



**FUNCTIONAL LEVEL STRATEGIES AND PERFORMANCE OF SAFARICOM PUBLIC LIMITED COMPANY, KENYA**

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## FUNCTIONAL LEVEL STRATEGIES AND PERFORMANCE OF SAFARICOM PUBLIC LIMITED COMPANY, KENYA

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Accepted: November 3, 2023

DOI: <http://dx.doi.org/10.61426/sjbcm.v10i4.2820>

### ABSTRACT

*This study examined the effect of functional-level strategies on the performance of Safaricom PLC, Kenya. The specific objectives of the study were: to determine the effect of marketing strategies on the performance of Safaricom PLC, Kenya; to establish the effect of human resource strategies on the performance of Safaricom PLC, Kenya; to determine the effect of financial strategies on the performance of Safaricom PLC, Kenya and to establish the effect of operational strategies on the performance of Safaricom PLC, Kenya. The study was anchored on the Balanced Score Card Model, Resource-based View Theory, and Mintzberg's Strategy. The study adopted a descriptive survey design, with the targeted population as 2262 senior-level employees from Safaricom PLC. The study sample was derived using the systematic sampling technique to obtain 153 employees as respondents. Primary data was collected using structured closed-ended questionnaires, before the actual study a validity and reliability test was performed during the pilot stage to ascertain that the data collected is valid. After obtaining data, the data was coded and entered into the SPSS version 26 statistics software which was used as the tool of analysis. A descriptive model was used to analyse data and establish the relationship between functional strategies and performance. All ethical measures and guidelines were adhered to throughout the study period. From the study findings, the study independent variables; human resource strategies, marketing strategies, financial strategies and operational strategies were all found to affect performance. The measures that stood out negatively were position of Safaricom PLC in the current market and promotion of employees, although Safaricom seems to be the market leader, competitors have found a way to eat into its market share while most employees seemed to strongly disagree on there being promotional strategies within the organization. The study therefore concluded that all the variables used in the present study are fundamental for organization performance in the telecommunication industry. Further, the study recommended that Safaricom PLC come up with strategies that will ensure it is fully in control of its market share, it should also find a way to implement promotion strategies within the organization. The study recommended that further studies be conducted in other telecommunication companies in Kenya to see whether the variables used in this study similarly affect them.*

**Key Words:** Marketing Strategies, Human Resource Strategies, Financial Strategies, Operational Strategies

**CITATION:** Opar, J. A., & Mwasiaji, E. (2023). Functional level strategies and performance of Safaricom Public Limited Company, Kenya. *The Strategic Journal of Business & Change Management*, 10 (4), 1306 – 1318. <http://dx.doi.org/10.61426/sjbcm.v10i4.2819>

## INTRODUCTION

Globally, the communication network has been among the most prominent areas over the past few decades. According to a trends analysis report conducted in 2021, global telecom services were valued at 1.805.61 billion and are expected to keep rising by 6.2% up to 2030, (Nguhero, Christiananta, Wulahi & Pratama, 2022). Crick, James, and Dave, (2020) believe that for telecommunication companies to succeed, businesses have to create functional-level strategies to help achieve their overall competitive goals. Functional-level strategies serve as an example of a group of verdicts made in the various functional areas of a firm that typically support those made regarding business-level strategies and are employed to realize the goals and plans of a company by optimally maximizing all available resources (Franzosa, Eric & Lauren, 2018).

Strategies at the functional level are created to assist the corporate and business level strategies. (Thompson, Gamble, and Strickland, 2019). The responsibility of human resource managers is to oversee all decisions made by the organization on employee management, rewards, dogmas, and other personnel-related matters. The marketing managers are responsible for making decisions on consumer awareness of items, advertising tactics, and overall consumer interaction with the goods and services offered. The organization's resource allocation and source of financial supplies are just two of the decisions that the finance managers are expected to make, (Ngure, 2016). Operational strategies, human resource strategies, marketing strategies, and financial strategies was all be operationalized in this study. To survive and increase their earnings, sales volumes, and client retention, many telecommunications companies have developed practical tactics. This has led to the need for the present research on the consequence of functional-level approaches on the efficiency of Safaricom PLC, Kenya.

Performance is the outcome of an activity or the results of a government's working procedure, (Herman, 2019). Performance is attained by a set of

activities structured in a rational sequence, beginning with the acquisition and configuration of resources, followed by the development of capabilities and the construction of competencies, which leads to superior performance. Additionally, performance generally refers to actual outcomes or outputs as opposed to anticipated outcomes or targets and goals. (Mone & London, 2018). It discusses the outcomes of many factors, such as teamwork, inventiveness, and creativity at work, The company environment, corporate image, organizational rules and processes, leadership, employee interaction, and organizational culture, (Armstrong, 2021).

M'Mbura, (2019) defines functional-level strategy as serving as a strategy of action to improve a company's resources and coordination abilities that are organizational or functional to develop core proficiencies. Each function's strategic objective is to develop a core capability that gives the business a competitive edge. Karanja, (2020) emphasized that an efficient area's approach to achieving objectives and tactics for the company and each business unit involves maximizing resource productivity. It concentrates on developing a special fitness to give a corporation or corporate unit a competitive edge. Agwu and Onwugbuzie, (2017) suggest human resource strategy, production strategy, and financial strategy as some of the strategies that may be used to improve performance.

Organization's functional level corresponds to the level of its operating divisions and departments. The strategist is accountable for giving functional managers guidance on how to execute plans and approaches to help them accomplish success, (Hu, Weihua, Liu, Gomes, Zitnik & Leskovec, 2019). It is impossible to overstate the significance of functional-level strategy for an organization's survival, secondly, it explains the steps functional managers was take to meet the established goals and objectives, which supports the overall business strategy. Depending on an organization's functional capabilities, departments like marketing, finance, production, and human resources are created. The

current study was study marketing strategies, human resource strategies, finance strategies, and operational strategies and how they affect the performance of Safaricom PLC.

Kenya's Safaricom Limited is a well-known business. It is the top mobile network operator and was established as a Telkom Kenya completely owned subsidiary in 1997. The Vodafone group of the United Kingdom purchased a 40% interest and the company's management in May 2000. According to recent press sources, Mobitelea Ventures Limited, a little-known business, owns the remaining 5%, with Vodafone Plc of the UK owning the remaining 35%. It is commonly thought that the prior dictatorship used its influence to force Vodafone to cut the 5% as a bribe to senior officials. Mid-April 2008 saw the completion of Safaricom Limited's initial public sale of shares on the Nairobi Stock Exchange.

Safaricom Limited has started a process of reorientation in its organizational structure and changed the way its sections work to reflect its new customer-based philosophy. roles held by directors and general managers have been formed to succeed the 13 chief executives who oversaw various departments at the listed provider, and three sections intended to optimize engagement with the client and supported by five business support divisions have also been created. Some chief executives were retained to lead the new divisions as a result of the much-anticipated changes, while others now answer to new directors.

Efforts have been made to reorganize his senior management and implement a smaller, more effective administrative structure as one of its initiatives. Following the consolidation of several departments that were previously led by chief officers, each is now overseen by a director who answers to the CEO. To stay at Safaricom, certain chief officials essentially took on a less prominent role. A more customer-focused strategy would be made possible by the restructuring, which would also minimize needless redundancy and decentralize decision-making. First, the organizational structure separates Safaricom into four profit-focused

divisions, six business support units, and a CEO's assistant. The goal of this action was to establish functional levels, which would improve performance through guaranteed effective delivery.

### **Statement of the Problem**

Over the last five years, Safaricom PLC has experienced a shift in its market share even though it is considered the largest mobile telecommunication company. This is attributed to the sustained sell-off in the equities market, and the recent cutting of mobile termination rates, (NCBA, 2021). According to the Communications Authority Annual Reports, (2021) on Mobile Telephony Service, the period between 2017-2018 showed that Safaricom held a 72.6% market share which significantly dropped to 63.48% by June 2019. This is a 9.1% drop in market share while in the same period, its competitors Airtel Kenya and Telkom Kenya had an increase of 3% and 4%. In the year 2020-2021, the market share was 64.2%, recording only a 0.7% growth in market share.

Reports from Safaricom PLC, (2021) indicate that Earnings Before Interest and Tax (EBIT) decreased 5.3% year over year to Kes 96.16 billion, above the FY21 projection of Kes 91 to 94 billion. This performance was a result of the revenue loss from M-PESA transactions' zero rating, which harmed the contribution margin. Safaricom has constantly been expanding the range of services and products it offers. However, competition from other mobile telecommunications companies, some of whom are newcomers to the market, has intensified impeding performance at the rate it is intended to, (Obonyo, 2021).

There is very little locally focused research done in Kenya on functional-level strategies. Njogu and Kipkorir, (2022) did research on functional tactics and results of Nakuru County, Kenyan commercial banks. Wandiga, (2019) did research on the Operational strategy and effectiveness of administration consulting companies in Kenya's Nairobi City County Oloko et al, (2014) researched marketing tactics for profitability: a case study of Safaricom. Amin, (2021) looked for the contributing

elements affecting strategy implementation in the telecommunication industry in Kenya with a major focus on Safaricom PLC. Although studies in this sector exist, only a few have been done in Safaricom and the few cases are based on different factors. Conducted studies in this sector have been conducted in other countries and are mostly considered in different firm strategies.

The fact that the operating environment has changed and negatively impacted the telecommunication industry environment necessitates the adoption of functional-level solutions to improve performance. Failure to adopt functional strategies may lead to organizations failing to maximize effectiveness and gain competitive advantage. As previously indicated, very few studies had been done in this sector and particularly on functional-level strategies and performance within Safaricom, indicating the necessity for more research into these strategies using the ensuing research query as a reference.; what is the impact of functional-level strategies on performance of Safaricom PLC, Kenya?

### **Objectives of the Study**

The main objective of this study was to elucidate the effect of functional-level strategies on the performance of Safaricom PLC, Kenya. The study was guided by the following specific objectives:

- To determine the effect of marketing strategies on the performance of Safaricom PLC, Kenya.
- To establish the effect of human resource strategies on the performance of Safaricom PLC, Kenya.
- To determine the effect of financial strategies on the performance of Safaricom PLC, Kenya.
- To establish the effect of operational strategies on the performance of Safaricom PLC, Kenya.

## **LITERATURE REVIEW**

### **Theoretical Review**

#### **Resource-Based View Theory**

The theory was put forward by Edith Penrose (1991) as a way that organizations can achieve goals and come up with strategic behaviour that promotes performance. The RBV theory suggests that the two underlying assumptions as to why organizations gain competitive advantage are; firms have an abundance of resources that are unique only to them as well as capabilities within the organization and that firms have complexities in trading possessed resources that have persistently created a difference and therefore resources have become immobile.

According to Madhani, (2010), organizations may succeed or fail in the marketplace because of the valuable resources accessible to them. The theory suggests that for companies to obtain an advantage over competitors, they should use resources that are within, this may include human resources, physical resources, and organizational resources. To improve one's position in the market, companies should own possessions that are unique, rare, treasured, and cannot be imitated. According to (Dejmal, 2021) resources are the major reason why companies perform better than other firms in the same industry. This is because, with valuable resources, organizations can act in ways that lead them to have higher margins, increasing sales and producing goods at low costs. Apart from this, firms are also able to come up with strategies that increase their efficiency and effectiveness, (Barney, 1986)

#### **Balanced Score Card Model**

The model was first introduced by Robert Kaplan and David Norton in 1992 as a way to measure the intellectual capital companies of companies. In doing this BSC reinforces good behaviour in a company by focusing on four areas; finance, business processes, learning and growth as well as customers. The balanced scorecard is used to identify and improve certain business functions and outcomes that occur externally resulting from them. The BSC model provides and measures organization functions while

providing feedback to corporations, (Gawankar, Kamble & Raut, 2015).

To identify factors that prevent business performance, the BSC model is important in gathering information including; goals, initiatives, objectives, and measurements which are important in the four business functions. To develop strategic initiatives and come up with performing functions, the BSC model is used to implement strategy mapping to find out where value can be added within an organization, (Camiller, 2020). Valuable information on companies' financial track records and quality can also be provided to managers through the BSC model, this allows companies to gather data and information into one report without dealing with several tools. Using the BSC model allows management to conserve resources, finances, and time when they need to conduct reviews that may help improve operations and procedures.

#### **Mintzberg's 5Ps of Strategy**

Mintzberg's 5 Ps of the strategy was founded in (1987) by Henry Mintzberg, it is based on the five P's that organization leaders can use to formulate organizational strategies. The Ps include; Pattern, Position, Perspective, Ploy, and Plan which are viewpoints that can be used by organizational leaders to develop strategies. Gordon, (2022) states that among the four Ps, the plan is the approach likely to be adopted by most leaders when formulating a strategy which is applied by brainstorming ideas and coming up with ways to deliver them. To make things interesting the theory suggests ploy as one of the means to use to discourage, disrupt or dissuade them. When coming up with a ploy, leaders use tools like impact analysis, futures wheel, and scenario analysis to explore future capabilities.

Peek, (2022) Besides using ploys and plans, organizations may also choose to go with what the organization deems to have been successful and the most consistent way of doing business in the past which is what the theory refers to as a pattern. The fourth p (position) is a way of formulating strategies that is dependent on the corporation's position in

the marketplace, it, therefore, utilizes the organization's capabilities as well as its environment to come up with the best structure for profit maximization, (Thu, 2021). Organizations have a culture that shapes their perspective and what their capabilities are, in some cases, strategies adopted by organizations are reliant on tools like the congruence model, cultural web, and Deal and Kennedy's cultural model. This p is for perspective.

#### **Empirical Review**

Priyanka, Bansal, and Surya, (2019) did a study on marketing tactics' effects on organizational performance. The study was focused on Kaduna which is a bottling company based in Nigeria. The study developed a conceptual model to explain four strategies used in the study (Place, pricing, promotion, and production). Using a sample size of 245 companies out of the 635 targeted, the research obtained secondary data and primary data which were analyzed and used to conclude. Research findings from the study revealed that market strategies affect customers, sales, and the general financial performance of companies. The research was however done in Nigeria which has a dissimilar economic status and market orientation. The study also used different strategies than those focused on in the current study.

Wanene, (2019) employed a descriptive study approach with a sample of 250 employees in middle and senior-level management at Safaricom. The research aimed to analyze factors affecting the acceptance of the strategy in Kenya's telecommunications sector with a major focus on Safaricom PLC. Quantitative data obtained was analyzed and inferred and interpretation from the study findings stated that ICT management, quality planning, and monitoring strategy were some of the factors that affected strategy implementation. The study also discovered that flexible Organizational design had a beneficial impact on strategy implementation. The study's interest was not in how these strategies affect performance whereas the goal of this study is to understand the impact of (marketing, fiscal, human resource, and operational

strategies) on the performance of Safaricom PLC, Kenya.

Rice, (2018) did a study on 2 small businesses in North Carolina to explore strategies used by HR strategies used to sustain businesses for more than 5 years. Using a review of the companies, face-to-face interviews, and slightly structured interviews, the study obtained data for analysis. Results obtained from the study indicated that human resource strategies were vital for sustaining businesses. The study does not however formulate specific strategies to be adopted by companies to improve performance. Furthermore, the study was a case of two small businesses and therefore cannot be comprehended by other firms. The study further endorses that more research is conducted to investigate strategies for organizational performance.

Wambui, (2018) used a descriptive cross-sectional survey strategy to obtain primary statistics from 55 insurance companies in Nairobi County Kenya. The research aimed to analyze the impact of strategic human resource management on the performance of insurance companies in Kenya. Regression and correlation analysis results from the research showed that training and development and employee relations affected firm performance while recruitment practices and compensation failed to have a substantial effect on organizational success. The research is grounded on insurance firms while the current study seeks information on Safaricom which is a telecommunication company. The research also suggests that other studies be conducted in different strategies which instigated the current study

Habwe, (2018) used a descriptive survey design to obtain data from 47 insurance companies operating in Kenya. These results were important in identifying the influence of strategic planning on Kenya's insurance industry's performance. Using descriptive, and inferential techniques, result findings from the research exhibited an optimistic substantial consequence of strategic planning on financial performance. Although the study touched on

performance and strategic planning, it is not similar to the present research that seeks to identify the consequence of functional approaches on the success or failure of Safaricom PLC. Different strategies was be used in the current study and a broader perspective of functional strategies was be looked at while making comparisons.

Momanyi, (2018) performed research on the impact of financial administration techniques on Kenya's state universities' performance with an adaptive role for organizational size. The study used agency theory, stakeholders' theory, and organizational theory and opted for a descriptive survey approach. Targeting 30 universities with a population of 1539, the study sampled 407 respondents to obtain primary data. Research results from the analysis discovered that financial management practices had a considerably favorable impact on organizational performance. The study however sought evidence from Kenyan public universities while the present study seeks to understand the effect of financial approaches and other variables on the performance of Safaricom PLC.

Njenga, (2018) sought to investigate operations strategies' impact on the operational performance of data from both primary and secondary sources. To analyze data, the study used both qualitative and quantitative techniques. Result from findings from the study indicated believe there is a favourable connection between operation approaches and the operational success or failure of architectural businesses in Nairobi County, Kenya, this is similar to the findings by (Ngina, 2019). The study however engrossed in the performance of architectural firms whereas the performance of Safaricom PLC was be the main emphasis of the present investigation. The previous study also suggested that additional research be done in other firms in the service industry which is why the current study is essential. Bosire, (2018) used a descriptive survey study methodology to determine the effects of operation strategies on the success of the Kenyan automotive industry. The study used 97 employees of Scania East Africa Limited as the subject of this purposive sampling study., the study obtained respondents for

the study. Study Data was examined utilizing inferential and descriptive statistics and result findings showed that; the operations approach positively impacted the performance of automotive corporations. There was also a positive relationship between product development and good strategies, competitive advantage strategies, customer-driven strategies, and personnel development strategies. The current study used different strategies from those used in the previous study and was also be focused on a telecommunication company that operates differently.

## **METHODOLOGY**

This research assumed a descriptive research survey design, which is a research design that aims at providing systematic descriptions of phenomena or situations, (McCombes, 2019). The descriptive research design answered the questions how, what, where, and when while describing the specific group. The target population for the research was all the 2262 senior-level personnel in Safaricom PLC according to the 2021 annual report. The research used a systematic sampling design to obtain the respondents' sample size. For the research, the researcher used 153 employees as respondents and an interval of 15 was used to select the respondents. This was derived by selecting a random starting point of 15 which acted as the population interval and every 13th employee was a respondent hence the sample size of 153.

The project made use of primary data from senior-level Safaricom employees, to obtain data, the study used closed-ended structured questionnaires, that was used to collect quantitative information. The questionnaires were provided to senior-level Safaricom employees through drop and pick up where applicable while some were sent via email. This was preferred as it gave the respondents ample time to review and fill in as they are self-administered. The questionnaire included five sections, with the first section containing geographic information; the second section gathered

information on functional strategies and the last section gathered performance information.

Data was put together using a closed-ended questionnaire, cleaned, and transformed before entering it into SPSS, (version 26) for analysis. The study used descriptive statistics to obtain the frequencies and percentages to give a representation of the study variables. It was be done using descriptive statistics to establish trends and graphs were drawn to provide a visual representation. By providing percentages for every indicator of the study's independent variables, the researcher was able to determine the effect the independent variables have on the dependent variable. The results obtained were interpreted and presented in tabular and graphical forms. Marketing strategies, Human resource strategies, financial strategies, and operation strategies was therefore be used to outline the performance of Safaricom PLC.

## **FINDINGS**

### **Performance of Safaricom PLC**

#### **Effect of marketing strategies on performance**

The researcher sought to answer the research question, what is the effect of marketing strategies on the performance of Safaricom PLC. To answer this question, a Likert scale seeking information on Pricing, products, place, image and diversification strategies applied by Safaricom were included. When asked to mention Safaricom's pricing strategy, most respondents stated that Safaricom aligned its prices with the image it would perceive, the pricing points were therefore mentioned to be higher than its competitors. Most respondents also thought that Safaricom focused on quality when it came to its products, in terms of place, the research found out that Safaricom makes sure that its products can be accessed even in the remote of areas and therefore increasing its availability aspect. Finally, most employees seemed to think that Safaricom was the most diversified out of all the telecommunication companies, some of the ways include; Mpesa, Pochi la biashara, Integration with most banking systems, Mkopa and the most popular in 2023 Fuliza. These



ways have been marketed in a way that keeps customers hooked to the products. Although most of its products were thought to be performing well, the respondents also felt that the pricing point has caused it to lose a bit of the market share that it was previously dominating. Transaction costs for

example have caused some customers to try out competitors products in order to save on cost. The respondents were asked to what extent they thought marketing strategies affected performance. The findings are indicated in table 1 below.

**Table 1: Effect of marketing strategies on performance**

Marketing strategies affect performance	No. of respondents	Percent
Strongly agree	123	80.39%
Agree	20	13.08%
Indifferent	2	1.3%
Disagree	5	3.27%
Strongly disagree	3	1.96%
<b>Total</b>	<b>153</b>	<b>100%</b>

**Source: research data (2023)**

From the results above, 123 respondents out of the total 153 (80.39%) strongly agreed that market strategies affected performance of Safaricom PLC, 20 of the respondents agreed that, 2 were indifferent, 5 disagreed and 3 strongly disagreed. This means that marketing strategies are fundamental for the performance of Safaricom. 93 respondents (61%) strongly agreed to using product strategies towards marketing, 35 respondents (23%) agreed, 23 respondents 15% disagreed while 2 respondents (1%) strongly disagreed. 123 respondents (80.39%) strongly agreed to Safaricom having a pricing strategy, 20 respondents (13.08%) agreed, respondents (1.30%) were indifferent, 5 respondents (3.27%) disagreed and 3 respondents (1.96%) strongly disagreed.

Although the other strategies seem to have been implemented by Safaricom, place and position are the two strategies within marketing which have not been cemented. 21 respondents (14%) strongly

agreed to Safaricom having cemented its place in the market, 28 respondents (18%) agreed, 3 respondents were indifferent, 61 respondents disagreed while 40 respondents strongly disagreed to Safaricom having cemented its place. Many respondents also believe that Safaricom's position in the market is not solid, 12 respondents (8%) strongly agreed, 26 respondents (17%) agreed, 78 respondents (51%) disagreed while 37 strongly disagreed to Safaricom's position in the market being solid.

**Effect of Human resource strategies on performance**

The respondents were asked whether Safaricom had put in place human resource strategies (training and development, talent management, promotion, and career planning and development) and whether they thought this affected performance. The responses were as shown in table 2 below.

**Table 2: Human resource strategies affect performance**

Frequency	Percent	Cumulative Percent
Strongly agree	37	24.2%
Agree	78	51.0%
Indifferent	27	17.6%
Disagree	11	7.2%
<b>Total</b>	<b>153</b>	<b>100.0</b>

**Source: research data (2023)**

From table 2 above 37 respondents (24.2%) strongly agreed that human resource strategies affected the performance of Safaricom PLC, 78 respondents (51.0%) agreed, 11 respondents (17.6%) were indifferent while 11 respondents (7.2%) disagreed that human resource strategies affected performance. There was no record for any respondent strongly disagreeing to the effect of performance by this strategy indicating that Safaricom has put in place measures to ensure that the employees grow, are well engaged and committed to its course. When asked about specific aspects of Human resource, 93 respondent (61%) strongly agreed to there being training and development, 35 respondents (23%) agreed, 5 respondents (3%) were indifferent, 8 respondents disagreed (5%) while 12 respondents (8%) strongly disagreed.

Safaricom Plc seemed to have put in place talent management measures with 78 of the respondents (51%) strongly agreeing to this, 51 respondents (33%) agreeing, 3 respondents (2%) seemed

indifferent 18(12%) disagreed and only 3(2%) strongly disagreed. According to the research Safaricom Plc has not figured out a promotion strategy for its employees, only 6 respondents (4%), 15 (10%) agreed to having promotion strategies, 2 respondents (1%) were indifferent, 23 respondents (15%) disagreed and 107 respondents strongly disagreed, although the bigger bracket seemed to have stayed in the company for 5-10 years most of them worked in the same positions. With regard to career planning 37 (24%) respondents strongly agreed, 18 respondents agreed (12%) agreed, 5 were indifferent, 60 respondents (39%) disagreed and 37 respondents strongly disagreed to there being a career plan. All this aspects tie to human resource and some aspects were paid more attention to than others by Safaricom.

#### **Effect financial strategies of strategies on performance**

Table 3 below shows the general responses on whether financial strategies affect performance

**Table 3: Effect of financial strategies on performance**

Likert scale	Respondents	Percentage
<b>Strongly agree</b>	78	50.71%
<b>Agree</b>	51	33%
<b>Indifferent</b>	0	0%
<b>Disagree</b>	13	8.5%
<b>Strongly disagree</b>	11	7.8%
<b>Total</b>	<b>153</b>	<b>100</b>

According to the results above, when respondents were asked whether financial strategies affect performance, 78 respondents (50.71%) strongly agreed, 51 respondents (33%) agreed, 0 respondents (0%) were indifferent, 13 respondents (8.5%) disagreed and 11 (7.8%) strongly disagreed. On financial strategies specifics 95(62%) respondents strongly agreed that Safaricom plc has cash management measures in place, 20 respondents (13%) agreed, 2 respondents (10%) were indifferent, 20 (13%) disagreed while 3 (2%) respondents strongly disagreed which drew the conclusion that Safaricom has measures in place to manage cash. 73 respondents (48%) strongly agreed to Safaricom

Having credit management measures in place, 37 respondents (24%) agreed, 6 (10%) were indifferent, 20 respondents disagreed (13%), and 3 respondents (2%) strongly disagreed.

86 respondents (56%) strongly agreed to Safaricom plc having asset management, 41 respondents (27%) agreed, 5 respondents (3%) were indifferent, 9 respondents (6%) disagreed and 12 respondents (8%) strongly disagreed. 99 of respondents (65%) strongly agreed to Safaricom experiencing constant financial flow, 32 respondents (21%) agreed, 6 respondents (4%) indifferent, 12 respondents (8%) disagreed and 3 respondents (2%) strongly

disagreed. 66 respondents (43%) strongly agreed to Safaricom gaining profits, 28 respondents (18%) agreed, 11 respondents (7%) indifferent, 37

respondents (22%) disagreed and 2 respondents (10%) strongly disagreed. In general, Safaricom plc has measures in place to manage its finances.

### Effect of operational strategies on performance

**Table 4: Effect of operational strategies on performance**

	Respondents	Percent
Strongly agreed	89	58.3%
Agree	50	32.7%
Indifferent	0	0%
Disagree	9	5.9%
Strongly disagree	5	3.1%
<b>Total</b>	<b>153</b>	<b>100</b>

When respondents were asked whether operational strategies affected performance, 89 respondents (58.3%) strongly agreed, 50 respondents (32.7%) agreed, 0 respondents (0%) were indifferent, 9 respondents (5.9%) disagreed and 5 respondents (3.1%) strongly disagreed. The responses were further split into customer engagement where 23 respondents (15%) strongly agreed to Safaricom having ways that ensure their customers are well taken care off and don't consider other services, 20 respondents (13.1%) agreed, 2 respondents (1.3%) were indifferent, 60 respondents (39.1%) disagreed while 73 respondents (47.8%) strongly disagreed. On risk management strategies 53 respondents (35%) strongly agreed, 31 respondents (20%) agreed, none was indifferent 37 respondents (24%) disagreed while 32 respondents (21%) strongly disagreed. Most respondents agreed to Safaricom cross collaborating with 109 respondents (71%) strongly agreeing and 44 respondents (29%) agreeing to Safaricom being involved in cross collaborations, 78 respondents (51%) strongly agreed to the operations being efficient, 18 respondents (12.3%) agreed, 12 respondents (7.6%) were indifferent, 18 respondents (11.8%) and 25 respondents strongly disagreed (17.3%).

Safaricom was measured for whether there is quality improvement in its services and operations, to this, 64 respondents (41.8%), 53 respondents (34.6%), 26 respondents (17%) disagreed and 10 respondents

(6.6%) strongly disagreed. It is therefore evident that Safaricom has measures in place to ensure quality improves constantly giving Safaricom an edge over its competitors.

### CONCLUSION AND RECOMMENDATIONS

Safaricom has always had an edge in its market share percentage over its competitors in the telecommunications industry in Kenya. But previously, its competitors have been eating its market share which has not happened before. This is why the present study sought to answers the following research questions: what is the effect of human resource strategies on the performance of Safaricom PLC? how do marketing strategies affect the performance of Safaricom PLC? what is the effect of financial strategies on the performance of Safaricom PLC? and how do operation strategies affect the performance of Safaricom PLC?

The objectives of the study were to; to investigate the effect of human resource strategies on the performance of Safaricom PLC, to assess the effect of marketing strategies on the performance of Safaricom PLC, to determine the effect of financial strategies on the performance of Safaricom PLC and to investigate the effect of operations strategies on the performance of Safaricom PLC. Respondents for the study were from the strategic levels of Safaricom in the operations, finance, human resource, and marketing departments in Safaricom.

The study issued 153 questionnaires which were successfully filled and returned giving a 100% response rate. Findings from the study showed that human resource strategies affected performance with talent management and promotion strategies being the most important according to the respondents. It is therefore important for any organization to implement human resource strategies in order to have an edge in the market.

On marketing strategies, the overall view was that Safaricom has a variety of marketing strategies in place to compete, place, product, promotion and diversification were some of them. The study discovered that marketing strategies affected performance with a majority (80.3%) strongly agreeing to the statement. While all of them seem to positively affect performance, 66% of the respondents thought that Safaricom's position in the market was slowly being eaten away by the competitors

The study discovered that financial strategies affect performance with (83.71%) of the respondents indicating that financial measures are in place to ensure this. This means that for organizations to perform effectively, it is essential to have cash management, credit management, asset management and a good financial flow to be competitive in the market.

Lastly the study determined that operations strategies affected performance in Safaricom PLC. This was shown by a majority of the respondents (80.6%) agreeing to this sentiment. It is very important for organizations to properly plan out their operations and ensure they exceed that of its competitors.

Based on the study findings, it is clear that Safaricom Plc. has been very focused and strategic in its measures to ensure its overall performance. Although its position has been evident in the market, it is paramount that ore measures be put in place to prevent competitors from eating at its market share.

From the findings, Safaricom PLC has human resource strategies in place but promotion has not

been properly implemented, a majority of the respondents disagreed and strongly disagreed to there being measures for promotion, most of the respondents seem to have worked for Safaricom for 5-10years and from the periods, Safaricom needs to ensure that employees grow.

In Safaricom PLC, Marketing strategies are in place but there needs to be more measures to cement its market position. Most of the respondents thought that over the years, Safaricom has not maintained its place and there is a small but significant shift which the organization needs to find a way to fix.

Lastly operations strategies and financial strategies in Safaricom are solid, most measures seem to have been implemented and the strategies need to be properly staked and measured to the organizations competitive edge in the market.

In summary, the operation strategies that affect performance for organizations within the telecommunication industry in Kenya include human resource strategies, financial strategies, marketing strategies and operational strategies.

The study determined that promotion is very important for a company's success which in turns affects the overall edge in the market. Safaricom therefore needs to invest in a policy that dictates after what periods employees get promoted, talent management, training and development are also crucial and should be integrated within these policies. In addition, methods of employee engagement should be done in a manner that guards employees' dignity and sprouts their personal growth.

The study recommends that marketing management determine ways that can guard Safaricom place and position in the market, although it is still recognized as the market leader, the percentage seems to be decreasing slowly by the day, they therefore need to come up with a better strategy to retain its customers at all fronts and bring in new ones. The cross collaborations within the organizations are important for this but Safaricom can come up with

incentives to encourage more collaborations and grab more customers.

Apart from the four strategies focused on by the study Safaricom should identify other ways that it can use to gain competitive advantage. They may include reducing rates like its competitors, coming up with more friendly charges for transactions, exploring new markets and improving the quality of its products and services.

### **Suggestions for further studies**

The study was focused on Safaricom PLC, more studies should be conducted on the effect of these and more strategies in other telecommunication companies, this is because, while conducting the research, some aspects seemed to only be specific to Safaricom and whether this applies to other companies is something that should be explored.

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