*International Journal of Management and Business Research*

**Volume 7, Issue 1, pg. 348-363, 2025** *ISSN 29769-91723*

*IJMBR* https://grandmarkpublishers.com/index.php/IJMBR/index

# STRATEGIC MANAGEMENT PROCESS AND PERFORMANCE OF TELECOMMUNICATION COMPANIES IN KENYA

**[1] Wambu Joan Njeri, [2] Dr. Wamwayi Scholastica**

[11]Masters Student, Jomo Kenyatta University of Agriculture and Technology
[2]Lecturer, Jomo Kenyatta University of Agriculture and Technology

## ABSTRACT

Telecommunication companies in Kenya play a crucial role in the country's economic development and connectivity. Telecommunication companies in Kenya face several challenges that impact their profitability, market share, and customer satisfaction. The general objective of the study is to assess the influence of strategic management process on performance of telecommunication companies in Kenya. Specifically, the study sought to establish the influence of environmental scanning on performance of telecommunication companies in Kenya and to assess the influence of strategy implementation on performance of telecommunication companies in Kenya. This study was guided by Contingency Theory and The Institutional Theory. This study used descriptive research design. According to the communication authority in Kenya there are 5 registered telecommunication companies and they include; Safaricom PLC, Airtel, Telkom Kenya, Finserve, and Jamii Telecommunications. The study targeted management level employees at telecommunication companies in Kenya. Target populace comprised all 950 management level employees working with the telecommunication companies in Kenya. This involved all levels of management i.e. senior, middle and low level management staff. The study used Krejcie and Morgan (1970) formula to arrive at the sample size. The study used simple random sampling to select 282 respondents. This study also used questionnaire to collect data relevant to this study. Quantitative data collected was analyzed using descriptive statistical techniques which are frequencies, mean, standard deviation. Inferential statistics which include Pearson correlation and the Regression Analysis Model was used to test the relationship between study variables. The significance of the model was tested at 5% level of significance. Data was analysed using Statistical Package for Social Sciences (SPSS) software. The study results were presented through use of tables and figures. The study concludes that environmental scanning has a significant effect on performance of telecommunication companies in Kenya. The study also concludes that strategy implementation has a significant effect on performance of telecommunication companies in Kenya. Based on the findings, the study recommends that the management of telecommunication companies in Kenya should institutionalize continuous and proactive environmental scanning to monitor technological trends and regulatory changes. By consistently analyzing external factors, these companies can adapt quickly, minimize risks, and seize growth opportunities ahead of competitors

**Key Words:** Strategic Management Process, Environmental Scanning, Strategy Implementation, Performance of Telecommunication Companies

## Background of the Study

Telecommunication companies are organizations that provide services related to the transmission of information over distances. These services include voice, data, video, and internet communications, typically through wired or wireless networks. The primary functions of telecommunication companies are to enable communication between individuals and businesses via various technologies such as landlines, mobile networks, satellite systems, and the internet (Kumar, 2021). Telecommunication companies play a critical role in modern society by enabling the transmission of information over long distances, facilitating communication across the globe. They provide the essential infrastructure and services that connect individuals, businesses, and governments, allowing for real-time communication. Their networks span vast geographic regions, offering everything from traditional landline phone services to cutting-edge mobile data and broadband internet access (Chen, Birasnav & Zhang, 2022). By ensuring that people can communicate effortlessly, whether through voice, text, or video, these companies support not only personal interactions but also the functioning of businesses, governments, and educational institutions. Telecommunication companies are key players in the development and growth of the global digital economy (Ishtiaq, Tufail & Hussain, 2021). They provide the high-speed internet connections required for online businesses, e-commerce platforms, and digital services. The availability of broadband services allows people to access educational resources, work remotely, and participate in the global economy. Through their networks, telecommunication firms also enable the provision of services like cloud computing, data storage, and digital media streaming, which are integral to modern life and business operations (Sharabati, 2020).

Telecommunication companies also contribute significantly to technological innovation and the advancement of global connectivity. They are at the forefront of developing and deploying new communication technologies, such as 5G and fiber-optic networks, which offer faster speeds and lower latency, enhancing user experiences and supporting innovations in industries like healthcare, finance, and transportation (Singh, *et al*, 2021). Their role in rolling out cutting-edge technologies drives the digital transformation of various sectors, from smart cities and IoT (Internet of Things) devices to autonomous vehicles and remote healthcare services. Furthermore, these companies often serve as the backbone for national and international communication infrastructure (Okucu, Abal & Nsisi, 2023). They support governments and emergency services by ensuring that communication systems are available in times of crisis, such as during natural disasters or emergencies. Their networks facilitate not only personal communication but also critical operations in sectors such as banking, healthcare, and defense. Telecommunication firms also contribute to bridging the digital divide by expanding access to underserved areas, thereby promoting inclusivity and ensuring that rural and remote communities can access the same communication tools as urban areas (Karangwa & Irechukwu, 2023).

The strategic management process is a systematic approach used by organizations to formulate and implement strategies that achieve long-term goals and sustain competitive advantage. It involves a series of steps that help organizations identify their objectives, analyze the environment, formulate strategies, and take action to reach desired outcomes (Meresa, 2019). The process is continuous, dynamic, and involves both decision-making and evaluation to ensure alignment with the organization's vision and mission. Environmental scanning involves the systematic collection and analysis of both internal and external factors that could impact an organization. Internal factors include the company’s strengths and weaknesses, such as its resources, capabilities, and culture, while external factors encompass market trends, economic conditions, competitive forces, regulatory changes, and technological advancements (Chukwuemeka, *et al*, 2022). By conducting a thorough environmental scan, organizations can identify opportunities and threats in the marketplace and use this information to guide their decision-making and strategic planning. This step is crucial for creating a deep understanding of the landscape in which the organization operates, enabling it to anticipate changes and make informed choices (Addae-Korankye &Aryee, 2021). Strategy implementation involves resource allocation, assigning responsibilities, and setting timelines for executing the strategies. Successful implementation requires effective leadership, communication, and coordination across various departments (Oduor & Were, 2020). This study sought to assess the influence of strategic management process on performance of telecommunication companies in Kenya.

Telecommunication companies in Kenya play a crucial role in the country's economic development and connectivity. The sector is competitive, with several key players providing diverse services such as mobile communication, internet access, and financial services. Among the leading telecommunications companies in Kenya, Safaricom, Airtel Kenya, and Telkom Kenya are the most prominent (Dahir & Paul, 2023). Safaricom is the dominant player in the Kenyan telecom market, holding a significant share of the mobile network industry. Established in 1997, Safaricom has grown to be a household name, offering a wide range of services, including voice, data, and mobile money through its flagship service, M-Pesa. M-Pesa, launched in 2007, revolutionized mobile banking in Kenya, making financial services accessible to millions of unbanked individuals (Noah & Were, 2022). The company also offers high-speed internet, fiber optic services, and has expanded its business to include enterprise solutions. Safaricom's reach and influence extend beyond Kenya's borders, with a strong presence in East Africa. Airtel Kenya, part of the Indian-based Bharti Airtel Group, is another major player in the Kenyan telecommunications market (Gure &Karugu, 2021). Despite its smaller market share compared to Safaricom, Airtel has maintained a strong presence through competitive pricing and innovative products. Airtel offers a variety of services, including voice, data, and mobile money (Airtel Money), and has continually worked to improve its coverage and network infrastructure. The company's strategic focus has been on delivering affordable services, making it a popular choice among cost-conscious consumers (Oduor & Were, 2020).

Telkom Kenya, owned by the government and a consortium of private investors, is another notable telecommunication provider in Kenya. Although its market share is smaller than that of Safaricom and Airtel, Telkom has a solid presence in the fixed-line and broadband internet markets. Telkom also offers mobile services, including data and voice communication, but it faces challenges in competing with the larger players (Wambugu & Waiganjo, 2023). However, the company has made significant strides in improving its network infrastructure and has partnered with other companies to enhance its service offerings. In addition to these three primary providers, there are also several other smaller players and mobile virtual network operators (MVNOs) in Kenya (Dahir & Paul, 2023). The market is characterized by rapid technological advancements, such as the rollout of 4G and the expansion of fiber-optic networks, driving competition and improving service delivery. The government's commitment to digital transformation, through initiatives like the Digital Literacy Programme and support for mobile money, has further spurred the growth of telecommunications in Kenya (Noah & Were, 2022).

### Statement of the Problem

Telecommunication companies play a crucial role in the economic and social development of Kenya. As the backbone of communication infrastructure, they facilitate connectivity, enabling both individuals and businesses to interact across the country and globally (Gure &Karugu, 2021). In an increasingly digital world, the telecommunication sector is pivotal to economic growth by supporting other industries such as banking, education, agriculture, and healthcare through mobile and internet-based services. Additionally, they promote job creation, foster innovation, and contribute significantly to government revenues through taxes and licenses. Given their integral role in connecting people, businesses, and institutions, the telecommunication industry in Kenya is vital to the country's development, productivity, and technological advancement (Oduor & Were, 2020).

Telecommunication companies in Kenya face several challenges that impact their profitability, market share, and customer satisfaction. These challenges often stem from the dynamic nature of the industry, technological advancements, regulatory pressures, and consumer expectations. Telecommunication companies in Kenya face challenges in maintaining profitability due to high operational costs and competitive pricing (Wambugu & Waiganjo, 2023). According to the Communications Authority of Kenya (CA), the sector's profitability has been fluctuating. In the 2022/2023 financial year, the combined net profit for mobile operators in Kenya declined by 1.1%, totaling KSh 13.5 billion compared to KSh 13.6 billion in the previous year. A major factor contributing to this decline is the increased expenditure on network infrastructure, regulatory compliance, and innovation (Dahir & Paul, 2023). The profit margins are further squeezed by the need to offer competitively priced packages and services to retain and attract customers. Additionally, the Safaricom 2022 annual report indicated a 4.5% decrease in net profit due to a rise in costs related to spectrum fees and technological investments, despite increasing revenues from mobile money (M-Pesa) services. This shows that while revenue from mobile money has been a significant contributor to profitability, other aspects such as network costs and competitive pressures have an impact (Noah & Were, 2022).

Market share competition in Kenya is intense, with Safaricom holding a dominant position in the market. According to the Communications Authority of Kenya (CA) Q2 2023 report, Safaricom controlled 64.2% of the total mobile subscriptions, followed by Airtel Kenya with 23.5%, and Telkom Kenya with 8.7% (Dahir & Paul, 2023). The dominance of Safaricom is further highlighted by their performance in the mobile data market, where they held 74% of the data market in 2022, leaving competitors like Airtel with 22%. Despite efforts by Airtel and Telkom to grow their market share through promotions and new offerings, they continue to struggle against Safaricom's substantial market position. For example, Airtel's subscriber base increased by only 3.6% in 2022, while Safaricom's growth was 1.5%. This shows the challenge for smaller players in maintaining and expanding their market share in an environment where Safaricom's scale and brand recognition continue to dominate (Wambugu & Waiganjo, 2023).

Customer satisfaction in Kenya's telecommunication industry is affected by issues related to network reliability, pricing, and customer service. According to the CA's 2022 Consumer Survey, network reliability remains one of the biggest concerns among mobile subscribers, with 56% of consumers citing network coverage as their main issue (Noah & Were, 2022). Similarly, data speeds and call drops are common complaints, with 47% of customers reporting frustration with these factors. Regarding customer service, the 2022 CA report highlighted that 33% of customers were dissatisfied with the customer service provided by telecom companies. This dissatisfaction stems from poor handling of complaints, delays in service resolution, and billing issues. These problems have a significant impact on customer loyalty and retention. In a market where pricing is highly competitive, customers are quick to switch providers if they feel their issues are not being addressed effectively (Dahir & Paul, 2023). For instance, in 2022, Telkom Kenya reported a 5.5% increase in subscriber churn, which is partly attributed to customer dissatisfaction with service quality and pricing. Furthermore, pricing continues to be a major concern for customers, as 42% of mobile phone users in Kenya, according to the 2022 CA consumer survey, believed that mobile services were too expensive, especially in terms of data and mobile money transaction fees. As a result, companies are under pressure to offer more competitive and affordable packages, while still managing to cover their operational and technological costs (Wambugu & Waiganjo, 2023).

Strategic management processes are crucial in enhancing the performance of organizations, including telecommunication companies. By aligning business strategies with market opportunities, organizational goals, and available resources, these processes enable firms to stay competitive in a dynamic industry (Gure & Karugu, 2021). Various studies have been conducted in different parts of the world on strategic management process and organization performance. For instance, Gure and Karugu (2021) researched on strategic management process and performance of small and micro enterprises. Oduor and Were (2020) conducted a study on the influence of strategic management process on performance of intergovernmental organizations: a survey of African union agencies and Wambugu and Waiganjo (2023) examined on the effects of strategic management process on organizational performance of construction companies. However, none of these studies focused on environmental scanning and strategy implementation on performance of telecommunication companies in Kenya. To fill the highlighted gaps, the current study sought to determine the influence of strategic management process (environmental scanning and strategy implementation) on performance of telecommunication companies in Kenya.

## Objective of the Study

### General Objective

The general objective of the study is to assess the influence of strategic management process on performance of telecommunication companies in Kenya

### Specific Objectives

i. To establish the influence of environmental scanning on performance of telecommunication companies in Kenya
ii. To assess the influence of strategy implementation on performance of telecommunication companies in Kenya

## Theoretical Framework

### Contingency Theory

Contingency Theory, developed by Fred E. Fiedler in the 1960s often associated with leadership and organizational management, proposes that there is no one-size-fits-all approach to leadership or management practices. Instead, the effectiveness of leadership styles, organizational structures, and management strategies depends on the specific context in which they are applied. This theory suggests that different situations require different kinds of leadership and management approaches for optimal performance (Mansour & Lotayif, 2020). At its core, Contingency Theory asserts that various factors in the external environment and within the organization itself interact to determine the most effective leadership style or management practice. These factors can include the organization's size, its industry or sector, the complexity of its tasks, its culture, the skills and personalities of its employees, and the external environment such as market conditions or regulatory requirements (Weche, 2022).

One of the key principles of Contingency Theory is the idea of fit or match between the leader's or manager's style and the situational demands. For example, in a highly uncertain and rapidly changing environment, a more flexible and adaptive leadership style may be more effective than a rigid, authoritarian approach (Nyagaki, Munga & Nzioki, 2021). Similarly, in organizations with complex tasks that require specialized knowledge and expertise, leaders who can facilitate collaboration and empower their teams may be more successful than those who rely solely on hierarchical authority. Contingency Theory also emphasizes the importance of understanding the unique characteristics of each situation and tailoring leadership and management practices accordingly (Okwemba & Njuguna, 2021). This flexibility allows leaders and managers to adjust their strategies based on the specific challenges and opportunities they face, thereby enhancing organizational effectiveness and performance. Critically, Contingency Theory challenges the notion of a universally "best" or "ideal" leadership style. Instead, it encourages leaders and managers to be adaptive and responsive, continuously evaluating and adjusting their approach to align with the evolving needs of the organization and its environment. By considering the contingency factors and adapting their practices accordingly, leaders can optimize their effectiveness and contribute to the overall success of their organizations (Mang'ana, *et al*, 2019). This theory was used to establish the influence of environmental scanning on performance of telecommunication companies in Kenya.

**The Institutional Theory**

Institutional Theory developed by John Meyer and Brian Rowan in the 1970s, within the context of organizational studies and sociology, examines how institutions—both formal (such as laws, regulations, and norms) and informal (such as customs, traditions, and cultural values)—shape organizational behavior, practices, and structures (Ntakirutimana & Njenga, 2023). At its core, Institutional Theory suggests that organizations are not only influenced by economic factors or market forces but are also deeply embedded within broader social and institutional contexts. These institutional contexts provide guidelines, norms, and expectations that influence how organizations operate, make decisions, and respond to external pressures (Nwani & Odiri, 2023).

One key concept within Institutional Theory is institutional isomorphism, which describes the tendency of organizations within a field or industry to become more similar over time. This occurs through three main mechanisms: coercive isomorphism (pressure from external entities such as governments, regulatory bodies, or powerful stakeholders), mimetic isomorphism (imitation of successful practices or behaviors observed in other organizations), and normative isomorphism (adoption of norms and values considered legitimate within the institutional environment) (Mailu, Ntale & Ngui, 2020). These forces can lead to convergence in organizational structures, practices, and strategies, even among organizations that are otherwise competing in the same industry. Furthermore, Institutional Theory emphasizes the role of legitimacy in organizational survival and success (Karenye & Murigi, 2020). Legitimacy refers to the perception that an organization's actions, structures, and practices are appropriate, acceptable, and in line with societal expectations and norms. Organizations strive to gain and maintain legitimacy because it enhances their credibility, reduces uncertainty among stakeholders, and facilitates access to resources and support. Legitimacy can be achieved by conforming to institutional expectations, aligning with prevailing norms, and demonstrating social responsibility (Lenayapa, Muhoho & Muia, 2020). This theory was used to assess the influence of strategy implementation on performance of telecommunication companies in Kenya.

**Conceptual Framework**

A conceptual framework is a structured, visual, or written representation that outlines the key concepts, variables, and their relationships within a study or project. The figure below shows the independent variables, the moderating variable and the dependent variable

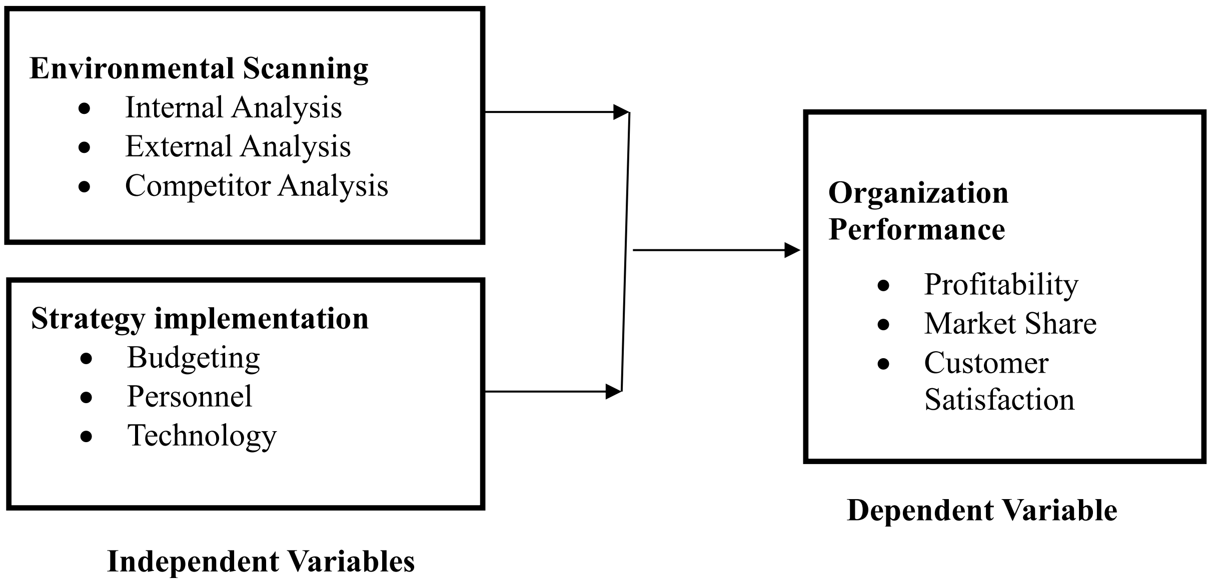


**Figure 2. 1: Conceptual Framework**

**Environmental Scanning**

Environmental scanning refers to the process of systematically analyzing and monitoring the external and internal environments that may affect an organization's performance, strategies, and decision-making. The purpose of environmental scanning is to identify opportunities, threats, trends, and changes in various factors, so that the organization can respond effectively and adapt its strategies accordingly (Nyagaki, Munga & Nzioki, 2021). Internal analysis involves evaluating the internal environment of an organization to understand its strengths and weaknesses. This analysis focuses on assessing factors such as organizational structure, culture, resources, capabilities, and processes. Key elements to examine in an internal analysis include financial performance, human resources, technological infrastructure, operational efficiency, and brand reputation (Okwemba & Njuguna, 2021). External analysis focuses on examining factors outside the organization that can influence its performance. This involves scanning the macro-environment and industry environment to identify opportunities and threats. Key aspects include the political, economic, social, technological, environmental, and legal factors (PESTEL analysis) that shape the external landscape. It also includes evaluating market trends, customer behaviors, and regulatory changes that may impact business operations (Mansour & Lotayif, 2020). Additionally, an organization must consider industry-specific dynamics such as competition, supply chain stability, and technological advancements.

Competitor analysis is the process of evaluating the strengths, weaknesses, strategies, and behaviors of current and potential competitors in the market. This analysis involves gathering information about competitors' products, pricing, marketing strategies, market share, customer loyalty, and innovation (Nyagaki, Munga & Nzioki, 2021). By understanding competitors' strategies and performance, an organization can identify competitive advantages and potential threats. Competitor analysis helps companies anticipate moves by rivals and stay ahead by differentiating their products or services. It also reveals market gaps and opportunities for growth. By evaluating competitors' strengths, businesses can identify areas where they can outperform rivals, whether through cost leadership, differentiation, or innovation. A comprehensive competitor analysis allows organizations to position themselves strategically, mitigate competitive threats, and craft more effective marketing and operational strategies (Okwemba & Njuguna, 2021).

**Strategy Implementation**

Strategy implementation refers to the process of putting a formulated strategy into action to achieve the organization's goals and objectives. It involves translating the strategic plan into concrete actions, decisions, and operations, ensuring that resources are allocated efficiently, and that the necessary processes, structures, and policies are in place to execute the strategy effectively (Nwani & Odiri, 2023). A well-prepared budget provides a clear overview of expected income and expenditures, allowing decision-makers to make informed choices about where to invest or cut costs. Budgeting also helps in identifying potential financial constraints or opportunities, ensuring that the organization remains on track to meet its strategic goals without overspending. Effective budgeting is essential for maintaining financial discipline, supporting operational activities, and mitigating risks associated with financial mismanagement (Karenye & Murigi, 2020).

Personnel management is a key component of strategy implementation, as human resources play a crucial role in executing the strategic plan. This involves ensuring that the organization has the right people with the necessary skills, knowledge, and experience to carry out the strategy effectively. Personnel management encompasses recruiting, training, developing, and retaining talent to meet organizational needs. It also involves aligning individual and team goals with the broader organizational objectives to ensure everyone is working toward the same purpose (Lenayapa, Muhoho & Muia, 2020). Technology plays an increasingly important role in strategy implementation, especially in today's digital and highly connected world. It provides the tools and platforms necessary to streamline operations, enhance productivity, and support innovation. For effective strategy execution, organizations must leverage technology to improve efficiencies, support decision-making, and drive performance across all areas (Nwani & Odiri, 2023). This could involve the implementation of enterprise resource planning (ERP) systems, customer relationship management (CRM) software, or other technological tools that facilitate communication, collaboration, and data analysis. Additionally, technology can be used to track progress toward strategic goals, automate routine tasks, and enable more informed and timely decisions (Mailu, Ntale & Ngui, 2020).

**Empirical Review**

**Environmental Scanning and Organization Performance**

Mansour and Lotayif (2020) examined on environmental scanning mechanism and its effects on the performance: evidence from UAE. The study used qualitative approach through using a structured questionnaire and a convenience sample of 350 executives in UAE was use in the current research. The study found significant relationships between performance and interest in scanning, scanning frequency, sources of scanning (personal), and sources of scanning (impersonal) existed. The study concluded that UAE businesses are conducting regular, proactive, and hoc scanning more often than irregular, reactive, and primitive scanning.

Weche (2022) investigated on environmental scanning and organizational performance of manufacturing companies in rivers state, Nigeria. The population of this study comprises one-hundred and fourteen manufacturing companies in Rivers State, Nigeria and with a sample of eighty-nine manufacturing companies. A questionnaire was administered on the general managers of the selected companies for data collection. The study found that environmental scanning has a significant relationship with organizational performance of manufacturing companies in Rivers State, Nigeria. The study concluded that environmental scanning have positive impact on organization performance.

Nyagaki, Munga and Nzioki (2021) researched on the effect of environmental scanning on organization performance among commercial based parastatals in Kenya. This study adopted descriptive research design and targeted 129 employees of commercial based parastatals in Nairobi County, Kenya. The study found that environmental scanning has positive influence on organization performance. The study concluded that predictor variable influence organization performance.

Okwemba and Njuguna (2021) conducted a study on the effect of environmental scanning on performance of Chemelil Sugar Company in Kisumu County, Kenya. The research adopted a descriptive research design. The target population was 60. The study focused on the heads of departments as the key respondents. The study found that environmental scanning is positively and significantly related to performance. The study concluded that environmental scanning enhances performance.

**Strategy Implementation and Organization Performance**

Ntakirutimana and Njenga (2023) researched on the influence of strategic implementations on performance of organizations in Rwanda: a case study of Water and Sanitation Corporation (WASAC). The study adopted the descriptive research design. The study population comprised of 135 employees of WASAC/Head Office. Using stratified sampling technique, a sample size of 101 respondents was established through Slovin formula. The study found that there is a positive and significant relationship between the strategy implementation and timely goals achievement, employees' commitment and internal process efficiency. The study concluded that there is positive and significant effect of strategy implementation on performance of WASAC.

Nwani and Odiri (2023) assessed on strategy implementation and organizational performance of deposit money banks in Nigeria. The study adopted descriptive research design with a population of 252 and 205. The study found that there is a significant statistical relationship between strategy implementation and prompt service delivery, customer satisfaction and corporate social responsibility. The study concluded that there is a significant statistical relationship between strategy implementation and employee engagement.

Mailu, Ntale and Ngui (2020) investigated on strategy implementation and organizational performance in the pharmaceutical industry in Kenya. This research applied a descriptive survey research design and the population target comprised of all the 64 pharmaceutical companies in Nairobi Kenya. The study found that there is a significant influence of strategy implementation on organizational performance. The study concluded that organizational structure, organizational resources and organizational culture have a significant effect on the performance of the pharmaceutical industry.

Karenye and Murigi (2020) examined on strategy implementation practices and performance of pharmaceutical firms in Kenya. The study adopted a non-experimental descriptive and explanatory research design using a cross-sectional survey and targeted 50 respondents. The study found that organizational leadership practice, organizational HRM practice and organizational communication practices were statistically significant. The study concluded that organizational leadership practice, organizational HRM practice and organizational communication practices significantly affects the performance of the firm.

Lenayapa, Muhoho and Muia (2020) conducted a study on the influence of strategy implementation factors on organizational performance: a case of National Hospital Insurance Fund, Machakos County Branch. The study adopted a descriptive survey study design. The target population comprised 30 staff members in Machakos county NHIF Branch. The study found the existence of and a significant correlation between organizational structure, organizational leadership, organizational culture and organizational resources and organizational performance. The study concluded that NHIF needed to get rid of the culture of inefficiency and promote the culture of employee involvement in decision making and improve on resource allocation timelines and adequacy.

## RESEARCH METHODOLOGY

### Research Design

This study used descriptive research design which involved gathering of data that describes events then organizing, tabulating depicting and describing the data. The choice of this research design was influenced by the fact that it enables the researcher to assess the situation in the study area at the time of study. This design is pertinent in "developing the profile of a situation and a community of people by getting complete and accurate information through an interaction between the researcher and the respondent via data collection tools" (Kothari & Garg, 2019).

### Target Population

This study focused on the telecommunication companies in Kenya. According to the communication authority report (2024), in Kenya there are 11 registered telecommunication companies and they include; Airtel Networks Kenya Limited, Commcarrier Satellite Services Limited, Dimension Data Solutions East Africa Limited, Geo-Net Communications Limited, Iristel Kenya Limited, Jamii Telecommunications Limited, Liquid Telecommunications Kenya Limited, Mobile Telephone Networks Business (K) Limited, Safaricom Plc, Telkom Kenya Limited And Wananchi Telecom Limited. The study targeted management level employees at telecommunication companies in Kenya. Target populace comprised all 950 management level employees working with the telecommunication companies in Kenya. This involved all levels of management i.e. senior, middle and low level management staff.

**Table 1: Target Population**

| Category | Frequency | Percent |
|---|---|---|
| Senior level management | 26 | 2.7 |
| Middle Level Management | 120 | 12.6 |
| Low Level Management | 804 | 84.7 |
| **Total** | **950** | **100** |

### Sample Size and Sampling Technique

The study used Krejcie and Morgan (1970) formula to arrive at the sample size. The selection formula was as follows:

$$n=\frac{N}{1+(N-1)e^2}$$

Where n= the required sample size

N = is the Target Population (950)

e = accuracy level required. Standard error = 5%

Sample calculation

$$n=\frac{950}{1+(949)0.05^2}$$

n=281.6901408

n=282 respondents

The study sample size was 282 employees, which represents 29.7% of the entire population. Stratified random sampling was applied to get the respondents. The study then used simple random sampling to select respondents from each stratum. In simple random sampling, every respondent has an equal chance of participating in the study.

**Table 2: Sample Size**

| Category | Population | Sample Size |
|---|---|---|
| Top Management | 26 | 8 |
| Middle Level Management | 120 | 36 |
| Low Level Management | 804 | 239 |
| **Total** | **950** | **282** |

### Data Collection Instruments

There are several ways of collecting data which differ considerably in terms of money costs, time and other resources at the disposal of the researcher (Orodho, 2018). The choice of data collection instrument is often very crucial to the success of a research and thus when determining an appropriate data collection method, one has to take into account the complexity of the topic, response rate, time and the targeted population (Mwangi, 2019). Different tools are used to collect different types of data. There is primary data that is collected directly from the respondents; it is information that has never been collected while there is secondary data collection tools that are used to collect secondary data.

This research used a questionnaire to collect primary data. According to Patton *et. al* 2016, a questionnaire is appropriate in gathering data and measuring it against a particular point of view. It provides a standardized tool for data collection. The researcher obtained research permit from relevant authorities required for data collection. Structured and open questions were used to collect primary data from the field. The questionnaires were pilot tested to ascertain the extent to which the instrument is correct and to eliminate ambiguous questions, and improve on validity and reliability

### Pilot Study

According to Bashir, (2018), validity refers to the extent to which a test measures what it is supposed to measure and the extent to its truthfulness, accuracy, authenticity, genuineness, or soundness, whether the means of measurement are accurate and whether they are actually measuring what they are intended to measure. The pilot study was carried out on 28 respondents who are sufficient based on Glesne (2019) who stated that 10% of the population is adequate to constitute the pilot test size.

### Data Analysis and Presentation

This study gathered both quantitative and qualitative data. Qualitative data analyzed by use of content analysis. Quantitative data was coded then analyzed using Statistical Package for Social Sciences (SPSS) computer software version 28. The choice of the software is influenced by its ability to appropriately create graphical presentation of questions, data reporting, presentation and publishing. SPSS is also able to handle large amount of data and it is purposefully designed for social sciences.

Descriptive statistics was used to analyze the data in frequency distributions and percentages which were presented in tables and figures. Discussions and presentations of the analyzed data were done in tables of frequency distribution, percentages, bar graphs and pie charts. Measures of dispersion were used to provide information about the spread of the scores in the distribution. The study also adopted multiple regression analysis to test the relationships between the variables.

In the study, a statistical model was developed from the conceptual framework as follows: the dependent variable (DV) which in this study is performance of telecommunication companies in Kenya take the variable [Y], and the coefficients of the independent variables (IV) denoted by $X_{1,}$ $X_{2,}$ was used to show the relationship of the independent variables. Statistically, analysis was carried out using the models.

## PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

### Descriptive statistics

### Environmental Scanning and Organization Performance

The first specific objective of the study was to establish the influence of environmental scanning on performance of telecommunication companies in Kenya. The respondents were requested to indicate their level of agreement on various statements relating to environmental scanning and performance of telecommunication companies in Kenya. The results were as shown in Table 3

From the results, the respondents agreed that they regularly assess internal processes for improvement (M=3.968, SD=0.905). In addition, the respondents agreed that employee and resource performance is frequently evaluated (M=3.859, SD=0.885). Further, the respondents agreed that they monitor external factors impacting the business (M=3.800, SD=0.605).

From the results, the respondents agreed that they identify external opportunities and threats (M=3.785, SD=0.981). In addition, the respondents agreed that they track competitor activities to stay informed (M=3.777, SD=0.878). The respondents also agreed that competitor insights influence their strategies (M=3.678, SD=0.897).

**Table 3: Environmental Scanning and Organization Performance**

| | Mean | Std. Deviation |
|---|---|---|
| We regularly assess internal processes for improvement. | 3.968 | 0.905 |
| Employee and resource performance is frequently evaluated. | 3.859 | 0.885 |
| We monitor external factors impacting the business. | 3.800 | 0.605 |
| We identify external opportunities and threats. | 3.785 | 0.981 |
| We track competitor activities to stay informed. | 3.777 | 0.878 |
| Competitor insights influence our strategies. | 3.678 | 0.897 |
| **Aggregate** | **3.811** | **0.859** |

### Strategy Implementation and Organization Performance

The second specific objective of the study was to assess the influence of strategy implementation on performance of telecommunication companies in Kenya. The respondents were requested to indicate their level of agreement on various statements relating to strategy implementation and performance of telecommunication companies in Kenya. The results were as presented in Table 4.

From the results, the respondents agreed that they allocate sufficient financial resources to support their strategic initiatives (M=3.946, SD= 0.886). In addition, the respondents agreed that their budgeting process effectively supports the execution of the organization's strategy (M=3.907, SD=0.725). Further, the respondents agreed that employee skills and capabilities are aligned with the needs of strategy implementation (M=3.902, SD= 0.881).

From the results, the respondents agreed that they ensure adequate training and development for employees involved in strategy execution (M=3.898, SD=0.683). In addition, the respondents agreed that they leverage technology to effectively implement their strategic plans (M=3.884, SD=0.796). Further, the respondents agreed that their technological infrastructure supports the successful execution of strategies (M=3.776, SD =0.546).

**Table 4: Strategy Implementation and Organization Performance**

| | **Mean** | **Std. Deviation** |
|---|---|---|
| We allocate sufficient financial resources to support our strategic initiatives. | 3.946 | 0.886 |
| Our budgeting process effectively supports the execution of the organization's strategy. | 3.907 | 0.725 |
| Employee skills and capabilities are aligned with the needs of strategy implementation. | 3.902 | 0.881 |
| We ensure adequate training and development for employees involved in strategy execution. | 3.898 | 0.683 |
| We leverage technology to effectively implement our strategic plans. | 3.884 | 0.796 |
| Our technological infrastructure supports the successful execution of strategies. | 3.776 | 0.546 |
| **Aggregate** | **3.886** | **0.753** |

### Inferential Statistics

Inferential statistics in the current study focused on correlation and regression analysis. Correlation analysis was used to determine the strength of the relationship while regression analysis was used to determine the relationship between dependent variable (performance of telecommunication companies in Kenya) and independent variables (environmental scanning and strategy implementation).

### Correlation Analysis

The present study used Pearson correlation analysis to determine the strength of association between independent variables (environmental scanning and strategy implementation) and the dependent variable (performance of telecommunication companies in Kenya). Pearson correlation coefficient range between zero and one, where by the strength of association increase with increase in the value of the correlation coefficients.

**Table 5: Correlation Coefficients**

| | | Organization Performance | Environmental Scanning | Strategy Implementation |
|---|---|---|---|---|
| Organization Performance | Pearson Correlation | 1 | | |
| | Sig. (2-tailed) | | | |
| | N | 251 | | |
| Environmental Scanning | Pearson Correlation | .888** | 1 | |
| | Sig. (2-tailed) | .000 | | |
| | N | 251 | 251 | |
| Strategy Implementation | Pearson Correlation | .840** | .398 | 1 |
| | Sig. (2-tailed) | .002 | .015 | |
| | N | 251 | 251 | 251 |

From the results, there was a very strong relationship between environmental scanning and performance of telecommunication companies in Kenya (r = 0.888, p value =0.000). The relationship was significant since the p value 0.000 was less than 0.05 (significant level). The findings are in line with the findings of Mansour and Lotayif (2020) who indicated that there is a very strong relationship between environmental scanning and organization performance. The results also revealed that there was a very strong relationship between strategy implementation and performance of telecommunication companies in Kenya (r = 0.840, p value =0.002). The relationship was significant since the p value 0.002 was less than 0.05 (significant level). The findings are in line with the results of Karenye and Murigi (2020) who revealed that there is a very strong relationship between strategy implementation and organization performance.

**Regression Analysis**

Multivariate regression analysis was used to assess the relationship between independent variables (environmental scanning and strategy implementation) and the dependent variable (performance of telecommunication companies in Kenya)

**Table 6: Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .859 | .738 | .737 | .10120 |

a. Predictors: (Constant), environmental scanning and strategy implementation

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.738. This implied that 73.8% of the variation in the dependent variable (performance of telecommunication companies in Kenya) could be explained by independent variables (environmental scanning and strategy implementation).

**Table 7: Analysis of Variance**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 12.173 | 2 | 6.087 | 152.175 | .000[b] |
| | Residual | 9.932 | 248 | .040 | | |
| | Total | 22.105 | 250 | | | |

a. Dependent Variable: performance of telecommunication companies in Kenya

b. Predictors: (Constant), environmental scanning and strategy implementation

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 152.175 while the F critical was 3.032. The p value was 0.000. Since the F-calculated was greater than the F-critical and the p value 0.000 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of environmental scanning and strategy implementation on performance of telecommunication companies in Kenya.

**Table 8: Regression Coefficients**

| **Model** | | **Unstandardized Coefficients** | | **Standardized Coefficients** | **t** | **Sig.** |
|---|---|---|---|---|---|---|
| | | **B** | **Std. Error** | **Beta** | | |
| **1** | **(Constant)** | 0.221 | 0.058 | | 3.810 | 0.000 |
| | environmental scanning | 0.373 | 0.098 | 0.372 | 3.806 | 0.000 |
| | strategy implementation | 0.362 | 0.093 | 0.361 | 3.892 | 0.001 |

a Dependent Variable: performance of telecommunication companies in Kenya

The regression model was as follows:

$$\mathbf{Y = 0.221 + 0.373X_1 + 0.362X_2 + \varepsilon}$$

According to the results, environmental scanning has a significant effect on performance of telecommunication companies in Kenya $\beta_1$=0.373, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. The findings are in line with the findings of Mansour and Lotayif (2020) who indicated that there is a very strong relationship between environmental scanning and organization performance.

In addition, the results revealed that strategy implementation has significant effect on performance of telecommunication companies in Kenya β1=0.362, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings are in line with the results of Karenye and Murigi (2020) who revealed that there is a very strong relationship between strategy implementation and organization performance.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

The study concludes that environmental scanning has a significant effect on performance of telecommunication companies in Kenya. The study findings revealed that internal analysis, external analysis and competitor analysis influences performance of telecommunication companies in Kenya.

The study also concludes that strategy implementation has a significant effect on performance of telecommunication companies in Kenya. The study findings revealed that budgeting, personnel and technology influence performance of telecommunication companies in Kenya.

### Recommendations

The study recommends that the management of telecommunication companies in Kenya should institutionalize continuous and proactive environmental scanning to monitor technological trends and regulatory changes. By consistently analyzing external factors, these companies can adapt quickly, minimize risks, and seize growth opportunities ahead of competitors.

The study also recommends that the management of telecommunication companies in Kenya should invest in strong leadership and effective communication during strategy implementation to ensure alignment and execution across all departments. Clear communication of strategic goals, roles, and responsibilities helps minimize confusion, enhances coordination, and boosts employee engagement.

## REFERENCES

Addae-Korankye, A & Aryee, B. A. (2021). The relationship between strategic management practices and the growth of small and medium enterprises (SMEs) in Ghana. *Business: Theory and Practice, 22*(1), 222-230.

Adudu, C. A, Asenge, L. E & Zannu, S. M. (2022). Strategy evaluation on performance of small and medium enterprises (SMEs) in Makurdi Metropolis, Benue State. *Sapientia Global Journal of Arts, Humanities and Development Studies, 5*(3), 1-13.

Chen, H. M, Birasnav, D. F & Zhang, W. H. (2022). Effect of strategic management process on performance of manufacturing firms in China. *Journal of Strategic Management, 6*(3), 1-11.

Chukwuemeka, M. G, Abayol, P, Onuigbo, C & Okolo, A. M. (2022). Strategic Management Process and Organizational Performance Study Manufacturing Firms in Anambra State, Nigeria. *International Journal of Innovative Social Sciences & Humanities Research, 10*(4), 45-61.

Gure, A. K & Karugu, J. (2021). Strategic management process and performance of small and micro enterprises in Nairobi City County, Kenya. *International Academic Journal of Human Resource and Business Administration, 3*(1), 1-126.

Ishtiaq, M, Tufail, M. S & Hussain, A. (2021). Impact of Strategic Management Process on the Business Performance of SMEs in Pakistan. *Global Economics Review, 6*(1), 227-238.

Karangwa, G & Irechukwu, G. N. (2023). Strategic management process and performance of construction and engineering company in Rwanda: A Case of NPD Ltd. *Journal of Strategic Management, 7*(1), 124-140.

Karenye, K. D & Murigi, E. (2020). Strategy implementation practices and performance of pharmaceutical firms in Kenya. *International Academic Journal of Human Resource and Business Administration, 3*(9), 268-290.

Kucu, A. S, Abal, A. J & Nsisi, C. (2023). Strategic management processes and performance of agro processing of small and medium-term enterprises in Uganda. *European Journal of Business and Management, 15*(9), 31-42.

Mabuka, S. R & Kaluyu, V. (2022). The influence of strategy formulation practices on organization success at Airtel Limited, Kenya. *The Strategic Journal of Business & Change Management, 9*(1), 346–369.

Mailu, R. N, Ntale, J. F & Ngui, T. K. (2020). Strategy implementation and organizational performance in the pharmaceutical industry in Kenya. *International Academic Journal of Human Resource and Business Administration, 3*(2), 33-47.

Maina, P. N, Munga, J & Njeru, E. (2020). Influence of strategy formulation on performance of state corporations in Kenya. *The Strategic Journal of Business & Change Management, 7*(2), 623–647.

Mang'ana, R. O, Rotich, G, Hassan, G & rwa, G. (2019). Influence of environmental scanning on performance of Matatu Savings and Credit Cooperatives in Kenya. *Journal of Business and Strategic Management, 2*(4), 32-53.

Mansour, S. M & Lotayif, A. M. (2020). Environmental scanning mechanism and its effects on the performance: evidence from UAE. *International Journal of Business and Management, 13*(1), 190-208.

Meresa, M. (2019). The Effect of Strategic Management Process on the institutional Performance; the case of Dedebit credit and saving institution in Eastern Tigray. *Socio-Economic Challenges, 3*(3), 80-97.

Nwani, B. S & Odiri, V. I. O. (2023). Strategy implementation and organizational performance of deposit money banks in Nigeria. *Nigerian Journal Of Management Sciences, 24*(1), 8-20.

Nyagaki, B. K, Munga, J & Nzioki, S. (2021). Effect of environmental scanning on organization performance among commercial based parastatals in Kenya. *The Strategic Journal of Business & Change Management, 8*(3), 618–629.

Nyamurangwa, E & Irechukwu, E. N. (2023). Strategy formulation and organizational performance of state corporations in Rwanda: a Case of Ultimate Developers Ltd. *Journal of Strategic Management, 6*(1), 23-41.

Oduor, A. A & Were, S. (2020). influence of strategic management process on performance of intergovernmental organizations: a survey of African union agencies in Nairobi, Kenya. *International Journal of Social Science and Humanities Research, 7*(2), 653-677.

Okwemba, J. A & Njuguna, N. (2021). Effect of strategy evaluation on performance of Chemelil Sugar Company in Kisumu County, Kenya. *African Journal of Emerging Issues, 3*(11), 1-15.

Santura, A, Muema, W & Nkaabu, C. (2020). Relationship between strategy formulation and performance of public organization in Isiolo County Government. *European Journal of Economic and Financial Research, 2*(3), 2-6-207.

Sharabati, A. A. (2020). The Impact of Strategic Management Process on the Jordanian Pharmaceutical Manufacturing Organizations' Business Performance. *International Review of Management and Business Research, 3*(2), 668-687.

Singh, G. S. V, Senik, Z. C, Hanafiah, M. H & Hamid, R. A. (2021). The effects of strategic management process on cooperative performance: the Malaysian insight. *Academy of Strategic Management Journal, 20*(3), 1-11.

Tajuddin, A. F. A & Musa, M. (2024). The effects of strategy formulation on organizational performance: evidence from the Malaysian Local Authorities. *e-Jurnal Penyelidikan Dan Inovasi, 11*(2), 43-68.

Wambugu, W. C & Waiganjo, E. W. (2023). Effects of strategic management process on organizational performance of construction companies in Nairobi City County, Kenya. *International Academic Journal of Human Resource and Business Administration, 1*(4), 41-51.

Weche, I. (2022). *Environmental scanning and organizational performance of manufacturing companies in rivers state, Nigeria*. Retrieved From, file:///C:/Users/user/Downloads/