

Chapter two gave an overview of the similar study findings that were done by various researchers before and it addressed the variables in each research question. A theoretical review and conceptual framework of the study were also provided.

Chapter three laid out the research methodology that was undertaken for this particular study. This included the research design, target population, sampling size and sampling. Chapter four dealt with results and findings from the study and Chapter five dealt with summary and conclusions reached by this particular study.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter sought to review literature on the influence of strategic responses on project performance in the telecommunication sector. In order to meet this purpose this chapter identified theoretical framework in relation to strategic responses and developed a conceptual framework of the study. General and empirical literature was also reviewed in line with the study objectives.

2.1 Project Performance

Project performance management is an ongoing review of the efficiency and importance of a given project. This important concept is used throughout the business and professional world as a means of understanding and improving company, department, and personnel performance. There are many ways to conduct these reviews, most geared toward analyzing practices and data in order to improve procedure (Jones, 2002).

There are many factors that determine whether a project is a success, varying based on the initial goals of the project. If a primary goal is to increase office efficiency by 20%, project performance management will involve looking at the before-and-after data, taking into account whether the strategy for this project was appropriate, and how much the efficiency drive cost versus how much profit or improvement it generated. A primary financial goal will be examined largely for the cost versus profits ratio, although it also may take into account how efficiently and wisely the budget was spent in pursuit of the goal (Garavan et al., 2005).

A performance metric is that which determines an organization's behavior and performance. Performance metrics measure an organization's activities and performance. It should support a range of stakeholder needs from customers, shareholders to employees. While traditionally many metrics are finance based, inwardly focusing on the performance of the organization, metrics may also focus on the performance against customer requirements and value. In project management, performance metrics are used to assess the health of the project and consist of the measuring of seven criteria: safety, time, cost, resources, scope, quality, and actions (Adiele and Amue, 2012).

2.2 Strategic Pricing and its influence on project performance

Volpe (2011) study draws upon literature from the fields of agricultural economics, industrial organization, and business to study the performance of supermarkets in the United States. The empirical work draws from a rich dataset on the characteristics of supermarkets across the U.S. to test several hypotheses. The study revealed that supermarkets utilizing everyday low pricing operate more efficiently than those using other strategies. Stores increase their performance by using strategies of their closest competitors.

Usley (2014) attempts to shed light on the role that price plays in preemptive and post-entry market defense of firms. As such, the questions tackled include but are not limited to: how effective is price as an entry-deterrence tool. The price variable is among the most powerful instruments in the arsenal of the executives to achieve entry deterrence objectives. There are two main pricing strategies that firms may use to defend against a competitive market entry. The first of these options, limit pricing or entry deterring price, may be utilized prior to competitive entry. The second option, aggressive predatory pricing, may be executed post-entry. The effectiveness of both of these options is still controversial.

2.3 Strategic Human Resource Training and its influence on project performance

According to Manole, Alpopi and Colesca (2011) when organizations go through turmoil and changes at different levels, the strategic human resource development (DSRU) may provide a useful conceptual framework for the organizations' management (leadership teams) in order to better manage the crisis manifested at the institutional level (Wang, Hutchins & Garavan, 2009; Radulescu and Ioan, 2009). According to experts, the strategic development of human resources has to promote practices which improve individual performance, of each employee, as well as the global one, reached at the organizational level (Garavan et al., 2005). However, the strategic development of human resources emphasizes the proactive management change, which enables organizations to survive in an increasingly complex environment, unstable, competitive and global (Grieves, 2003). In fact, it is argued that the strategic approach of human resource development is an imperative request in the globalization era. Thus, strategic perspective implies creating and implementing policies and human resource development practices which can ensure their contribution to acquiring the organizational goals (Davenport, Prusak & Wilson, 2003; Garavan, 2007; Zula & Chermack, 2007).

To establish the purpose and nature of the activities that enter within the strategic development of human resources, Hu (2007) specifies the following components: developing talent, training, developing the organization, performance development, leadership development. At the same time, Garavan (2007) emphasizes on several sets of human resource development strategies, namely: those that focus on performance of the organization, those who regard organizational learning and those aimed at the organizational change. Most researchers agree that the strategic development of human resources implies systematical processes, formal ones, to be adapted to the needs at the organizational level. However, this development can help the organizational management to improve their operational abilities, meaning all the specific skills and competencies that allow a better management of the existing crises and also preventing future ones (Wang, Hutchins & Garavan, 2009).

2.4 Strategic Lobbying and its influence on project performance

According to Chollet et al (2012) a number of studies have found that the performance of projects greatly depends on the support they get from top management. However, research into why some projects get more support than others has been limited. The study took a political approach which top management support was considered to be a function of a project leader's ability to influence decision processes through personal relationships. Mobilizing the bridging perspective of social capital, we argued that project leaders need both strong ties to high-ranking others and sparseness in their networks. Vertical strong ties bring direct support and solidarity, resulting in improved access to resources and priority over other projects; sparseness provides exposure to the full range of information and interpretations in the organization, resulting in a more accurate picture of the political landscape and thus enabling the implementation of an appropriate influence strategy. An analysis of a sample of 73 French project leaders involved in projects provided support for our hypotheses. Hence, the study contributes to a very recent stream of research showing that the structural and relational dimensions of social capital are complementary.

Lyon and Maxwell (2013) studied three corporate nonmarket strategies designed to influence the lobbying behavior of other special interest groups. Astroturf in which the firm covertly subsidizes a group with similar views to lobby when it normally would not, the bear hug, in which the firm pays a group to alter its lobbying activities and self-regulation in which the firm

voluntarily limits the potential social harm from its activities. All three strategies reduce the informativeness of lobbying and all reduce the payoff of the public decision maker.

A study by Guo (2009) theoretically and empirically studied the impact of corporate governance level on firms' choice in two political strategies: lobbying and making political contributions. The theoretical model implies that managers with short-run personal interest prefer making political contributions; while shareholders caring about firms' long-term success, are willing to do informational lobbying. At equilibrium, a higher level of corporate governance positively affects the efficiency of the decision making process. The study findings showed that firms doing lobbying outperform those only making contributions in the corporate governance level, and that firms with higher shareholder power do more lobbying.

2.5 Strategic Product Development and its influence on project performance

Zhang *et al* (2009) study examined the interplay of product development strategy, knowledge utilization, and product innovation performance in the context of Chinese subsidiaries of multinational companies. When firms strive to develop highly innovative products, the amount of resources allocated has a U-shaped relationship to subsequent product innovation performance. When the aim of product development activity is to reinforce and maintain moderately innovative products, increased resource allocation shows a positive relationship to product innovation performance. The amount of resources allocated to minor revisions shows no significant relationship to product innovation performance. Knowledge utilization is an important predictor of the benefits of developing highly and moderately innovative products. Moreover, it helps to mitigate the drawbacks of a breakthrough focus and strengthens the positive impact of a platform focus.

The purpose of the study by Adiele and Amue (2012) was to access empirically the extent to which new product development influences consumer adoption and innovative behaviour in the high-tech consumer durable electronics companies in Rivers State of Nigeria. The nomothetic methodology was adopted and forty copies of structured questionnaire were our primary data collection instrument which was distributed to five functional and registered high-Tech consumer durable electronics marketing companies in Port Harcourt. Moreso, from the forty copies of questionnaire distributed, thirty five copies were retrieved and qualified for use. However, the postulated hypotheses were tested by employing the Spearman's Rank Correlation

Coefficient Statistical Tool (SRCC) which was facilitated by the Statistical Packages for Social Sciences (SPSS) version 15.0. The study revealed that a significant relationship exists between NPD and CIB and also, that amongst the measures of CIB, that consumer personality and perception impacts more significantly on NPD.

The authors therefore concluded that electronic home appliance companies should always take into cognizance consumer personality, perception and learning when evolving new products as these will always influence consumer adoption behaviour. However the study recommended that the companies should always evolve product that matches with customer personality and intensify marketing communication strategies to continuously create an enduring perception of their products in the minds of their targeted customers.

Lindman (2002) case study reported the quality of industrial new product development in five small- to medium-sized enterprises (SMEs) in the Finnish metal industry. The findings indicated that SMEs tend to lack a long run perspective; that the role of new products in business strategy calls for clarity and that the whole goal setting as to future new product efforts is limited. The fit between market requirements and firms' own resources is managed due to the flexibility SMEs had and by relying on an in-house knowledge base generated through a close understanding of user conditions. In this respect SMEs were to rely on reactive and closed new product strategies only. Even if successful in the past, such strategies risk being unable to identify and take advantage of any business opportunities outside the present product scope. Also, the increasing need of networking may turn out a threat if SMEs cannot establish more open development strategies.

2.6 Theoretical Framework

This section discussed the theories which inform the study variables. The theories under this study were market based theory, resource based theory and knowledge based theory. The theories were introduced and the relevance of the theory to study variable illustrated.

2.6.1 Market Based Theory

Market-based theory (MBT) of organizations, notably firms, refers to a conceptual paradigm that puts markets center stage in its explanation of the nature, growth, and strategies of firms. The Market-Based View strategy argues that industry factors and external market orientation are the

primary determinants of firm performance (Peteraf & Bergen, 2003). The sources of value for the firm are embedded in the competitive situation characterizing its end-product strategic position. The strategic position is a firm's unique set of activities that are different from their rivals. Alternatively, the strategic position of a firm is defined by how it performs similar activities to other firms, but in very different ways. In this perspective, a firm's profitability or performance are determined solely by the structure and competitive dynamics of the industry within which it operates (Schendel, 2012). In formulating strategy, firms commonly make an overall assessment of their own competitive advantage via an assessment of the external environment based on the five forces model (Porter, 1985).

The five forces under consideration consist of the following: barriers to entry, threat of substitutes, bargaining power of suppliers, bargaining power of buyers and rivalry among competitors (Porter 1985). In this perspective, a firm's sources of market power explain its relative performance. Three sources of market power are frequently highlighted: monopoly, barriers to entry, and bargaining power. The five-force model enables organization to analyze the current situation of their industry in a structured way. However, the model has limitations. Porter's model assumes a classic perfect market as well as static market structure, which is unlikely to be found in present-day dynamic markets. In addition, some industries are complex with multiple inter-relationships, which make it difficult to comprehend and analyze using the five force model (Wang 2004). Moreover, Rumelt (1991) stated that the most important determinants of profitability are firm-specific rather than industry-specific. Prahalad and Hamel (1990) suggested that competitive advantage based on resources and capabilities is more important than just solely based on products and market positioning in term of contributing to sustainable competitive advantages.

The market based theory was relevant to the study as it informs on the dependent variable performance. The theory puts markets center stage in its explanation of the nature, growth, and strategies of firms. The theory asserts that that industry factors and external market orientation are the primary determinants of firm performance. Firms have to be competitive and adopt strategic responses to changes in the market conditions so as to increase their percentage market share which translates to improved project performance.

2.6.2 The Resource-Based Theory

The resource-based view (RBV) is a model that sees resources as key to superior firm performance. The resource-based view emphasizes the firm's resources as the fundamental determinants of competitive advantage and performance. It adopts two assumptions in analyzing sources of competitive advantage (see for instance Barney, 1991 and Peteraf and Barney, 2003). First, this model assumes that firms within an industry (or within a strategic group) may be heterogeneous with respect to the bundle of resources that they control. Second, it assumes that resource heterogeneity may persist over time because the resources used to implement firms' strategies are not perfectly mobile across firms (i.e., some of the resources cannot be traded in factor markets and are difficult to accumulate and imitate). Resource heterogeneity (or uniqueness) is considered a necessary condition for a resource bundle to contribute to a competitive advantage. The argument goes "If all firms in a market have the same stock of resources, no strategy is available to one firm that would not also be available to all other firms in the market." The assumed heterogeneity and immobility are not, however, sufficient conditions for sustained competitive advantage.

According to Barney (1991), a firm resource must, in addition, be valuable, rare, and imperfectly imitable and substitutable in order to be source of a sustained competitive advantage. Resources are classified into two categories: property-based and knowledge-based. Barney (2011) suggested that other than the general resources of a firm, there are additional resources, such as physical capital resources, human capital resource and organizational capital resources. Researchers subscribing to the RBV argue that only strategically important and useful resources and competencies should be viewed as sources of competitive advantage (Barney, 2011). They have used terms like core competencies, distinctive competencies and strategic assets to indicate the strategically important resources and competencies, which provide a firm with a potential competitive edge. Strategic assets are, 'the set of difficult to trade and imitate, scarce, appropriable and specialized resources and capabilities that bestow the firm's competitive advantage' (Amit & Shoemaker, 2003). Powell (2001) suggested that business strategy can be viewed as a tool to manipulate such resources to create competitive advantage. Core competencies are distinctive, rare, valuable firm-level resources that competitors are unable to imitate, substitute or reproduce. Distinctive competencies refer to all the things that make the business a success in the marketplace. Wang (2004) outline an approach to firm-level analysis

that requires stocktaking of a firm's internal assets and capabilities. The assets in question could be physical assets, knowledge assets (intellectual capital) as well as human resources, which in turn determine the capabilities of a firm.

The resource based theory was relevant to the study as it informs on both the dependent and independent variables. Resources are necessary for research, development of new products and talent training development all of which are a critical source of competitive advantage. The theory asserts that strategic responses are a source of competitive advantage and ultimate firm performance. Organizations should therefore look inside the firm to find the sources of competitive advantage instead of looking at competitive environment of it. Resources should be given the major role in helping companies to achieve higher organizational performance.

2.6.3 The Knowledge-Based Theory

The Knowledge-based view of the firm is a recent extension of the Resource- based view of the firm very adequate to the present economic context. Knowledge has special characteristics that make it the most important and valuable resource. Hamel and Prahalad (2014) argue that knowledge, know-how, intellectual assets and competencies are the main drivers of superior performance in the information age. Evans (2003) and Tiwana (2002) also suggest that knowledge is the most important resource of a firm.

Evans (2003) pointed out that material resources decrease when used in the firm, while knowledge assets increase with use. Tiwana (2002) argued that technology, capital, market share or product sources are easier to copy by other firms while knowledge is the only resource that is difficult to imitate. Grant (2013) argued that there are two types of knowledge: information and know-how. Beckmann (2012) proposed a five-level knowledge hierarchy comprising data, information, knowledge, expertise and capabilities. Zack (2011) divides organizational knowledge into three categories: core knowledge, advanced knowledge, and innovative knowledge. Core knowledge is the basic knowledge that enables a firm to survive in the market in the short-term. Advanced knowledge provides the firm with similar knowledge as its rivals and allows the firm to actively compete in the short term.

Innovative knowledge gives the firm its competitive position over its rivals. The firm with innovative knowledge is able to introduce innovative products or services, potentially helping it become a market leader (Zack, 2011).

The knowledge based theory was relevant to the study as it informs on both the dependent variable. The theory informs how knowledge, know-how, intellectual assets and competencies are the main drivers of superior performance in the information age. The theory considers knowledge as the most strategically significant resource of a firm.

Knowledge-based resources are usually difficult to imitate and socially complex and therefore heterogeneous knowledge bases and capabilities among firms are the major determinants of sustained competitive advantage and superior project performance

2.7 Conceptual Framework

Mugenda and Mugenda (2003) and Smith (2004), define a conceptual framework a hypothesized model identifying the model under study and the relationship between the dependent and independent variables. For the purpose of this research, a conceptual framework has been developed showing the relationship between the independent and dependent variables.

The dependent variable is project performance in the telecommunication sector while the independent variables include; strategic pricing, strategic human resource training, strategic lobbying and strategic product development.

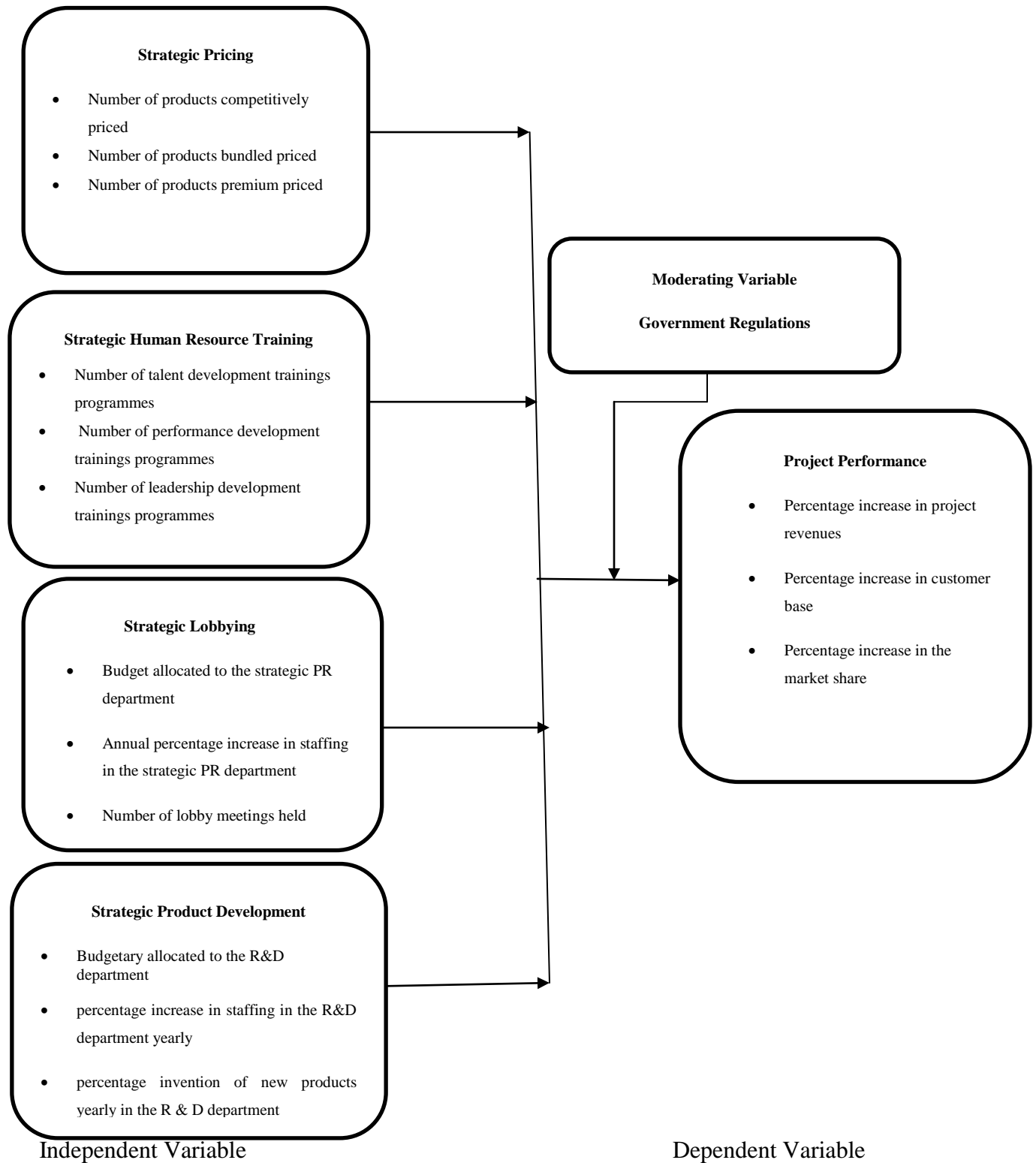


Figure 1.1: Conceptual Framework

2.8 Gaps in Literature

Most literature on lobbying focus on the political aspect. For example, Guo (2009) theoretically and empirically studied the impact of corporate governance level on firms' choice in two political strategies: lobbying and making political contributions. The theoretical model implies that managers with short-run personal interest prefer making political contributions; while shareholders caring about firms' long-term success, are willing to do informational lobbying. Guo (2009) focuses on the political aspect of lobbying while this study focused on the public relations aspect of lobbying. Other studies for example Chollet et al (2012) and Lyon & Maxwell (2013) only looked at lobbying resource training and failed to address the other study variables which are strategic pricing, strategic product development and strategic HR training.

Volpe (2011) study draws upon literature from the fields of agricultural economics, industrial organization, and business to study the performance. The empirical work draws from a rich dataset across the U.S. to test several hypotheses. The study revealed that utilizing everyday low pricing is more efficient than using other strategies. There is increase in performance by using strategies of closest competitors. There exists a gap as this study focused on firm performance in USA while the current study will focus on performance of a telecommunication firm in Kenya.

The objective of the study by Gichuki (2013) was to establish the strategic responses adopted by multinational companies in Kenya to the changes in the environment. The study adopted a descriptive research design. The population of study comprised of Multinational companies in the cosmetics industry. There exists a gap as the current study focused on telecommunication sector in Kenya and not a multinational company.

Other studies with a research gap include Usley (2014), as he only looked at strategic pricing and failed to address the other study variables (Strategic HR training, strategic lobbying) . (Manole, Alpopi and Colesca (2011); Wang, Hutchins & Garavan, (2009) ; Radulescu and Ioan, (2009);Grieves, (2003)) who only looked at strategic human resource training and failed to address the other study variables which are strategic pricing, strategic product development and strategic lobbying.

2.9 Summary of Literature Review

Literature on strategic responses point out that turbulent external environments, shrinking product life cycles, exploding R&D costs, and the increasing dispersion of skills and knowledge across firms and other organizations have heightened the needs for strategic alliances.

At the same time, new product development, strategic lobbying, pricing have been rightfully placed as a central dimension of a firm's strategic processes and a vital part of its effectiveness. Strategic responses have been linked to product development, pricing, HR trainings and lobbying activities which lead to better project performance.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter provided details about the methodology adopted to assist in achieving the research objectives. According to Newing (2011), a research methodology is concerned with what you will actually do in order to address the specific objectives and research questions you have developed. The chapter describes the steps and approaches that were followed in executing the study. Specifically, the research design, the study population, selection of respondents and data collection methods.

The chapter equally presented how the study variables were operationalized as well as the data analytical techniques.

3.2 Research Design

This study was quantitative in nature and employed a descriptive research design. This is because the study was intended to provide a description that is factual and accurate (Polit & Hungler, 2003). The study was to determine the influence of strategic responses on project performance in the telecommunication sector in Telkom Kenya Nairobi County.

The appropriateness of descriptive design in the study was from the backdrop that conclusions about the research problem were based on the information provided at the time of data collection.

3.3 Target Population

The target population was composed of all employees of TKL as contained in the personnel register as at 31st January 2015. These were a total of 3000 employees but the study only targeted a population of the 300 management staff in Nairobi County. The justification was that the management staff were involved in the strategic management and provided more relevant information regarding strategic responses.

3.4 Sampling Size and Sampling Procedures

3.4.1 Sample Size

Niles (2006) had developed a guide table for selection of sample sizes aimed at achieving different levels of confidence

The selection of 96 respondents is justified based on the following formula advocated by Niles (2006).

$$samplesize = p(1-p)\left(\frac{z}{e}\right)^2$$

Given a probability (p) of 50% (meaning there is a 50% chance that the respondent could respond and give relevant information), confidence level of 95% (z=1.96), and margin of error of 10%, then the approximate sample size is 96 respondents.

Table 3.1: Guide table for sample selection

Accuracy (+/-) (Margin of error)	Confidence Level		
	90%	95%	99%
	Sample size	Sample size	Sample size
1	6765	9604	16576
2	1691	2401	4144
3	752	1067	1848
4	413	600	1036
5	271	384	663
10	68	96	166
20	17	24	41

Source: Niles (2006)

Table 3.2: Sampling size

Category	populations	Respondents
Top Management	20	=20/300*96= 6
Middle level	55	=55/300*96=18
Supervisor	225	=225/300*96=72
Total	300	96

3.4.2 Sampling Procedure

Stratified random sampling was used to select the managers for each category for the study. The strata were three managerial levels that is, top management, middle level and supervisors. The managers were selected for the study because they had a clear and consistent understanding of the organizational operations which implies that the results can be generalized without a lot of errors.

3.5 Data Collection Instrument

The study used a semi structured questionnaire to obtain primary data. A semi structured questionnaire was preferred as it made it possible to convert responses into quantitative format for ease of data analysis using computer based software.

3.5.1 Pilot Testing of the Instruments

A pilot study was conducted in order to establish the validity and reliability of data collection instruments (Saunders, Lewis & Thornhill (2007)). The questionnaire was pre-tested on a pilot set of 9 respondents for comprehension, logic and relevance. The subjects participating in the pilot study were not included in the final study to avoid fatigue. All aspects of the questionnaire were pre-tested including question content, wording, sequence, form and layout, question difficulty and instructions. The feedback obtained was used to revise the questionnaire before administering it to the study respondents.

3.5.2 Validity of the Instrument

In order to test and enhance the validity of the questionnaire, the researcher randomly selected respondents and one research supervisor to discuss the validity on the contents of the questionnaire. Content validity refers to the extent to which measuring instrument provides adequate coverage of the investigative questions guiding to the study (Cooper and Schindler, 2003). For this study the questionnaires was be double checked to ensure they cover the areas of this study. The validity of the content of the questionnaire was checked by the supervisor and two experts in the telecommunication industry.

3.5.3 Reliability of the Instrument

Reliability analysis was used to assess the internal consistency among the variables of the study. Nine Questionnaires were distributed to randomly selected Telkom managers within the target

sample as a pretest where adjustments were placed on the questions to ensure accuracy and objectivity. The reliability of the study measures what was assessed by computing Cronbach's Alpha coefficient for all items in the questionnaire and the overall assessment was given (Sekaran and Bougie, 2010). The Cronbach's alpha coefficient ranges between 0 and 1 with higher alpha coefficient values being more reliable. A questionnaire with a good internal consistency should have high alpha coefficients. The reliability was tested using the Cronbach's alpha coefficient. All the variables returned a coefficient of more than 0.7. A correlation of 0.7 or more indicates the variables were reliable and the respondents could understand the contents of the questionnaire.

3.6 Data Collection Procedures

The questionnaires were administered through drop and pick method. If a respondent did not fill the questionnaire after two weeks a follow up was made through a phone call and they would be collected at a time that was conveniently arranged between the researcher and the respondents. This study took into account information from studies in the industry and the results from previous studies.

3.7 Data Analysis Technique

The questionnaires were edited for completeness and consistency to ensure that respondents had completed them as required. The collected data was coded and entered into SPSS (V.20) to create a data sheet that was used for analysis. The variables to be measured were labeled. The responses were coded with numbers. After data was collected it was screened and cleaned to find out whether there were errors that could have been corrected. Data was analyzed using quantitative and qualitative techniques. Responses were assigned; numerical values were consistent with numerical codes.

Equation shows the linear regression model of the independent variables against the dependent variable.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

Y = the value of the dependent variable

- i. $\{\beta_i; i=1,2,3,4,5\}$ = The coefficients for the various independent variables
- ii. X_i for;

X_1 = strategic pricing

X_2 = strategic human resource training

X_3 = strategic lobbying

X_4 =strategic product development

- iii. e is the error term which is assumed to be normally distributed with mean zero and constant variance.

Y =Project performance in the telecommunication sector

3.8 Ethical Considerations

Ethical considerations relate to the moral standards that the researcher considered in all research methods in all stages of the research design. After the introduction letter from the University was obtained to conduct the study, permission was obtained from the Management of Telkom Kenya. In this research, three principles of ethics were used namely beneficence, respect for human dignity as well as justice (Polit and Beck, 2003). The principle of beneficence states that research should be designed to minimize risk or possible harms (“Do no harm”) and maximize benefit to the participant and to society. The principle of respect and ethics states that Individuals should be treated as autonomous agents. The participants were also informed that the information they provided was not be used in any way to victimize the participants or exploited for commercial and selfish personal gain, but only for academic purposes. Full disclosure, fair treatment and privacy were also practiced.

3.9 Operational Definition of the Variables

This section describes the operationalization of the research variables as depicted in the conceptual model (Figure 1.1). Operationalization facilitated the reduction of abstract notions of constructs into observable behavior or characteristics so that they can be measured (Sekaran, 2000; Zikmund, 2000).

Table 3.3 Operational Definition of the Variables as in figure 1.1

Objective	Independent Variable	Dependent Variable	Indicators	Type of Analysis	Tool of Analysis
To determine the influence of strategic pricing on the performance of projects in Telkom Kenya.	Strategic Pricing		<ul style="list-style-type: none"> • Number of products competitively priced • Number of products bundled priced • Number of products premium priced 	Descriptive Inferential	Frequencies Mean Correlation
To establish the influence of strategic human resource training on the performance of projects in Telkom Kenya	Strategic Human resource training		<ul style="list-style-type: none"> • Number of talent development trainings programme • Number of performance development trainings programmes • Number of leadership development training programme 	Descriptive Inferential	Frequencies Mean Multiple odd ratio regression
To investigate the influence of strategic lobbying on the performance of projects in Telkom	Strategic lobbying		<ul style="list-style-type: none"> • budget is allocation to the strategic PR department • percentage increase in staffing in the strategic PR 	Descriptive Inferential	Frequencies Mean Multiple odd ratio regression

Kenya			<p>department yearly</p> <ul style="list-style-type: none"> Number of lobby meetings held 		
To investigate the influence of strategic product development on the performance of projects in Telkom Kenya	Strategic product development		<ul style="list-style-type: none"> budgetary allocated to the R&D department percentage increase in staffing in the R&D department yearly percentage invention of new products yearly in the R & D department 	Descriptive Inferential	<p>Frequencies Mean Multiple odd ratio regression</p>
To determine the influence of strategic responses on project performance in the telecommunication sector		Project performance	<ul style="list-style-type: none"> Percentage increase in project revenues Percentage increase in customer base Percentage increase in market share growth 	Descriptive Inferential	<p>Frequencies Mean Multiple odd ratio regression</p>

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION OF FINDINGS

4.1 Introduction

This chapter comprises of data analysis, presentation, interpretation and discussions of findings. Results are presented in tables. The analyzed data was arranged under themes that reflect the research objectives.

4.2 Questionnaire Return Rate

The number of questionnaires that were administered was 96. A total of 78 questionnaires were received out of a possible 96 questionnaires. This a response rate of 81%. The unsuccessful response rate was 18 questionnaires (19%). According to Mugenda and Mugenda (2003), a response rate of more than 50% is adequate for analysis. Babbie (2004) also asserted that a return rate of 50% is acceptable for analysis and publishing. He also states that a 60% return rate is good and a 70% return rate is very good. The achieved response rate was 70% which implies that the response rate was very good since it implies representativeness. The sample drawn for the questionnaire research compares well with the population of interest. The response rate matrix is presented on Table 4.1.

Table 4.1: Response Rate

Details	Frequency	Percent
Returned Questionnaires	78	81%
Unreturned Questionnaires	18	19%
Total	96	100%

4.3 Demographic Information

This section presents the descriptions of the respondents in terms of their age, gender, position, level of education, period of work in a given position

4.3.1 Gender

The respondents were asked to indicate their gender. The majority of respondents were male as supported by 53.2% while the female respondents are 45.6 %. This implies that the leadership of TKL is male dominated. The gender distribution may have had an influence on strategic pricing,

strategic product development, strategic lobbying, and strategic public relations on performance. The findings are presented in table 4.2

Table 4.2: Gender

Details	Frequency	Percent
Male	42	53.85%
Female	36	46.15%
Total	78	100%

4.3.2 Age

The respondents were asked to indicate their age. According to study findings, 35.4 percent of respondents are aged between 18-35years, 30.4 percent aged between 36-55 years and 32.9 percent aged 56 years and . This implies that the study population is mature and will be able to understand the questionnaire. The age distribution may have had an influence on strategic pricing, strategic product development, strategic lobbying, and strategic public relations on performance. The findings are presented in table 4.3

Table 4.3 Age of respondents

Details	Percent
18-35 years	35.9 %
36-55 years	30.77 %
56 years and	33.33 %
Total	100%

4.3.3 Years Employed in Current Position

The respondents were asked to indicate how many years they had been employed in their current positions. The majority of respondents at 34 percent had been in the firm for 3-5 years while 23 percent had been in the firm for less than 2 years and 21 percent had worked in the firm for more than 5 years. The finding implies that the respondents are experienced enough to answer the study questions. The years employed may have had an influence on strategic pricing, strategic

product development, strategic lobbying, strategic public relations and on performance. The findings are presented in table 4.4

Table 4.4 Years employed in current position

Details	Percent
Less than 2 years	29.49 %
3-5 years	43.59 %
More than 5 years	26.92 %
Total	100%

4.3.4 Position Employed

The respondents were asked to indicate what position they hold in the running of TKL. 41.03 percent of respondents are in the middle management, 39.74% of the respondents were supervisors while the respondents in the top management were 19.23% implying that the respondents are in a more informed position to reply accurately to the questions. Another reason why the position of employment was important is because managerial respondents are best placed to answer questions on strategies.

The position employed may have had an influence on strategic pricing, strategic product development, strategic lobbying, and strategic public relations on performance. The findings are presented in table 4.5

Table 4.5 Position of employment

Details	Percent
Top management	19.23 %
Middle level	41.03 %
Supervisor	39.74 %
Total	100%

4.4 Strategic Responses and Project Performance

This section presents the descriptive results on strategic pricing, strategic human resource training, strategic lobbying and strategic product development on project performance.

4.4.1 Strategic Pricing and Project Performance

The study sought to establish the impact of strategic pricing on project performance. The results are presented in table 4.6 and 4.7. Majority of the respondents (92.3%) affirmed that the organization used competitive pricing strategy in pricing their products while 7.7% answered no. The responses further indicated that a total of 92.3% of the products were competitively priced, 92.3% bundle priced and 93.6% premium priced. These results imply that strategic pricing responses are well adopted in the firm and have an influence on project performance in particular increase in project revenues, increase in project customer base and increase in organization market share.

The findings are in line with the study done by Sije and Oloko (2013) which found out that there was strong positive correlation between penetration pricing strategy and performance. The researcher therefore concluded that the enterprises should focus more of its effort on penetration pricing strategy because there was a significant level of effect of penetration pricing strategy on the number of customers, customer loyalty and quality of service.

Table 4.6 Strategic pricing and project performance

Response	no	yes
strategic pricing	7.70%	92.30%

Table 4.7 Strategic pricing and project performance

Strategic Pricing	No response	1-3 products	4-6 products	over 6 products
competitive pricing	7.70%	17.90%	52.60%	21.80%
bundle pricing	7.70%	17.90%	48.70%	25.60%
premium pricing	6.40%	35.90%	37.20%	20.50%

Table 4.8: Relationship between Strategic pricing and Project Performance

		Strategic Pricing
Project performance	Pearson Correlation	.405
	Sig. (2-tailed)	0.000

Strategic pricing showed a positive and significant relationship with project performance as supported by a positive coefficient of 0.405. These findings are similar to those of Volpe (2011) which revealed that utilizing everyday low pricing is more efficient than using other strategies.

4.4.2 Strategic Human Resource Training and Project Performance

The study sought to establish the impact of human resource training on project performance. The results are presented in Table 4.8 and 4.9. Majority of the respondents (97.4%) asserted that TKL had invested in human resource training development while 2.6% answered no. The responses further indicated that a total of 97.4 % trainings on talent development, performance development and leadership development had been carried out in the past 1 year. These results imply that strategic human resource training responses are well adopted in the firm and may have had an influence on project performance in particular increase in project revenues, increase in project customer base and increase in organization market share.

Table 4.9 Strategic Human resource training and project performance

Response	no	yes
human resource training	2.60%	97.40%

Table 4.10 Strategic Human resource training and project performance

	No response	1-2 trainings	2-5 trainings	over 5 trainings
talent development training	2.60%	17.90%	47.40%	32.10%
performance development training	2.60%	25.60%	39.70%	32.10%
leadership development training	2.60%	28.20%	42.30%	26.90%

Table 4.11: Relationship between Strategic Human Resource Training and Project Performance

		Strategic HR Training
Project performance	Pearson Correlation	.305
	Sig. (2-tailed)	0.007

Strategic HR Training showed a positive and significant relationship with project performance as supported by a positive coefficient of 0.305. The findings are in line with those of Akhtar (2013) whose study findings indicates that a valid set of strategic HRM practices (training, participation, results-oriented appraisals, and internal career opportunities) affect both product/service performance and financial performance.

4.4.3 Strategic Lobbying and Project Performance

The study sought to establish the impact of strategic lobbying on project performance. The results are presented in Table 4.12. 97.4% of the respondents affirmed that the organization invested in strategic public relations while 2.6% did not agree with the statement. Further, 98.7% of the respondents' responses indicated that there is allocation of public relations budget, public relation staffing and public relation meetings.

The results implied that strategic responses are well adopted in the firm and have an influence on project performance in particular increase in project revenues, increase in project customer base and increase in organization market share.

Table 4.12 Strategic Lobbying and Project Performance

Response	no	yes
strategic lobbying	2.60%	97.40%

Table 4.13: Strategic lobbying and Project Performance

Response	No response	less than 1%	2-5 %	over 5 %
Public relations budget	1.30%	41.00%	47.40%	10.30%
Public relations staffing	1.30%	39.70%	50.00%	9.00%
Public relations meetings	1.30%	33.30%	52.60%	12.80%

Table 4.14: Relationship between strategic lobbying and Project Performance

		Strategic Lobbying
Project performance	Pearson Correlation	.378
	Sig. (2-tailed)	0.001

Strategic Lobbying showed a positive and significant relationship with project performance as supported by a positive coefficient of 0.378. The findings are in line with those of Guo (2009) whose study showed that public relations has value to an organization and to society in general when it cultivates quality relationships with publics and that favorable reputation can be obtained through the development of quality organization-public relationships.

4.4.4 Strategic Product Development and Project Performance

The study sought to establish the impact of strategic product development on project performance. The study sought to establish the impact of strategic product development on project performance. The results are presented in Table 4.15. 97.4% of the respondents answered to the affirmative that the organization invested in strategic product development while 2.6% answered disagreed. Further, 97.4% of the respondents' responses indicated that there is allocation of R&D budget, R&D staffing and invention of new products. Results imply that strategic responses are well adopted in the firm and have an influence on project performance in

particular increase in project revenues, increase in project customer base and increase in organization market share.

Table 4.15 Strategic product development and Project Performance

Response	no	yes
Product Development	2.60%	97.40%

Table 4.16 Strategic product development and Project Performance

Response	No response	0-2%	3-5 %	over 5 %
R&D budget	2.60%	30.80%	48.70%	17.90%
R&D staffing	2.60%	24.40%	46.20%	26.90%
R&D new products	2.60%	32.10%	38.50%	26.90%

Table 4.17: Relationship between Strategic Product Development and Project Performance.

Strategic Product Development		
Project performance	Pearson Correlation	.240
	Sig. (2-tailed)	0.034

Strategic Product Development showed a positive and significant relationship as supported by a positive coefficient of 0.240. These results are in line with Udegbe (2013) findings which showed that the impact of product development on organizational performance was higher when consumers perceive product innovation as stronger, more favorable and more unique. Creativity/quality of the innovation process exert a positive influence on product development and organizational performance

4.4.5 Project Performance

The study sought to establish project performance. The results are presented in Table 4.18 and 4.19. 96.2% of the respondents said answered to the affirmative that the adoption of various strategic responses had improved project performance in the organization while 3.8% disagreed.

Results imply that the adoption of strategic pricing, strategic human resource training, strategic lobbying and strategic product development had impacted on the various project performance of Telkom Kenya.

Table 4.18 Project performance

Response	no	yes
Project performance	3.80%	96.20%

Table 4.19 Strategic Responses and Project performance

Response	No response	1-5 %	6-10 %	over 10 %
Project revenue	3.80%	35.90%	28.20%	32.10%
Customer base	3.80%	30.80%	51.30%	14.10%
Market share	3.80%	46.20%	32.10%	17.90%

4.5 Regression Analysis

The results presented in table 4.20 present the fitness of model used of the regression model in explaining the study phenomena. Strategic pricing, strategic human resource training, strategic lobbying and strategic product development found to be satisfactory variables in explaining profitability of TKL. This is supported by coefficient of determination also known as the R square of 74.6%. This means that strategic pricing, strategic human resource training, strategic lobbying and strategic product development explain 74.6% of the variations in the dependent variable which is project performance. This results further means that the model applied to link the relationship of the variables was satisfactory.

Table 4.20: Correlation Matrix

Responses	Correlation	Strategic pricing	Strategic HR training	Strategic product development	Strategic Lobbying	Project performance
Strategic pricing	Pearson Correlation Sig. (2-tailed)	1				
Strategic HR training	Pearson Correlation Sig. (2-tailed)	0.177 0.122	1			
Strategic product development	Pearson Correlation Sig. (2-tailed)	0.076 0.51	0.121 0.29	1		
Strategic Lobbying	Pearson Correlation Sig. (2-tailed)	.244 0.031	.303 0.007	.422 0.000	1	
Project performance	Pearson Correlation Sig. (2-tailed)	.405 0.000	.305 0.007	.240 0.034	.378 0.001	1

Table 4.21: Model fitness

Model	R	R Square	Adjusted R Square
	0.864	0.746	0.723

The overall model significance was satisfactory as shown by an f statistic of 7.23346. The p value of 0.000 implies that the null hypothesis of no significance is rejected.

Table 4.22: Model Significance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	6.42744	4	1.607	7.23346	0.000
Residual	16.2164	73	0.222		
Total	22.6439	77			

Regression of coefficients results in table 4.23 shows that there is a positive and significant relationship between strategic pricing, strategic lobbying, strategic human resource training, strategic product development and project performance as supported by beta coefficients of 0.316, 0.202, 0.175 and 0.101 respectively. These results show that an increase in the unit change of any of the variables would result to an increase in project performance.

Table 4.23: Regression of Coefficients

Model	B	Std. Error	t	Sig.
(Constant)	0.526	0.25051	2.10097	0.0391
Strategic pricing	0.3161	0.07636	3.07442	0.00297
Strategic HR training	0.17461	0.06057	2.496	0.040
Product development	0.10996	0.0156	5.521	0.000
Strategic lobbying	0.20175	0.09472	2.009	0.004

The multiple linear regression model is as shown .

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

Y = Project performance

X₁ = strategic pricing

X₂ = strategic human resource training

X₃ = strategic lobbying

X₄ = strategic product development

Thus, the optimal model for the study is;

Project performance = 0.526 + 0.316 *strategic pricing* + 0.175 *strategic human resource training*
+ 0.202 *strategic lobbying* + 0.11 *strategic product development*

CHAPTER FIVE: SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the data findings on the relationship between strategic responses and project performance in Telkom Kenya. The conclusions and recommendations were drawn in line with the study objectives. The chapter is therefore structured into summary of findings, conclusions and recommendations for further research.

5.2 Summary of findings

The general objective of this study was to assess the influence of strategic responses on project performance in the telecommunication sector.

5.2.1 Strategic Pricing and Project performance

One objective of the study was to establish the effect of strategic pricing on project performance in TKL. The results revealed that strategic pricing had impacted to the overall performance of Telkom Kenya. The results show that there existed competitive pricing, premium pricing and bundle pricing strategies in TKL that helped improve performance. The coefficient for strategic pricing from the regression analysis had a value of 0.316 implying a positive relationship with project performance.

5.2.2 Strategic human resource training and project performance

The second objective of the study was to identify the effects of strategic human resource training on project performance. Results revealed that strategic human resource training responses had not impacted to project performance in TKL. The results show that talent development training, performance development training and leadership development training are all policies that existed in TKL.

The results implied that strategic human resource responses that existed in TKL impacted on project performance. This findings were supported by the results of a Pearson correlation analysis ($r=0.305$) and regression analysis where the coefficient strategic human resource had a value of 0.175 implying a positive relationship with project performance.

5.2.3 Strategic Lobbying and Project Performance

The third objective of the study was to establish the effect of strategic lobbying on project performance. Results reveal that strategic lobbying affected project performance. Results also indicated that TKL allocate a percentage of its total budget to the strategic PR department, increases in staffing in the strategic PR department yearly and have yearly strategic PR meeting. These findings were supported by the results of a Pearson correlation analysis ($r=0.378$) and regression analysis where the coefficient strategic lobbying had a value of 0.202 implying a positive relationship with project performance.

5.2.4 Strategic Product Development and Project Performance

The study sought to establish the effect of strategic product development on project performance. The result revealed that product development indeed had an impact on project performance. This findings were supported by the results of a Pearson correlation analysis $r=0.240$. They were also supported by regression analysis where the coefficient strategic product development had a value of 0.11 implying a positive relationship with project performance.

5.3 Conclusion

This study makes the following conclusions.

Various writers have argued that strategic responses lead to effective company performance. Our hypothesis and assumptions were drawn from such arguments and also similar past studies. We first acquainted ourselves on the conduct of strategic responses within the studied sector and thereafter examined the relationship between strategic responses and firm performance.

Results of the analysis reveal the existence of a relationship between strategic relationship and firm performance. It was observed that firms that exhibit higher levels of strategic responses perform better in both financial and non-financial indicators compared to those exhibiting low levels of strategic planning. Examining the strategic responses constituent variables and there link to performance, it was evident that no doubt there are correlations between these constituent variables and performance. This finding conforms to the theoretical arguments by Hofer and Schendel (2011), Henderson (2011), Greenley (2011), David (2012) that firms' record improved performance once they effectively embrace strategic planning.

These findings are also in agreement with those of other studies which observed that indeed there is a relationship between strategic planning and firm performance all of which concluded that there is a link between strategic planning and firm performance. This finding, therefore, is an indication that findings from previous studies, carried out in the developed countries, during different time periods, within businesses and utilizing mainly financial performance measures are in tandem with the ones from the developing countries context i.e. the relationship between strategic responses and firm performance could exist regardless of context (geographical or business sector).

5.4 Recommendations

The following recommendations have been made.

This study mainly focused on the connection between the strategic responses and firm performance. It would be of interest to investigate the role of intervening variables in translating the strategic responses intentions into reality.

Every step in the strategic response process is important. The firm's purpose should be clear enough for the workers to know that they are on the right track. The business environment has to be critically analyzed, for the organization to understand its internal competences or business opportunities from where appropriate strategies are crafted to facilitate a fit and success. In a nutshell the process of strategic responses should be given its deserved attention in terms of all the prescribed steps within the existing literature.

Firms therefore should invest more on strategic training strategic product development, strategic lobbying and strategic pricing. However, strategic pricing should given more priority since it seems to have the biggest effect on project performance.

5.5 Suggestions for Further Studies

The following suggestions for further studies are made;

1. The impact of strategic responses on project performance by focusing on other sectors other than the telecommunication industry in order to depict reliable information in order to depict reliable information that illustrates real situations in across all sectors.

2. The factors affecting strategy implementation in order to give both negative and positive sides that can be reliable.

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APPENDICES

Appendix I: Introduction Letter

Date.....

Dear Sir/Madam,

RE: VOLUNTARY PARTICIPATION IN DATA COLLECTION

My name is George Kimani MA student from University of Nairobi. I am conducting a study on the impact of strategic responses on project performance. Your feedback and views on the mentioned will help in compiling my research. The data collected is for research purposes only and it takes the form of a survey which should take no more than 15 minutes of your time. All responses received are anonymous and information collected will not be distributed to any other party.

Thank you for taking time to complete this survey.

Yours Sincerely,

GEORGE KIMANI.

Appendix II: Research Questionnaire

Kindly answer the following questions as honestly and accurately as possible. The information given will be treated with a lot of confidentiality. Please do not write your name anywhere on this questionnaire. You are encouraged to give your honest opinion.

SECTION A: DEMOGRAPHIC CHARACTERISTICS

1. What is your gender?

Male ()

Female ()

2. What is your age?

18-35 years () 36-55 years () 56 and ()

3. What is your highest level of education?

Secondary Education () Undergraduate () Postgraduate ()

4. How many years have you been employed in your current position?

Less than 2years () 3 to 5years More than 5 years ()

5. What is your position?

Top Management () Middle level () Supervisor ()

SECTION B: INFLUENCE OF STRATEGIC PRICING ON PROJECT PERFORMANCE

This Section is concerned with assessing the influence strategic pricing on project performance. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements.

- 1a). Do you use competitive pricing strategy in pricing your products?

a) Yes

b) No

If yes to the question:

b) How many products have been competitively priced?

(a) 1-3 products (b) 4-6 products (c) Over 6 products

c) How many products have been bundle priced?

(a) 1-3 products (b) 4-6 products (c) Over 6 products

d) How many products have been premium priced?

(a) 1-3 products (b) 4-6 products (c) Over 6 products

SECTION C: INFLUENCE OF STRATEGIC HUMAN RESOURCE TRAINING ON PROJECT PERFORMANCE

This Section is concerned with assessing the influence strategic human resource training on project performance. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements

2 a) Does your organization invest in talent training?

a) Yes b) No

If yes to the question:

b) How many talent development training programmes have been organized for the past 1 year?

a) 1-2 trainings b) 3-5 trainings c) Over 5 trainings

c) How many performance development training programmes have been organized for the past 1 year?

a) 1-2 trainings b) 3-5 trainings c) Over 5 trainings

d) How many leadership development training programmes have been organized for the past 1 year?

a) 1-2 trainings b) 3-5 trainings c) Over 5 trainings

SECTION D: INFLUENCE OF STRATEGIC LOBBYING ON PROJECT PERFORMANCE

This Section is concerned with assessing the influence strategic lobbying on project performance. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements

3 a) Does your organization invest in strategic public relations?

a) Yes

b) No

If yes to the question:

b) What percentage of the total budget is allocated to the strategic PR department?

a) less than 1%

b) 2-5%

c) Over 5%

c) What is the percentage increase in staffing in the strategic PR department yearly?

a) less than 1%

b) 2-5%

c) Over 5%

d) What is the percentage of yearly strategic PR meeting in your organization?

a) less than 1%

b) 2-5%

c) Over 5%

SECTION E: INFLUENCE OF STRATEGIC PRODUCT DEVELOPMENT ON PROJECT PERFORMANCE

This Section is concerned with assessing the influence strategic product development on project performance. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements

4 a) Does your organization invest in strategic product development?

a) Yes

b) No

If yes to the question:

b) What percentage of budget is allocated to the research and development department?

a) 1-2 %

b) 3-5%

c) Over 5%

c) What is the percentage increase in staffing in the R&D department yearly?

a) a) 1-2 % b) 3-5% c) Over 5%

d) What is the percentage invention of new products yearly in the R & D department?

a) a) 1-2 % b) 3-5% c) Over 5%

SECTION F: INFLUENCE OF STRATEGIC RESPONSES ON PROJECT PERFORMANCE

This Section is concerned with assessing the influence strategic responses on project performance. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements

5 a) Has the adoption of various strategic responses improved project performance in your organization?

a) Yes b) No

If yes to the question:

b) What is the percentage increase in the organization's project revenues?

a) 1-5% b) 6-10% c) Over 10%

c) What is the percentage increase in the organization's customer base?

a) 1-5% b) 6-10% c) Over 10%

d) c) What is the percentage increase in the organization's market share?

a) 1-5% b) 6-10% c) Over 10%