

**JUST-IN-TIME MANAGEMENT PRACTICES, LEADERSHIP STYLE AND  
FINANCIAL PERFORMANCE OF TELECOMMUNICATION CONTRACTORS  
IN NAIROBI, KENYA**

**Okech Oluoch Frederick**

*The Management University of Africa, Kenya*

&

**Gladys Nafula Mabonga**

*The Management University of Africa, Kenya*

**ABSTRACT**

*Telecommunication landscape has been changing due to fluctuations in macro-economic forces, increasing competition in the sector, rise of digital media among others. However, scholarly literature remains elusive on how these changes influence financial performance of the telecommunication companies in Kenya. The objective of this study was to interrogate the influence of Just-In-Time (JIT) Management Practices and Leadership Style on Financial Performance of Telecommunication Contractors in Nairobi, Kenya. Contractors provide infrastructure services for Major Service Providers who provide communication services to end users. A descriptive research design was adopted using a population of 1677 senior managers from 559 telecommunication contractors. Structured questionnaires were administered to a sample of 312 managers of 104 Contractors using simple random and snowball sampling techniques. A total of 277 participants responded from which 38 responses were not well completed and not considered. So, 239 questionnaires were used for data analysis. Statistical Package for Social Sciences (SPSS) version 25 was used for descriptive and inferential data analyses to provide the relationships between the study variables and the findings were presented in tables of frequencies and percentages. The study found out that JIT Management Practices and Leadership Style have influence on the financial performance of telecommunication contractors in Kenya and recommends that the Telecommunication Contractors should, come up with management strategies to improve on the effectiveness and efficiency of the organizations, invest in training and skills development in ICT and Technological innovations in order to achieve financial performance of the organizations.*

**Key Words:** *JIT Management Practices, Leadership Style, Financial Performance, Telecommunication Contractors*

## **INTRODUCTION**

In business environment where competition is often expected, companies need to maximize on financial performance, flexibility performance and customers' satisfaction. Just-In-Time (JIT) Production practices and Total Quality Management (TQM) are the key elements of flexibility performance (Phan, Nguyen, & Matsui, 2019). Just-In-Time Management Practices involve provision of the right timely information for planning purposes, making informed decisions and actions for problem solving. Naila and Hasan (2021) study on adoption of JIT-Knowledge Management about an appropriate crisis management strategy using Central Bank of Iraq as a case study, justifies the adoption of JIT management practices in knowledge management. Intergration of JIT management practices enables the organization to reduces wastege, gain a competitive edge and improve the financial performane of the orgainzations.

Leadership Style involves the skills, traits and attitudes that a leader utilizes to achieve predetermined goals and objectives by using the available organizational resources. An effective and efficient organizational and financial performance depends the leader who exhibits, good ethics, appropriate communication style, good relationship and creates a conducive working environment to all members. Leadership Styles have led to the development of various thoeries on the leadership that concerns different aspects of traits and roles. For example, transformational leadership mostly focuses on the behaviour, attributes, inspiration, motivation and the stimulation of the inteclect (Moreno, Garcia. & Suarez, 2021). During Covid-19 pandemic, the telecommunication sector has played a vital role in innovation by creating cashless mode of transactions that requires leaders who are malleable and able to adopt the dynamics in the market evironment (Sougui, Bon, Mahat & Hassan, 2017).

### **Financial Performance of Telecommunication Companies**

Financial Performance achieved can depict how effectively and efficiently an organization utilizes the available resources (Erasmus, 2021). Financial performance for many years has been an area of research interest for many academics, scholars, organizations and the business community at large. Elmi (2021) avers that for

organizations to attain better financial performance, they should have sound, sustainable, and competitive strategies that are geared towards the realization of the desired financial performance.

The stiff competition in the market environment now demands that organizations should and must ensure efficient cost management practices and utilize resources to underscore management costing practices that will result in adequate financial performance (Erasmus, 2021). Erasmus (2021) opined that for effective cost management practices, organizations should conduct routine training and other capacity enhancement activities to equip their staff with appropriate cost management skills for enhancement of financial performance.

### **Telecommunication Industry in Kenya**

The global telecommunication industry has played a pivotal role in enhancing interconnectedness amongst regions and countries. With the advent of the novel Corona Virus telecommunication industry has stood the test of time and provided technical leverage and capacity for organizations to not only survive, but also adjust to remain relevant in business. According to Westcott (2011), telecommunication companies continue to provide a bedrock for other industries to recover and thrive as they shape the new future for the markets drawing from the strengths of advanced wireless technologies such as 5G.

In Kenya, the telecommunication industry has not been left behind in facilitating business and enabling other industries to thrive in the market despite the dynamic market forces and conditions. According to the Communication Authority of Kenya (2018), the existing network operators in Kenya, Safaricom PLC, Airtel Networks Ltd, and Telkom Kenya among others enjoy a high market share in mobile money market with Safaricom leading the pack with growing broadband and voice lines in the market. 605 Telecommunication Contractors were licensed in Kenya to offer maintenance and Servicing of infrastructure to the network Service Providers who provide Communication services to the end users.

### **Statement of the Problem**

Financial performance of organizations has for long been an area of interest in Management literature as it remains a matter of concern to managers and other organizational stakeholders. In view of the constant changes and transformations in the telecoms sector (Deloitte, 2021), the telecom operators increasingly focus on opportunities in the mobile broadband sector owing to the growing demand for mobile data and mobile financial services and some transformations in telecom companies have involved the change of organizational leadership, management approaches, continued adoption of new technologies and operational changes (Mohat, Munyoki, & Cheluget, 2020).

Whereas the telecom landscape has been changing due to changes in macro-economic forces, increasing competition from non-telecoms providers, rise of digital media and mobile technology (DeSouza, 2021), literature remain elusive on the extent to which these changes and transformation influence financial performance of the telecom companies in Kenya. According to Kenya National Bureau of Statistics (KNBS) (2020), the telecom sector has been vibrant, yet the industry players have registered varying financial performance with slower growth in mobile cellular penetration of 7.9% in 2019 compared to 12.3% growth in the previous year. The value of output from the information and communication sector increased at a slower rate of 10.3% in 2019 compared to the 12.0% growth recorded in the year 2018 (Kenya National Bureau of Statistics, 2020). Accordingly, this study was concerned about the inconsistency of financial performance of the telecom companies in Kenya despite the heavy investment in the sector. In particular, the study seeks to interrogate the influence of Just-In-Time Management Practices and Leadership Style on Financial Performance of telecom companies in Kenya with a specific focus on compliant registered Telecommunication Contractors who provide Technical Services to network operators.

### **Study Objectives**

- i. To examine the influence of Just-In-Time management practices on financial performance of telecom companies in Nairobi Kenya

ii. To find out how Leadership Style influences the financial performance of telecom companies in Nairobi, Kenya

### **Research Question**

i. In what ways do Just-In-Time management practices influence financial performance of telecom companies in Nairobi Kenya?

ii. How does Leadership Style influence financial performance of telecom companies in Nairobi Kenya?

### **Significance of the study**

This study was intended to contribute to the development of literature, policy and action on enhancing the financial performance of telecommunication sector of the economy. In particular, Mobile operators, telecommunication contractors and Vendors who are the key actors in telecom service provision, will be able to gain insights on cost cutting, profit maximization, competitive gains as well as enhanced operational efficiency bearing in mind the role of Leadership Style and JIT management practices. The findings from the study are required to provide the policy makers in the government such as the Communication Authority of Kenya (CAK) and the Ministry of Information and Technology with evidence-based research information for the development of policies that can support the development and innovations of the telecommunication sector. The study was also supposed to generate more current literature on Leadership Style, JIT and financial performance of telecommunication companies to researchers, scholars as well as management and leadership students.

### **Study Scope**

The study focused on the role of JIT management practices and Leadership Style on financial performance of telecommunication contractors in Kenya. The study was conducted in Nairobi, Kenya and focused on 1677 management-level staff from the authorized population of 559 Telecommunication Contractors. Three management staff per Telecom company were sampled. The study was conducted over eleven-month period from January, 2021 to November, 2021.

## **LITERATURE REVIEW**

### **Theoretical Literature Review**

#### **Resource-Based View (RBV) Theory**

Resource-Based View (RBV) Theory was founded by industrial organization economist Edith Penrose in 1959. The theory is concerned mostly with the utilization of the resources within the organization. The increased competition for the scarce resources and subsequent increase in the impact of macro-economic dynamics has pushed organizations to scramble for control of the expanded market demand (Éltető, 2019). For the organizations to realize their goals and objective they should align their resource utilization effectively and ensure a management system that reduce wastage of the resources.

RBV focuses on the internal resource availability and utilization and it encompasses asset capabilities and organizational processes, attributes, information, and knowledge. These can be controlled by the organizations by conceiving and implementing the best management strategies that improve on the efficiency and effectiveness use of the available resources which are internalized in the organization (Sternad, Mundschtz, & Knappitsch, 2013) as cited by (Jeronimo, Lopez & Pinzon, 2019). One of the major concerns of the management control system is to create value that is sustainable. The theory relates to the study as it expounds the need for proper utilization of the resources that are within the organizations' reach. These resources include human labour with proper skills and knowledge. The role of leadership is required in the implementation of Just-In-Time Management Practices with a view to achieving sustainable competitive advantage (Sternad, Mundschtz, & Knappitsch, 2018).

#### **Empirical Literature Review**

The section presents a review of empirical studies on Just-In-Time Management Practices and Leadership Style and how they influence the Financial Performance of Telecom Contractors in various parts of the world. The empirical review also narrows

down to other relevant studies that have been conducted in the African and Kenyan contexts. The empirical review is thus presented per variable in the order that is set out under the objectives of the study.

### **Just-In-Time Management Practices and Financial Management**

Just-In-Time (JIT) philosophy originated from the Japanese manufacturing assembly. Its focal point is ensuring that effectiveness and efficiency is realized and Total Quality Management (TQM) of resources is adhered to, in line with Material Resource Planning (MRP) in an organization (Wyk & Naidoo, 2018). (Madnhire, & Mbohwa 2016) stated that JIT as a philosophy, is used in the processing industries that plans on reducing the amount of waste that can add cost in the process of production of an item (Sambil, Matimba, Sihle, Xolani, & Sin, 2019). Besides different scholars' views on the JIT practices, in different sectors with varying findings and conclusions, there still exist gaps that need to be filled (Meirna & Dewi, 2020; Mukwakungu, Mabasa, Mankazana, Mzileni, & Burakeye, 2019; Mugwe, & Moronge, 2018; and Wangari, & Kagiri, 2015 )

Mukwakungu, Mabasa, Mankazana, Mzileni, and Burakeye, (2019) did a study on the impact of Just in Time (JIT) in inventory management with a perspective of two case studies in a South African environment. The study was based on assessing organizations' applications of JIT as a tool to manage inventory and the impact of JIT. The study used explanatory and correlational research design by adopting meta-analysis. The findings of study indicated that the organization using JIT in their system realized positive increase in their productivity and improvement in terms of monetary value, customers' satisfaction and even the boost of the employees' morale.

Mugwe and Moronge (2018) carried out research to establish the influence of Just In Time inventory strategy on performance of vehicle manufacturing firms in Kenya. The objectives that guided the research were; the effect of lead time, cost reduction, organization policy and buyer- seller relationship. Both qualitative and quantitative data analyses methods were used. Questionnaire were administered to 100 respondents. The study found that, lead time, cost reduction, organization policy, and

buyer-supplier affiliation, plays a significant role on the effective implementation of JIT and the performance of the vehicle manufacturing firms in Kenya.

Organizations that can maintain and sustain the JIT can comfortably withstand the competition in the global market. JIT ensures that the demands of the customers become the Centre of focus, and the delivery of the service aiming at exhibiting exceptional superior organizational performance, while maintaining the cost effectiveness in the production of organizational products at its lowest level. (Ju'arez, Pe'rez, & Useche, 2017) posits that besides applying JIT in the management of the inventory where it is used as a tool, it enhances the firm's performance in its application to organizational leadership, Research and Development (R&D).

Just-In-Time Management Practices have been effective in the manufacturing sectors and have also been adopted in service industries such as telecom industry and scholarly evidences show that the adoption of JIT practices has led to increased quality services, increased production, efficiency, improved communication and decreasing cost, ensuring lead time and reduced waste and enhanced cost-effectiveness.

Wangari and Kagiri (2015) studied the influence of practices that are used in the inventory management at the Safaricom Kenya Limited on its competitiveness. They used primary data for the regression analysis. From the analysis they found that investment, shrinkage and turnover of inventory had an influence on the competitive advantage of the telecom industry players, this exhibits the significance of the JIT into the organizational system and there is need to have qualified personnel or team who will ensure implementation of the JIT management practices effectively.

### **Leadership Style and Financial Performance**

Firms are guided by their respective missions and visions that are formulated by the leadership of the organizations and this needs to be well understood by the employees of the firms. Missions and the visions are what forms the ideal image and message about an organization. Leaders are entrusted with implementation of the objectives and goals that are aimed at influencing the market and financial performance of the organizations. This has forced firms to involve in the Public Relations (PR) and

Corporate Social Responsibility (CSR) to influence their clients as they strive to influence their market share (Lashley, 2021). Persistent and purposive leadership style is very effective in influencing change in the organization by creating a conducive atmosphere for good relationships that promotes employees' participation in decision making process (Hussain, Lei, Haider, & Akram, 2021). Despite various studies in relation to leadership style influence in different sectors of the economy gaps still exist in these studies which needs to be filled (Hussain, Lei, Haider, & Akram, 2021; Moreno, Garcia, & Suarez, 2021; Ali and Anwar, 2021; Samad and Ahmed, 2021).

Hussain, Lei, Haider and Akram (2021) did a study on transformational leadership and organizational change examining the mediational approaches of knowledge sharing a case of Zong Telecom Company in China. The objective of the study was to examine the transformational leadership style behaviour for the organizational change by creating knowledge sharing environment in organizational and individual level of the organization. The study distributed structured questionnaire to a sample of 300 respondents who included individual employees and managers. Confirmatory factor analysis and structural equation modeling were used to explore the results of knowledge sharing for the organizational change. The study found strong positive and significant relationship between transformational leadership style and organizational change. The study recommended that leadership style needs more attention to be investigated. Besides the contribution of the study on the development of the literature studies, the study was not clear on the research design that was adopted and the study did not focus on the influence of leadership on the financial performance of the telecom industry specifically with regards to the Telecommunication Contractors.

A study on the leadership style in Amatuer club sports a key element in strategic management (Moreno, Garcia, & Suarez, 2021). The purpose of the study was to investigate the employees' perceptions on the leadership style of presidents and how they influence the effort, efficiency, and satisfaction of the employees. The study adopted a non-experimental, observational, transversal, descriptive and correlational was done by use of quantitative research design. The sample consisted of 334

respondents of the club managers who were reached by administering subordinate version of Multifactorial Leadership Questionnaire(MLQ). From the analysis it was established that leadership style had a significant influence on the effort, effectiveness and satisfaction. Further categorically the study found that transformational and transactional leadership style positively and statistically predict significantly the extra effort of the subordinate and perceived effectiveness of leadership. And this helped the leader to adapt to complex and dynamic socio-economic system.

Ali and Anwar (2021) conducted a study about self-leadership skills as intangible resources for sustainable competitive advantage. The study was conducted in order to establish the relationship between self-leadership skills and sustainable competitive advantage. The objectives included: the natural reward strategies, effect of behaviour-focused strategies, and constructive thought patterns on sustainable competitive advantage. The research adopted a quantitative research design to present and interpret that analysis. Structured questionnaires were administered to 280 respondents with only 228 were correctly completed for analysis. The research applied a simple regression analysis and correlation analysis to measure the influence of the variable on the sustainable competitive advantage. The findings of the study revealed that, there is a strong influence of the behaviour-focused strategy on sustainable competitive advantage whereas weaker influence of constructive thought pattern on the competitive advantage. As the study was comparative it is not clear on how self-leadership can influence the financial performance of the telecom industry players as the study focused on the small and medium businesses in which the study did specifically address the sector of the economy where these businesses were. The study will address this by investigating the influence of the leadership style on the financial performance of the telecom industry which are key players in the economy.

Samad and Ahmed, (2021) did a study on, Do strategic planning dimensions and transformational leadership contribute to the performance? With evidence from the banking sector. The study's purpose was to investigate the effect of transformational leadership style and strategic planning dimensions on the organizational performance. The study used a simple random approach to self-administered 300 structured

questionnaire of 82% of the questionnaires were returned for the analysis. The data collection period was 3-months. The data collected were analysed using Partial Least Square analysis. The study results showed that transformational leadership style and strategic planning were very much needed for the enhancement of the performance of the organization. The shortcomings of the study was that it did not point on whether the transformational leadership and strategic management planning could also influence the financial performance of the organization. The study intends to establish the influence of the leadership style dimension on the financial performance of the telecom sector of the economy.

### **Financial Performance**

Every business organization starts with a sole objective of making profit. This has made it compulsory for the management to come up with strategies that are geared towards improving the financial performance. This has pushed not only the telecommunication industry players but also other organization to look at this phenomenon into details and taking into considerations aspects of the cost elements. Whereas different scholars have viewed financial performance in different sectors on context, there exist vast literature focusing on different performance matrix. Different studies have focused on the relationship between strategy, competitive capabilities, management qualities and approaches, innovation and ICT adoption and firm performance (Gaste & Hundekar 2017; Nyaega, Marangu, & Chepkorir 2015; Shankdhar, 2021; Oudat, Ali, & Qeshta, 2021 and Njoroge, 2016).

Gaste and Hundekar (2017) carried a study on the financial performance of telecom companies in India. The aim of the study was to determine how the firms can use their assets to generate revenues. Analyzing the financial performance of BSNL, Airtel and Vodafone. The study looked at the return on capital employed (ROCE) and the effectiveness of the capital employed. The study analyzed the secondary data that were collected from articles, research papers and books. The study revealed that companies should maintain good financial position and their good will. The study recommended that to keep the good image of the company there is need to focus on the customers' needs and also satisfy their employees. As much the study's

contribution in the literature review was unsuccessful, there was no data to show the present financial performance of these firms as the study relied on the past secondary data that could not give the present true representation of the current financial performance of the telecom industries.

Nyaega, Marangu, and Chepkorir (2015) conducted a study on the determinants of financial performance in internet service providers in Kenya. The study adopted descriptive design, distributed 50 questionnaires by emails to the managers amongst 10 large internet service provider firms in Kenya. Data was analysed both descriptively and inferentially using regression analysis. The study discovered that before the customers sanction their loyalty, the customer's considers the service uptime, network coverage and customer service. The regression results discovered that product pricing, customer service and service uptime had negative but insignificant influence on the performance of the firms as network coverage had positive influence on the performance. The study recommended the service uptime level to be enhanced as it forms part of the decision making by customers. Study only assumed that product pricing, customer service, service uptime and network coverage influence the financial performance in ISP in Kenya but failed to indicate how these parameters relate to the determinants of finance.

Shankhdhar (2021) did a study on financial performance of selected companies in the telecom sector. The context of the study was to analyse the financial performance of the companies in telecom sector in India for a period of 10 years. The liquidity, managerial efficiency, profitability and leverage formed the conceptual focus of the study. The study used ANOVA test to check on the difference between the financial ratios of these companies based on the past secondary data which were available in different sources. From the analysis, the critical value of F-ratio level was 95% for the liquidity, managerial efficiency and leverage. This showed a significant influence of the financial performance. According to Shankhdhar *et. al.*, (2021), this could be attributed to the stiff competition in the sector due to the tariff price causing less or no profit for the companies.

Oudat, Ali, and Qeshta (2021) did an empirical study on the financial performance and audit committee characteristics using a case of Bahrain service sector. The purpose of the research was to investigate the association between audit committee and the financial performance among services sector corporation which are listed in Bahrain stock exchange. The study employed linear panel regression method to establish the relationship between the financial performance and the audit committee, from a sample size of 5 companies in the service industry. The study found out that audit committee is influenced by the features of performance and firm results. As much as the study contributes important literature, it had weaknesses as it was only limited to service companies that were listed in the Bahrain stock exchange and was limited to analysis of data obtained over a shorter time span ranging from 2016 to 2019.

Njoroge (2016) analyzed the impact of acquisition on financial performance of the firms in the telecommunication industry in Kenya. The purpose of the study was to bridge the knowledge gap on the impact of takeover on the performance of the firms that acquire other firms. Descriptive research design was applied to collect data from financial department of Safaricom and Airtel. The data was analysed using SPSS version 25. To determine the relationship between the variables, Regression analysis was used. The study found out that Quick ratio, Current ratio, total asset ratio and equity ratio had significant relationship with return on the assets. The study recommended that as the firms acquire other firms they should ensure the liabilities do not exceed the net worth of the business margin.

### **Summary and Research gaps**

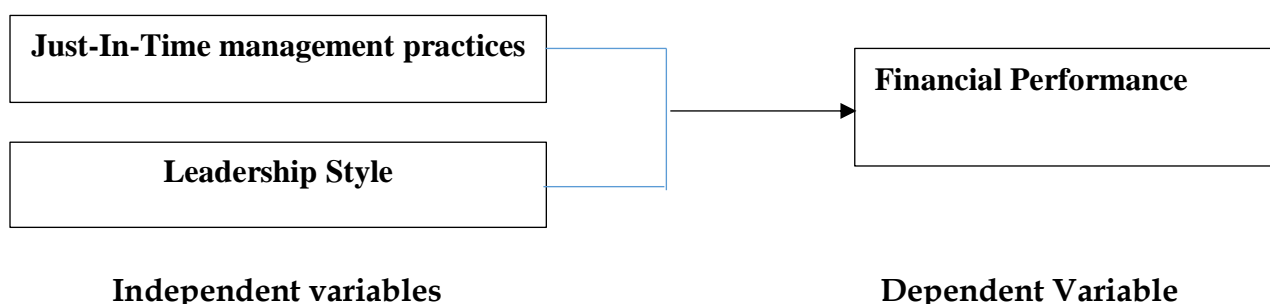
The section presents the research gaps that were identified from the empirical literature review on various scholarly resources done by different scholars in related contexts. The studies so reviewed have yielded varying results, some of which arrive at close or similar findings and conclusions while others are inconclusive. Importantly, a number of research gaps have been identified from conceptual, contextual, methodological and time perspectives which this study seeks to address differently (Adiputra, Gani, & Rossietta, 2020; Olanrewaju, 2016; Mankazana, & Mukwakungu, 2018; Gaste, & Hundekar, 2017 and Oudat, Ali, & Qeshta, 2021).

**Table 1**

*Research Gaps*

Article Author	Study	Knowledge gaps	Focus of the current study
Gaste and Hundekar (2017)	The financial performance of telecom companies in India: how the firms can use their assets to generate revenues.	Although the study looked at the return on capital employed (ROCE) and the effectiveness of the capital employed and relied on secondary data to analyze the financial performance of telecommunication companies, it remains unclear on what the time scope of the secondary data on financial performance was	As such, the study's contribution in the literature review was unsuccessful to show the present financial performance of these firms as it relied on the past secondary data that could not give the true representation of the current financial performance of the telecom companies.
Oudat, Ali, and Qeshta (2021)	financial performance and audit committee characteristics using a case of Bahrain service sector.	As much as the study contributes important literature, it had weaknesses as it was only limited to analysis of data obtained over a shorter time span ranging from 2016 to 2019.	This study sought perceptions of senior managers on the financial performance of telecom companies with long-term performance results in mind.

**Conceptual Framework**



## RESEARCH METHODOLOGY

### Research Design

Research designs are frameworks that are used by the scholars or researchers in their data collection and data analysis (Saunders, Lewis and Thornhill, 2016). Cooper and Schindler (2014) defined research design as a plan and structure used to investigate and answer the research questions under the study. This study adopted descriptive research design as defined by Cooper and Schindler (2014).

### Target Population

Target population is the set of elements, items, events or a group of people in a defined geographical boundary, that forms the Centre of interest in research that can be required to influence policy making, action and decision-making based on the statistical analysis results and the inferences drawn thereof (Sekaran, & Bougie, 2013). The population target for the study was 1,677 senior managers from 559 telecommunication contractors who are licensed and regulated by Communications Authority of Kenya (CAK) in Nairobi.

**Table 2**

*Target Population*

<b>Population component</b>	<b>Population size</b>	<b>percent</b>
Human Resources Managers	559	33.33
Finance and Accounts managers	559	33.33
Technical/ Project managers	559	33.33
Total	1677	100

### Sample Size and Sampling Technique

A sample refers to a smaller number of the units of observation which represents the entire population. The sample can be drawn from a population using a sampling frame which refers to the array of elements in a population from which a sample of the study is drawn from (Saunders, Lewis and Thornhill, 2016). In this study the

sampling frame consisted of telecommunication contractors who are licensed and registered to operate in Nairobi, Kenya by the CAK.

### Sample size

Saunders, Lewis, and Thornhill (2016), describes a sample size as the representative number of units of a population who are included in a study to provide the required study data. Mugenda, and Mugenda (2019) indicates that a good sample size is arrived at, by adopting the formula:  $n = Z^2 (pq) / d^2$

(i)

Where:

$n$ : The desired sample size if the target population is greater than 10,000,  $Z$ : The critical value at a required confidence level. Example we assume at 0.05,  $Z = \pm 1.96$ ,  $p$ : is the proportion in the target population assumed to be 0.50 or 50% of the target population.  $q$ : is  $1-p$ ,  $d$ : The Set confidence level or statistical significance is 0.05. So for target population greater than 10,000

$$\begin{aligned} \text{Sample size } (n) &= 1.96^2(0.5 * 0.5)/0.05^2 \\ &= 384.16 \\ &= 384 \end{aligned}$$

Mugenda and Mugenda (2019) also suggest that for a population consisting of less than 10,000 individuals, sample size is computed by adjusting  $n$  in formula (i) in formula (ii):

$$n_f = \frac{n}{1+(n/N)} \quad \text{(ii)}$$

Where:  $n_f$ : is the Desired Sample Size when population is less than 10,000  
 $n = 384$  which is the estimated sample size when population is more than 10,000

$$N: = 1677 \text{ which is the target population, } n_f = \frac{384}{1+(384/1677)}$$

So  $n_f = 312$  which is the sample representing 18.6% of the population

**Table 3: Sample Size**

<b>Respondents</b>	<b>sample size</b>	<b>percent</b>
Human Resources Managers	104	33.33
Finance and Accounts managers	104	33.33
Technical/ Project managers	104	33.33
<b>Total</b>	<b>312</b>	<b>100</b>

### **Sampling technique**

Sampling technique is a scientific procedure that is used to select the elements from the sample frame units that will give the required information from the selected elements. Saunders (2016) defined sampling technique as the process used to select respondents under an investigation. The study adopted Random sampling method together with snowball sampling technique.

### **Data Collection Instrument**

This study relied on primary data which were collected through the use of structured questionnaires. The questionnaire items were designed on a 5-point Likert scale and the structured questionnaires were used.

### **Pilot Study**

This was done using 20 respondents from 7 Telecommunication Contractors in Nairobi which constituted to 6.41% of the sample of 312 respondents. Mugenda and Mugenda (2019) recommends that 1% to 10% of the sample is adequate for Pilot Study. Both validity and reliability tests were done. To ensure reliability of the instrument, Cronbach's alpha with reliability threshold of  $0 \leq \alpha \leq 0.7$  is sufficient to measure the consistency (Taber, 2017).

### **Data collection procedure**

The researcher was granted permission by introductory letter from the university and a license from the National Commission for Science Technology and Innovation, Kenya, to facilitate the collection of data from the respondents.

### **Data Analysis and Presentation**

Quantitative and qualitative methods were used for data analysis. The data collected from the returned questionnaires were checked, coded and entered into the SPSS

Version 25 for analysis which involved frequencies, descriptive, and inferential analysis techniques. Both regression and correlation analyses were used. The analysis results were presented in form of tables. For analysis frequencies and percentages were used to analyze the relationships between the variables. The regression model,  $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \hat{\epsilon}$ , was used. From the model,

$Y$  = Dependent variable (Financial Performance),  $\beta_i$  = Coefficients (predicted),  $\beta_0$  = Constant,  $X_i$  = Independent Variable,  $X_1$  = Just-In-Time Management Practices,  $X_2$  = Leadership Style  
 $\hat{\epsilon}$  = error term

### Ethical Consideration

The participants had consent to make the choice on whether to participate in the study or not and the participation was voluntary and was done by filling the questionnaires. The respondents were informed and assured by the researcher that the study information was not to be divulged to other purposes except for the academic reason for which the study was undertaken and would be treated with confidentiality with their privacy and anonymity upheld.

## RESEARCH FINDINGS AND DISCUSSION

### Response Rate

A total of 312 Questionnaires were randomly administered to 104 Telecommunication Contractor Companies of which three questionnaires were given to be completed by three senior officers of each Company. The response rate was as shown in the table 4

**Table 4: Response Rate**

Response Rate	Frequency	Percentage (%)
Response	277	88.78
Non response	35	11.22
<b>Total</b>	<b>312</b>	<b>100</b>

Out of a total of 312 questionnaires which were given out, 277 responses forming 89% were received back from respondents. According to Mugenda, and Mugenda (2019) a

response rate of 70% or higher is considerably adequate for research analysis. Non response were 35 and from 277 respondents, 38 responses were found with minor errors and treated as incomplete hence the analysis were carried out using 239 responses which was constituting 76.6% of the total questionnaires administered.

### Reliability Analysis

The internal consistency of the reliability measurement of the questionnaires was tested using Cronbach's alpha from which coefficients representing the variables are shown in table 5 and 0.6 to 0.7 is used as accepted values.

**Table 5**

*Reliability Analysis*

Variable	Cronbach's alpha	Items
Management Strategy	0.67	5
ICT Adoption	0.69	5
JIT Management Practices	0.70	5
Leadership Style	0.70	5
Financial Performance	0.69	6

### Just-In-Time Management Practices

**Table 6**  
*Just-In-Time Management Practices*

Statement	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Total	
	f	%	f	%	f	%	f	%	f	%	f	%
The organization provides high quality services to the clients	13	5.4	21	8.8	24	10.0	128	53.6	53	22.2	239	100
The company activities are executed within planned turn-around-time	8	3.3	31	13.0	37	15.5	99	41.4	64	26.8	239	100
The company has a team that checks on the quality of products and services	5	2.1	21	8.8	25	10.5	112	46.9	76	31.8	239	100
The company continuously improves the value of services it offers	10	4.2	12	5.0	28	11.7	106	44.4	83	34.7	239	100
The company outputs meet customers' expectations	6	2.5	16	6.7	30	12.6	102	42.7	85	35.6	239	100

Table 6 gives the descriptive analysis of the responses on the indicators by the respondents. From the questionnaires, over 60% respondents agreed with the statements which suggests that JIT management practices has an influence on the financial performance of Telecommunication Contractor companies. This is confirmed with a study done by (Mukwakungu, Mabasa, Mankazana, Mzileni & Burakeye, 2019) that found that the organizations using JIT in their management system realize positive increase in their productivity and improvement in terms of monetary value, customers' satisfaction and even boost the employees' morale. This agrees with opinion that JIT management practices is the focal point in ensuring that effectiveness and efficiency is realized (Wyk, & Naidoo, 2018).

**Leadership Style**

**Table 7**

*Leadership Style*

Statement	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Total	
	f	%	f	%	F	%	f	%	f	%	f	%
Employees support the Vision and Mission of the Organization’s leadership	12	5.0	25	10.5	28	11.7	121	50.6	53	22.2	239	100
Employees work as a team towards the attainment of Organization’s goals & Objectives	4	1.7	24	10.0	26	10.9	110	46.0	75	31.4	239	100
Customers are treated as partners by the organization	9	3.8	35	14.6	44	18.4	85	35.6	66	27.6	239	100
Employees are empowered to make individual decisions towards the set goals of the organization	9	3.8	44	18.4	36	15.1	93	38.9	57	23.8	239	100
There is effective communication among all the stakeholders of the company	14	5.9	28	11.7	30	12.6	100	41.8	67	28.0	239	100

Table 7 gives the descriptive analysis of the responses on the statements of indicators by the respondents. From the questionnaires, over 60% respondents agreed with the statements which suggests that Leadership Style has positive influence on financial performance. This is supported by a study by (Moreno, Garcia, & Suarez, 2021) which established that leadership style had a significant influence on the effort, effectiveness and satisfaction of the employees. Ali and Anwar (2021) confirmed that there is strong influence of the behaviour-focused strategy as a self-leadership on sustainable

competitive advantage. This therefore, implies that Telecommunication Contractors should consider the type of leadership that is appropriate for their formation which can positively influence their financial performance.

### Financial Performance

**Table 8**

*Financial Performance*

Statement	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Total	
	F	%	f	%	f	%	f	%	F	%	f	%
The company generates high Return on investment for the stakeholders	28	11.7	38	15.9	44	18.4	98	41.0	31	13.0	239	100
The company has grown in terms of assets, employees and portfolio	17	7.1	41	17.2	45	18.8	94	39.3	42	17.6	239	100
The company profits have been increasing annually	14	5.9	57	23.8	57	23.9	73	30.5	38	15.9	239	100
The company has adequate financial resources to meet its obligations as and when they fall due	13	5.4	28	11.7	59	24.7	99	41.4	40	16.7	239	100
The organization's turnover have maintained a positive growth trajectory	13	5.4	80	33.5	46	19.2	63	26.4	37	15.5	239	100
The organization has managed to cut down on its costs effectively	19	7.9	29	12.1	30	12.6	75	31.4	86	36.0	239	100

Table 8 gives the descriptive analysis of the responses on the statements of indicators by the respondents. From the questionnaires, around 50% respondents agreed with the statements which shows that the financial performance of the firms is a key element that individual organization should establish ways of improvement on the

same for the survival of the firm and to gain a competitive advantage over their competitors. Gaste and Hundekar (2017) on their study found that companies should maintain good financial position and good will. According to Njoroge (2016) Quick ratio, Current ratio, total asset ratio and equity ratio had significant relationship with return on the assets, this implies that firms should ensure that their liabilities should not exceed the organization net worth.

### Multiple Linear Regression Analysis

The overall finding of the relationship that co-existed between the independent and the dependent variables was further determined by using regression analysis using SPSS version 25.

### Coefficient of Determination

Coefficient of determination is explained by Model Summary of table 9 which shows how independent variables known as predictors account for variation in the dependent variable which is the Financial Performance in this case.

**Table 9**

*Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.346 <sup>a</sup>	.119	.104	.70361

a. Predictors: (Constant), Leadership Style, JIT Management Practices

From table 9 the coefficient of determination ( $R^2$ ) gives the amount of variance the predictors have on the dependent variable and it explains the impact of JIT management practices and Leadership Styles have on the financial performance. The independent variables contributed 11.9% on the financial performance as 88.1% are contributed by other factors that were not considered in the study.

### Analysis of Variance (ANOVA)

The variance between the Dependent Variable and independent variables are explained by ANOVA model analysis.

**Table 10**

*Analysis of Variance (ANOVA)*

		ANOVA <sup>a</sup>				
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	15.720	4	3.930	7.938	.000 <sup>b</sup>
	Residual	115.845	234	.495		
	Total	131.565	238			

a. Dependent Variable: Financial Performance

b. Predictors: (Constant), Leadership Style, JIT Management Practices

The ANOVA of Table 10 is about the analysis performed on the relationship between JIT Management Practices, Leadership Style and Financial Performance. From the table, the analysis showed that the Regression Model is significant since significance (P-Value) is 0.00 which is less than 0.05 that is the highest value accepted in this study analysis. This confirmed that the combined predictors account for some positive variance in the Financial Performance

### Regression Coefficient

From the research conducted, a multiple regression analysis was applied using SPSS software that was used to enter and code responses from the respondents to assist in evaluating the extent to which independent variable influence dependent variable. The relationship is explained by the equation  $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \hat{\epsilon}$ . Where: Y = Dependent variable (Financial Performance),  $\beta_i$  = coefficients (predicted),  $X_i$  = Independent Variables,  $X_1$  = Just-In-Time Management Practices,  $X_2$  = Leadership Style,  $\hat{\epsilon}$  = error term

**Table 11**

*Regression Coefficients*

Coefficients <sup>a</sup>		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
		1	(Constant)	1.892	0.317	
	JIT Management Practices	0.344	0.092	0.320	3.742	0.000
	Leadership Style	0.052	0.077	0.052	0.679	0.498

a. Dependent Variable: Financial Performance

From the SPSS Table 11 was generated and the Regression equation model

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \hat{\epsilon} \text{ becomes } Y = 1.892 + 0.344X_1 + 0.052X_2$$

From the model it is observed that by holding all factors (Just-In- Time management practice and leadership style) constant, the financial performance will be 1.892 ( $\beta_0$ ). This confirms that there are other factors that contribute to Financial Performance rather than the independent variables. It is noted that all the JIT practices and leadership style influence Financial Performance. The Coefficients of the independent Variables are; JIT Management Practices (0.344) and Leadership Style is 0.052.

From the Regression Equation,  $Y = 1.892 + 0.344X_1 + 0.052X_2$ , JIT Management Practices ( $X_1$ ) and Leadership Style ( $X_2$ ) influence Financial Performance (Y).

### Limitations of the Study

#### Lack of Cooperation

Some of the respondent were not cooperative and not willing to participate in filling the questionnaires as they thought the essence of the data collection was not for the academic purpose but for victimization by the government agencies.

### **Cost of Data Collection**

Online data collection operation was not successful so the process involved hire of the research assistants to individually supply and collect the signed questionnaires. The Covid-19 pandemic could not allow other methods of data collection for example one-on-one interview of the respondents. And also some of the respondents were not readily available in the offices because some were working at home. This forced the research assistance to engage with such respondents on appointment basis.

### **Time Factor**

The questionnaires involved managers or senior company officers some of whom were very busy and were taking time to respond to the questionnaires. Also with limited time, the research could not be extended to many companies in Nairobi.

## **SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSIONS**

### **Summary of Findings**

#### **Just-In-Time management practices and the financial performance**

The study investigated the effect of JIT management practices on the financial performance. The regression model established that there was positive relationship between Just-In-Time Management Practices and the Financial Performance of Telecommunication Contractors in Nairobi, Kenya

#### **Leadership Style and financial performance.**

From the regression model it was established that leadership style had a positive influence on the Financial Performance of Telecommunication Contractors in Nairobi, Kenya

### **Recommendation**

#### **Recommendation for policy**

From the findings of the study, it is recommended that the Telecommunication Contractors should put in place, policy frame works that are in line with their vision

and mission of service provision which should target financial improvement. The Communications Authority of Kenya as the regulatory body should also encourage Telecommunication Contractors to develop policies to embrace ICT adoption and other Management Practices required for better service provisions and sustainable financial performance.

### **Recommendation for Practice**

The Managers of Telecommunication Contractors should embrace and improve on management practices that align and positively influence their management strategies, leadership style adopted, and Just-in-time management practices.

### **Implication of the Study**

The findings of this study has the implication to the academia and theory. The study contributes to the development of the literature review to researchers, development of the models and theories for further study.

### **Conclusions**

The objective of this research was to explore the influence of Just-In-Time management practices, leadership style on financial performance of Telecommunication Contractors in Nairobi, Kenya. Resource Based View (RBV) theory was used for the study' and the study adopted descriptive research design. The Study targeted a population of 1,677 managers from 559 Telecommunication Contractors from which a sample size of 312 respondents was obtained by a method offered by Mugenda and Mugenda (2019). The analyzed data from the respondents it was found that JIT management practices and leadership style had positive influence on the Finanacial Performance of the Telecommunication Contractors in Nairobi Kenya. The study recommended that telecommunication industry as a whole should apply JIT mamangement practices and Leadership Style in their organizations and this influence should be extended to other sector of the Kenyan economy.

## REFERENCES

- Adiputra, M. D., Gani, L. & Rossieta, H. (2020). The Effect of Business Staretegy and Management Control system Misfit on Hotel poeomance. *Journal Dinamika Akuntansi, Vol 12(1)*, pp14-23. doi:10.15294
- Ali, B. J & Anwar, G. (2021). Sel-Leadership Skills as Intangible Resource for Sustainable Competitive Advantage. *Advance Engineering Science, Vol. 46*(Issue 1). Retrieved from [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3824663](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3824663)
- Cooper, D.R, & Schindler, P.S. (2014). *Business Research Methods* (12 ed.). McGraw-Hill Education.
- Deloitte. (2021, January 11). *Telecommunications, Media & Entertainment*. Retrieved from Deloitte: [https://www2.deloitte.com/us/en/pages/technology-media-and-telecommunications/topics/telecommunications-media-entertainment.html/?icid=nav2\\_telecommunications-media-entertainment](https://www2.deloitte.com/us/en/pages/technology-media-and-telecommunications/topics/telecommunications-media-entertainment.html/?icid=nav2_telecommunications-media-entertainment)
- DeSouza, B. (2021, January 10). *Technology, Media & Telecommunication*. Retrieved from KPMG Advisory Services Limited: <https://home.kpmg/ke/en/home/industries/corporates-and-retail/telecommunications.html>
- Elmi, D. (2021). The effect of competitive strategies on organizational performance in telecommunication companies in Mogadishu Somalia. *EPRA International Journal of Multidisiplinary Research (IJMR).*, Vol. 7(Iss. 1). doi:10.36713
- Éltető, A. (2019). Effects of Industry 4.0 on reshoring investments - Hungarian experiences. *Centre for Economic and Regional Studies HAS Institute of World Economics Working Paper*, 1-51. Retrieved from <http://real.mtak.hu/92806/7/%C3%89ltet%C5%91%20WP251szerk%20apr%2023.pdf>
- Erasmus, E. G. (2021). Cost Management Practices and Financial Performance of Listed Deposit Money Banks in Nigeria. *Journal of Accounting and Financial Management, Vol. 7*(ISS.2).

- Gaste, M., & Hundekar, V. R. (2017). Financial performace of Telecom Companies. *International Reseach Journal of Engineering and Technology (IRJET)*, 4 (11).
- Hussain, S. T., Lei, S., & Akram, T. (2021). Transformational Leadership and Organizational Change Examining the Mediation Approach of Knowledge Sharing. *International Journal of Asian Business and Information Management*, Vol.12(Issue 2). Retrieved from <https://www.igi-global.com/article/transformational-leadership-and%20-organizational-examining-the-mediational-approach-of-knowledge-sharing/274295>
- Ju'arez, F., Pe'rez, C.H., & Useche, A. (2017). Just in Time Strategy and Profitability Analysis in Financial Statements. *Proceedings of International Confrence on Industrial Engineering and Operations Management*. Bogota Columbia.
- Kenya National Bureau of Statistics. (2020). *Economic Survey 2020*. Nairobi: Kenya National Bureau of Statistics.
- Lashley, E. J. (2021). *Impact of Leadership Style on Employee in a Call Center Environment*.
- Madnhire, I. & Mbohwa, C. (2016). Application of just in time as a total quality management tool : the case of an Aluminium foundry manufacturing. *Total Quality Management & Business Excellence*, Vol. 27(1-2), pp. 184 - 197.
- Mankazana, S & Mukwakungu, S. C. (2018). The Impact of Just- In- Time (JIT) in Inventory Management System and the Supplier Overall Performance of South African's Bed Matress Manufacturing Campanies. *Proceedings of International Conference on Industrial Engineering and Operations Management*. Retrieved October 29, 2018
- Meirna, E., & Dewi,K. M. (2020). Efeect of total Quality Management and Just- In-time on Production Cost Efficiency in PT Semen Padang. *Journal Management and Business*, Vol. 9(ISS. 2), pp. 174-184. doi:10.34006
- Mohat, E., Munyoki, J. M., & Cheluget, J. (2020). Business process re-engineering practices and performance of Telecommunication sectorin Kenya. *Management University of Africa 8th International Leadership Conference* (p. 16). Nairobi: Management University of Africa.

- Moreno, A. M., Garcia, F. C. & Suarez, A. D. (2021). Leadership style in Amateur Club Sport. A Key Element in Strategic Management. *Sustainability*. doi:10.3390/su13020730
- Mugenda, O. M., & Mugenda, A. G. (2019). *Research Methods: Quantitative, Qualitative & Mixed Methods Approaches*. Nairobi: Centre for Innovative Leadership & Governance.
- Mugwe, E. W & Moronge, M. (2018, September 28). Influence of Just -In - Time Inventory Strategy on Performance of vehicle Manufacturing Firms in Kenya. *The Strategic Journal of Business & Change management, Vol. 3*(Iss. 3), pp.1195-1207. Retrieved from [www, strategicjournal.com](http://www.strategicjournal.com)
- Mukwakungu, S. C., Mabasa, M. D., Mankazana, S., Mzileni, X., & Burakeye, S. A. (2019). The Impact Just in Time (JIT) in Inventory Management- Perspective from Two Case Studies in a South African Environment. *Proceedings of the International Conference on Industrial Engineering and Operations Management* . Bangkok, Thailand. Retrieved March 5-7, 2019
- Naila, A. S. H. A & Hasan, A. M. (2021). Crisis Management Strategy in Light of Just In Time - Knowledge Management : Case Study in the Central Bank of Iraq. *PalArch's Journal Archeology of Egypt/ Egyptology, Vol. 18*(ISS. 1).
- Njoroge, M. M. (2016). *The Impact of Acquisition on Financial Performance of the Firms in the Telecommunication Industry in Kenya*.
- Olanrewaju, B. E. (2016). Effects of Information Technology on Organizational Performance in Nigerian Banking Industries. *Research Journal of Financial Accounting, Vol. 7*(No. 3).
- Oudat, M.S., Ali, B. J. A & Qeshta, M. H. (2021). Financial Performance and Audit Committee Characteristics: An Empirical Study on Bahrain Services Sector. *Journal of Contemporary Issues In Business and government, 27*(No. 2). doi:10.47750/cibg.2021.27.02.453
- Phan, A. C., Nguyen, H. T., Nguyen, H. A., & Matsui, Y. (2019). Effect of Total Quality Management Practices and JIT Production Practices on Flexibility Performance: Empirical Evidence from International Manufacturing Plants. *Sustainability*, pp. 1-21. doi:10.3390/su11113093

- Samad, S. & Ahmed, W. A. (2021). Do Strategic Planning Dimensions and Transformational Leadership Contribute to Performance? Evidence from the Banking Sector. *Management Science Letters*, 11, 719-728. Retrieved from <http://m.growingscience.com/beta/mssl/4359-do-strategic-planning-dimensions-and-transformational-leadership-contribute-to-performance-evidence-from-the-banking-sector.html>
- Sambil, C. M. Matimba, D. M., Sihle, M., Xolani, M., & Sin, A. B. (2019). The Impact of Just in Time in Inventory Management - Perspectives from two case studies in South African Environment .
- Saunders, M., Lewis, P., & Thornhill, A. (2016). Research Methods for business students. *Pearson professional Limited*.
- Sekaran, T., & Bougie, S. (2013). *Handbook of mixed methods in social & behavioural research (5th ed)*.
- Shankdhar, G. (2021). The study of Financial Performance of Selected Companies in Telecom Sector. *European Journal of Molecular & Clinical Medicine*, Vol. 08(Issue. 02).
- Sougui, A. O., Bon, A. T., Mahat, M. A. & Hassan, H. M. H. (2017). The Impact of Leadership on Employee Motivation In Malaysian Telecommunication Sector. *Glore International Journal of Applied Sciences and Humanities*, Vol. 1(Issue 1), pp 59-68. Retrieved from <http://gkpublication.in>
- Sternad, D., Mundschütz C., & Knappitsch E. (2013). A dynamic model of SME international performance capacity: the accelerating function of cooperation effects. *Journal of Small Business and Entrepreneurship*, 26(3), 277 - 297. doi:10.1080/08276331
- Taber, K. (2017, June 7). The Use of Cronbach's Alpha When Developing And Reporting Research Instruments in Science Education. *Res. Sci. Edu.*, 1273-1296. doi:DOI 10.1007/s11165-016-9602-2
- Wangari, K. L & Kagiri, A. W. (2015). Influence of Inventory Management Practices on Organizational Competitiveness: A Case of Safaricom Kenya Limited. *International Academic Journal of Procurement and Supply Chain Management*, 1(5), 72-98.

Okech, F. & Mabonga, G. *Just-In-Time Management Practices, Leadership Style and Financial Performance of Telecommunication Contractors in Nairobi, Kenya*

Westcott, K. (. (2020). 2021 outlooutlook for the US telecommunications, media, and entertainment Industry. *UK: Deloitte Development LC.*

Wyk, G. & Naidoo, V. (2018). Critical assessment of Just -in - Time Process Within a South African Company: the Case of Sabertek. *Investment Management and Financial Innovation, Vol.13(No.3), pp. 237.* Retrieved from [http://www.lancer.com.tw/attachments/367\\_ErpBook\(7\).pdf](http://www.lancer.com.tw/attachments/367_ErpBook(7).pdf),

This page left intentionally blank