

**ORGANIZATIONAL CAPABILITIES AND MARKET PERFORMANCE OF  
MOBILE OPERATORS IN KENYA: A CASE OF SAFARICOM PUBLIC  
LIMITED COMPANY**

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LEADERSHIP OF THE MANAGEMENT UNIVERSITY OF AFRICA**

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## **DECLARATION**

The research study is my original work that has not been presented for a degree in any other University.

**Signature .....**

**Date.....**

**Denis Ochieng Radonji**

**MML/17/00185/3/2019**

### **Declaration by the supervisor**

The research project has been submitted for examination with my approval as the University Supervisor.

**Signature .....**

**Date.....**

**Isabella Sile**

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## **DEDICATION**

I dedicate this work to my family with special compliment to my wife Mary, my parents the late John Baptist Radonji and Philomena Radonji.

## **ACKNOWLEDGEMENT**

I acknowledge the Almighty God for His graces and gift of good health during the entire period of the research proposal. I wish to appreciate all those who gave me assistance, with special gratitude to my supervisor Isabella Sile for the guidance, critique and support, the Management University of Africa for the conducive environment and availability of the necessary resources. Finally, my acknowledgement goes to Safaricom PLC for allowing the study to be conducted within the organization.

## **ABSTRACT**

Due to the intense competitive environment in the mobile communications industry, most organizations are compelled to review their strategies to align with use of technology, appropriate leadership style and business innovation in order to compete both locally and globally. The aim and justification of this study was to examine, investigate and determine the influence of technology adoption, leadership style, business innovation and the firm competitiveness on market performance of mobile operators in Kenya. The study was anchored on the Unified Theory of Acceptance and Use of Technology (UTAUT) theory, supported by Stakeholder theory and Michael Porter Five Forces Model. The study targeted a population of 402 respondents. Stratified random and simple random sampling techniques were adopted to arrive at a sample size of 197 respondents. The study adopted the descriptive research design; the primary data was collected using structured questionnaire as a tool from a sample size of 197 respondents. The data collected was then be verified, coded and analyzed by use of software SPSS version 26. From the reliability statistics the tool had a Cronbach's Alpha 0.886 which confirmed that the tool was reliable and valid from the pilot test done with 20 respondents who did not participate in the final data collection. From the study findings, technology adoption, leadership style, business innovation and firm competitiveness, all had positive correlation with the market performance. Both correlation and Regression analysis established that leadership style, business innovation and firm competitiveness had a strong positive significance to the market performance with ( $p=0.000$ ). The regression analysis showed that there was a positive significant correlation to market performance. Technology adoption ( $p = 0.294$ ) had a weak significance on market performance while leadership style ( $p = 0.004$ ), business innovation ( $p = 0.002$ ) and firm competitiveness ( $p = 0.000$ ) had a strong positive significance on market performance since the  $p$ -values were less than 0.05. Due to financial and time constraints, the research could not be conducted with the other two mobile operators, Airtel Kenya and Telkom Kenya, to have a comparative study to determine whether the results of the study could be in line with the findings from the Safaricom PLC one. It was noted that the study faced some challenges during data collection due to the effect of Covid-19 pandemic which in many cases delayed consent for data collection and could not allow other methods of data collection to be adopted such as one-one interview and explanations about the research to the respondents. It is recommended that more study need to be done on the other factors that influence market performance other than the four variables. Likewise, the impact of technology adoption on the market performance needs to be investigated further as it had lower coefficient and was established not to be significant.

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## **ACRONYMS AND ABBREVIATIONS**

|                |                                                        |
|----------------|--------------------------------------------------------|
| <b>AIDAS</b>   | Attention, Interest, Desire, Action, Satisfaction      |
| <b>CFA</b>     | Confirmatory Factor Analysis                           |
| <b>ELM</b>     | Likelihood Model Theory                                |
| <b>ETACS</b>   | Extended Total Access Communication System             |
| <b>ICT</b>     | Information and Communication Technology               |
| <b>IDT</b>     | Innovation Diffusion Theory                            |
| <b>JIT</b>     | Just in Time                                           |
| <b>LMS</b>     | Learning Management System                             |
| <b>MI</b>      | Management Innovation                                  |
| <b>MM</b>      | Motivational Model                                     |
| <b>MPCU</b>    | Model of PC Utilization                                |
| <b>MVA</b>     | Market Value Added                                     |
| <b>NACOSTI</b> | National Council for Science Technology and Innovation |
| <b>PLC</b>     | Public Limited Company                                 |
| <b>PLS</b>     | Partial Least Squares                                  |
| <b>R&amp;D</b> | Research and Development                               |
| <b>SCT</b>     | Social Cognitive Theory                                |
| <b>SEM</b>     | Structural Equation Modeling                           |
| <b>SME</b>     | Small & Medium Enterprise                              |
| <b>SMS</b>     | Short Message Service                                  |
| <b>SPSS</b>    | Statistical Package for Social Sciences                |
| <b>SPSS</b>    | Statistical Package for Social Sciences                |
| <b>TAM</b>     | Technology Acceptance Model                            |
| <b>TAM</b>     | Technology Acceptance Model                            |
| <b>TPB</b>     | Theory of Planned Behavior                             |
| <b>TRA</b>     | Theory of Reasoned Action                              |
| <b>UTAUT</b>   | Unified Theory of Acceptance and Use of Technology     |

## OPERATIONAL DEFINITION OF TERMS

|                             |                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Business Innovation:</b> | Is the organization's process to introduce new ideas, services or products such as IT innovation that enhances efficiency and agility of the organization with the focus on value addition on the organization by creating revenue opportunity, saving time, and improving productivity.                                                   |
| <b>Firm Competitiveness</b> | Is the ability of the firm to be creative, develop distinct features and to have exceptional resources that aims at enhancing market performance in the anticipated dynamic environment                                                                                                                                                    |
| <b>Market performance:</b>  | Is the effectiveness of the organization or the firm in a market or industry to use it available economic resources to maximize it efficiency and effectiveness for the ultimate benefit of the consumer, it involves product, distribution efficiency, fair prices, the performance of the product and the technological progressiveness. |
| <b>Technology adoption:</b> | Is the successful integration of the new technology in an organization to ensure efficiency, increased production and improvement of the return on the investment.                                                                                                                                                                         |

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

This chapter starts with the background of the study highlighting the variables, followed by statement of the problem, objectives of the study, the research questions, justification of the study, scope of the study and concludes with the chapter summary.

#### **1.1 Background of the Study**

Most of the businesses in the 21<sup>st</sup> century have experienced stiff competition in the business arena that has been evidenced through their performances (Hayati, Jaelani, Sopian, & Dewi, 2021). This has necessitated most organization to develop various business strategies, come up with innovation (process, product, and services), and at times changing the leadership of the organization gearing towards gaining competitive edge in the market (Hopp, Antons, Kaminski., & Salge, 2018). According to Sharma and Singhal (2021) management of the operation should concentrate much on the performance and efficiency, which are sustainable, enhance strategic objectives by utilizing resources to cope with the emerging of globalization.

The Telecommunication industry globally, has equally faced intense competition due to rapid changes in customer needs and preferences, and challenges in adopting to changes in technology, which has created barriers into market entry and made it hard for some players to survive in the market (Strakova, Vachal, & Caniga, 2021). Several parameters are cited to influence market performance in different sectors just to mention, market share, technology adoption, management competencies, decision-making, policy

efficiency, leadership and leadership style, the shareholders and the stakeholders (Burdekin, & Harrison, 2021).

According to Raval, Dave, Bjos, and Dave, (2021) to capture the big market that will in turn increase their market share by innovating adopting the use of technology dynamism, business innovation the firms needs to have a strong R&D department. Technological ingredients of an organization lead to the products with increased efficiency that meet the customers' needs hence promotes the firm's competitive edge in the market. Due to the scarcity of the resources, rapid change of the environmental factors (Internal and External) requires that organizations to scan the market properly to inform strategic capabilities (Murugi, & Kariuki, 2020). Gachigo, Kahuthia, and Muraguri, (2019) were of the opinion that formulating and implementing effective, efficient innovation strategy and adoption of new technology enhances the production and the performance of the organization.

For organization to achieve their dreams, vision, mission and objective, it is important to understand how the organizations handle the adoption of new technology, business innovation leadership and management issues and how to integrate them to influence the competitive edge in the performance of the organization. Due to globalization, there is increased and intensive competition, demand for the new products in the market, and the diversity that is caused by the changing technology that has affected every sector in the globe (Atique, Safeer, Ullah, & Iftikhar, 2021).

In the African region and indeed in Kenyan market as well, there has been quite intense competition in the Mobile Telecommunications industry. For the last 15 years, African mobile industry has been dominated by mobile operators Vodacom, Vodafone, Airtel

Africa, MTN Group, Orange, Etisalat and Safaricom. The effort by the mobile operators to capture the larger market share is through the competitive market performance, based on technology, innovations and prudent business leadership and management. There are three mobile operators in Kenya, Safaricom PLC, Airtel Kenya and Telecommunication Kenya, formerly Orange. These mobile operators provide access to a wide range of services to their customers, among them are, Voice calls, Data, SMS, Video call/conference, Internet services, Mobile money, ecommerce, Cloud computing, Enterprise business, Entertainment (Music streaming), optic Fiber connection, education and health facilities. Besides these advancements in the Telecommunication sector some of the operators are still faced with struggles with market entry and market penetration as they experience the customer shift from one operator to another. The study will try to determine the causes of the variance with respect to market performance of these mobile operators and to determine whether the causes are due to Technology Adoption, Leadership styles and Business Innovation.

#### **1.1.1 Technology Adoption**

The telecommunication sector players have intensely focused on the implementation of the technology in the delivery of their services as the primary means by which they can rapidly reach their subscribers satisfy their needs and meet their expectations. Adoption of technology is driven by increased market expansion and competition in the telecommunication industry around the globe. The reduced cost of delivery services, personnel hiring, implementing the innovative initiatives just in time to overcome the challenges posed by the technology dynamism in the market (Gitonga, 2020). Krishna, and Dhote (2021) opined that adoption of technology in many industries has caused

changes in product innovation, process innovation, R&D department, strategic development in line to the vision, mission of the organization.

Muriithi, Horner, and Pemberton (2016) stated the four key constructs of UTAUT framework namely Performance expectancy, Effort expectancy, Social influence and facilitating conditions, together with different elements of the ICT and the research ecosystem that should be integrated to have a symbiotic relationship between ICT and performance of the organizations. Technology adoption has resulted to deviation of production and economic escalation of individual organizations, countries and the influence of the adoption of technology has resulted into the globalization of the markets. Skare (2021) stated that globalization is a very significance channel through which adoption of the technology influences innovation and has a great impact on competition and a factor in the production.

The organizations that are not in synch with the impact of technology in the business environment have experienced significant barriers in the entry and penetration in the larger market and the Telecommunication industry is not an exception.

### **1.1.2 Leadership Style**

Organizations or the businesses that performs well in the market environment are deemed to be grounded on the leadership style of the top executives of the organization. Due to the complexity of the business that has been caused by the different aspects of technology innovation, business innovation, there is need for the organization to have an effective and efficient leader. Ng'ethe (2012) posits in his school of thought that leadership style is the manner and approach of giving the leading directions, implementation of plans, and

motivating those he or she is working with in order to arrive at the desired goals and the objectives of the organization in terms of performance. The Leader should formulate and implement strategies effectively, that are aimed at making the organization to sparkle in their performance by bringing the ideas that can be shared by the stakeholders (Schultz, 2013).

Leadership style is associated with the performance which is grounded on the proper implementation of well laid down strategies that are viewed as economic drivers of the organization, that are meant to exhaust fully any available opportunities within a market (Chetty, 2010). According to Polychroniour (2009), leadership as the art of influencing teams or the entire organizations commitment for the realization of their potential in achieving goals and objectives by adding value in the chain, sharing vision of the organization while maintaining the integrity.

John and Hazel (2017) reflect the effect of Leadership style on the performance of the organization, and how leadership can be measured against the effects in terms of the flexibility, the standards, rewards, clarity and the commitment. For leaders to maintain the performances of the organizations they should be enlightened. A strong Leadership is characterized by directing, aligning the people's vision and the organizations vision, inspirations and motivations. Leaders are required to develop skills that are situational by discovering the best strategies that are aimed at excelling besides organizational structure and the performance in achieving the goals and the objectives of the organization. The need for the survival for the fittest and the growth, the organization cannot escape the need to deal with the external environmental factors by analyzing the opportunities and



threats. Pradeep and Prabhu (2011) stated that due to challenges facing the organizations, they are forced to adopt the new technologies in conducting the business and the growth.

### **1.1.3 Business Innovation**

Innovation is the process of changing the ideal idea into a product or a service that add value to the end users of the product efficiency in regards to the performance and that of the employees and organization. Innovation can take different dimensions, (Product, process, service, management and organization) that aims at shifting the customer choice and preference, taste form other competitors in the market. The innovation may involve the aspect of technical specification, user friendliness, software associated with the product, the components of the product, product simplicity.

In the event of coming up with innovation the organization should adopt strategic innovation that is effective, as this will play crucial role in influencing performance and sustainable competitive advantage of the organization. Polder (2010) posits that organizations or firms that introduces business innovation in order to introduce the efficiency usually reflects on the type and the nature of the strategy employed by the firm. The businesses innovations that will be of interest in this study will be product differentiation that telecommunication industry players used to reach their different market segments, change of brand image /identity just in time (JIT) in the introduction of their products in the market, how they use pricing strategy to be proactive and their utilization of corporate social relation (CSR). These are being driven by increased concentration on the customer, intense competition forms the competitors in the industry the unpredictable economic variance, the correlation that exist between the market and

the technological adoption (Teece, 2010; Casadesus-Masanell & Ricart, 2011; Lee *et al.*, 2012; Schneider & Spieth, 2013).

Abdul, Shafique, Raja Larik, Muhammad and Altaf (2017) posits that product innovation involves the improvement of goods and services, fresh design, or a fresh supply in the market with the latest version in the marketplace which is unfamiliar to the market.

#### **1.1.4 Firm Competitiveness**

A firm competitiveness is the ability of the firm to be creative, develop distinct features and to have exceptional resources that aims at enhancing market performance in the anticipated dynamic environment (Sijabat, Nimran, Utami, & Prasetya, 2021). In the current market set up where the globe has become a village, firms are compelled to develop different strategies just to have a segment if not to control the market. Notani and Jain (2021) stated that due to globalization and the limited resources, organizations are forced to compete for the few prevailing opportunities by hastening for their growth in both local and international market, telecommunication companies have come up with the survival strategies that can enable them to improve and to increase their market performance.

#### **1.1.5 Market Performance**

Performance is viewed to be the ability of the organization to be able to convert the resources of the organization and proper utilization of its resources, this includes the workforces of the organization to effectively and efficiently realize the objective and goals of the organization. Performance in the market depends on the purpose in which the processes and the objectives were designed. Prahalad and Hamel (2011) stated that, the

organizations or business that do well are those that have a proper technology, proper innovation, that includes product innovation, process innovation, and even the organizational innovation good leadership style that matches the needs of their clients, and offer that which is different from their competitors in the market and that they have effective strategies that help them gain a competitive advantage. The performance of the organization in the market can be perceived by various parameters in the market which they operate such as quality of the product and the process, efficiency in terms of delivery and giving feedbacks to the customer as to when the concern is raised by the customer, customer satisfaction and loyalty to the organization product and the brand of the institution by repeatedly buying over other companies.

#### **1.1.6 Telecommunication Mobile operators in Kenya**

The Telecommunications industry in Kenya comprises of the wireless, fixed, satellite, and point to point communication, equipment manufacturers. The Telecommunications industry in Kenya has gone through very remarkable revolution and advancement occasioned by liberalization of the industry that removed the monopoly back in the 1990's. Advancement of technology and its adoption together with the Innovation and entrepreneurship have no doubt played key roles in expanding the Telecommunication sector of the economy. The Kenyan Government in 1999, through an Act of parliament the established Communications Authority of Kenya, which is a regulatory body responsible for licensing, controlling, regulation and facilitating and spearheading development of Information and Communication sectors in Kenya. Muturi (2004) indicated that the liberalization of the Telecommunications sector and other economics processes, together with globalization have spurred Kenyan economy in the global

marketplace. The Kenyan Telecommunication sector, has five major stakeholders. These are; Government of Kenya, represented by the regulator Communications Authority of Kenya (CA), Telecommunication Service operators, Telecommunication equipment vendors, Telecommunications Service Providers and the customer or subscribers. Safaricom PLC, Airtel Kenya and Telkom Kenya fall in the Telecommunications Mobile Operators category and their key role is the build and operate efficient mobile network infrastructure that will enable them to offer their customers with various services of Voice, Data, mobile money, video among others. This study will concentrate within the Telecommunications mobile operators a case of Safaricom PLC.

#### **1.1.7 Safaricom PLC**

Safaricom PLC is a Public Limited Company which is listed in the Nairobi Securities Exchange (NSE) and has its headquarters at Safaricom House, Nairobi, Kenya. Safaricom is the leading Telecommunications mobile operator in Kenya, offering a wide range of services that include voice, data, SMS, Video conferencing, Internet connectivity, Mobile Money services (Mpesa) among others. The company was registered in 1997 under Companies Act (CAP 486) as Safaricom Limited with its majority shareholders being Kenya Government and Vodafone UK. In 2008 Safaricom issued an Initial Public Offer (IPO) floating the Government shares to the public.

As a pioneer of the mobile networks services in Kenya, Safaricom started with the analogue technology network known as ETACS (Extended Total Access Communication System) and later on (in 1996) it upgraded to the rooming GSM system (Global System for Mobile communication). According to the 2020 Communications Authority of Kenya report, Safaricom PLC is leading with a market share of mobile subscriptions of about

64% as compared with its closest competitor, Airtel with about 27% and Telkom Kenya with less than 10%. Safaricom PLC has placed greater focus on the quality of customer services it offers to the public and continuously developing and improving its products and services to satisfy customer's needs. To overcome the ever changing and unpredictable market in the Telecommunication sector, Safaricom PLC has invested heavily on Innovation and entrepreneurship in its Research and development. This study aims to relate Safaricom's market performance with the technology, its leadership and business innovation and competitiveness in the industry.

## **1.2 Statement of the problem**

Most of the Telecommunication sector players, locally and globally, are under intense pressure to expand and/or maintain their market share and the mobile operators, being the key players in the telecommunication industry, are striving to survive in this competitive market. Mobile operators have revolutionized many businesses by the use of technology and business innovation for their survival, and these coupled with appropriate leadership style and firm competitiveness, mobile operators try to upscale their market performance and general organizational performance. In Kenya, the mobile operators, Safaricom Plc, Airtel Kenya and Telkom Kenya, have all come up with varying technologies, they have gone through changes in leadership, they have adopted several business innovation models and they are competing in the same market environment, however the market share remains skewed at 64% for Safaricom. It is with this revelation that this study seeks to investigate the causes for the market performance variances as observed from the three mobile operators.

Donna (2011) stated that managers who are able to influence the juniors to achieve the organizational norms, scope, communicating effectively to the team leaders and conducting well-coordinated collective actions get it right in performance. Barbara, Alberto and Francesco (2012) opined that to increase their perceived value of goods or services and to expand market performance innovation and best strategies should take the centre stage if the organization is to remain relevant and competitive in dynamic economic market.

Petronilla, David and Lyn (2016) stated that performance expectancy and facilitating conditions greatly influences the adoption of technology for the efficient and effectiveness of organizations performance. The adoption of the technology in different industries is on the high rise and the demand, for it seen as the most crucial tool that is used to reach a larger customer base in market and has enhanced innovation of product, process and of business. Kashorda and Waema (2014) posits that organizations leadership that incorporated policies, regulatory frameworks and implementation of adoption of technology in their environment, have experienced and recorded increased performance.

Further, the factors that influence organizations in various sectors have been undertaken both in the formal and informal industries in Kenya to improve on their performances. This has seen organizations offering training and organizing seminars for managers on leadership to enhance efficiency and improve on service delivery, choosing the right performance to lead on pursuing the goals and the objectives of the organization. Based on these, the study intends to determine the influence of technology adoption, leadership style, business innovation and firm competitiveness on the market performance of telecommunication industries.

### **1.3 Objectives of the study**

#### **1.3.1 General Objective**

The principal objective of this research study was to find out the influence of organizational capabilities on market performance of mobile operators in Kenya.

#### **1.3.2 Specific Objectives**

Specifically, the study sought to;

- i. Determine the influence of technology adoption on the market performance of mobile operators in Kenya.
- ii. Establish the effect of leadership style on market performance of mobile operators in Kenya.
- iii. Demonstrate the influence of business innovation on the market performance of mobile operators in Kenya
- iv. Find out the effect of firm competitiveness on the market performance of mobile operators in Kenya.

### **1.4 Research questions**

- i. How does the adoption of technology affect the market performance of mobile operators in Kenya?
- ii. What is the effect of leadership style on the market performance of mobile operators in Kenya?
- iii. What is the effect of business innovation on the market performance of mobile operators in Kenya?

- iv. How does firm competitiveness influence the market performance of mobile operators in Kenya?

### **1.5 Significance of the study**

The study is important in theory, policy and practice to various stakeholders. The outcome of the study will contribute to the Academia and other researchers giving additional source of literature review to the existing literature and giving secondary data for future researchers on the same topic.

The study is also guide policy makers in shaping the operational efficiency of entrepreneurs and business leaders who provide the technology infrastructure on how to design and manage contractual relationship with their principals. This study will help internal stakeholders more specifically those involved in innovations.

The study is of great significance to the practice of the Telecommunication industry players in Kenya by helping them understand the how to blend adoption of technology, leadership style and business innovation to operationalize efficiency. The study should also help the mobile operators to incorporate new technology in identifying operational system problems to increase their market performance.

### **1.6 Scope of the Study**

This study was concentrated at Safaricom PLC in Nairobi County, Kenya. The study was mainly focused on the influence of technology adoption, leadership style, business innovation and firm competitiveness on the market performance. 197 respondents were reached; these were drawn from Safaricom employees in the marketing department, technical department, customer care as well as dealers of the Safaricom PLC. The study



was carried within a period of nine months between the month of January to October, 2021.

### **1.7 Chapter Summary**

The chapter covers the introduction, background of the study, statement of the problem, research objectives, research questions, justification of the study and scope of the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter gives the review of the previous studies done by research scholars that gives the foundation for the gaps that are required to be filled by the study. The chapter is organized, in the manner that it first reviews the theories related to the study, the review of the empirical studies, summary of the research gaps, conceptual framework and chapter summary.

#### **2.1 Theoretical Framework Review**

This study utilized various theories related to the factors that influence the market performance of the mobile Telecommunication industry. The review covered Unified Theory of Acceptance and Use of Technology (UTAUT), Stakeholder Theory and Michael Porter Five Forces Model. The study was anchored on the UTAUT supported by Stakeholder theory and Michael Porter Five Forces Model. The three theories give a review of business competition, rapid changes in technology and adoption, the effects of different leadership styles innovative approach in business as well as market performance.

##### **2.1.1 Unified Theory of Acceptance and Use of Technology (UTAUT) Model**

The Unified Theory of Acceptance and Use of technology (UTAUT) was first formulated by Venkatesh (2003) who relied on and reviewed the theories that had been in existence to develop the model. The UTAUT model was because of the integration of Theory of Reasoned Action (TRA), Innovation Diffusion Theory (IDT), Social Cognitive Theory

(SCT), Technology Acceptance Model (TAM), Theory of Planned Behavior (TPB), Model of PC utilization (MPCU), Motivational Model (MM) and Combined TAM and TPB (C-TAM-TPB). The integration enhanced the different scholars' views on the predictors of technology acceptance and use by individuals' and organization in their systems (Raza, Qazi, Khan & Salam, 2021). The model constructs are Performance Expectancy (PE), Effort Expectancy (EE), Social Influence (SI) and Facilitating Conditions (FC).

Raza, Qazi, Khan, and Salam, (2021) asserted that the behavioral intention of LMS and its Use Behaviour are key in influencing the adoption of technology by the employees. Further opined that Social Isolation is a crucial factor that influences the employees in pursue to use LMS or training as it enable employees to understand the need to adopt technology. Organizations have embraced the application of UTAUT model constructs to the adoption of Learning/training Management system. In this study, the same constructs are relied upon to inform the performance expectations, effort expectationa, behavioural intentions and social influence on adoption of technology through skills training to enable employees to accept the adoption of technology for better performance.

Cheng (2020) proposed a conceptual model of UTAUT to determine factors that influenced the adoption, in relation to FC and BI and the main moderating factors being generation and age. Organizations should enhance the momentum of technology adoption to increase efficiency and effectiveness in their operations. This study is aim at addressing how the adoption of technology with utilization of UTAUT model to enhance the market performance of the mobile operators in kenya. This theory is relevant to the study as it forms the basis for setting expectation for adoption of the technology considering the

users intentions, behaviour intention, acceptability and the use of technology in the Telecommunication sector.

### **2.1.2 Stakeholder Theory**

The Stakeholder theory which was developed by Freeman (1984), can be defined by two key aspects: the aspects of the stakeholder as those individuals or groups with legitimate interest of the organization and those stakeholders with the interest of all of intrinsic value. Stakeholders can be regarded as those who influence or can be affected by the circular economy of the firm. Bello and Abu (2021) opined that stakeholder theory has been proven to be promoting inclusivity in the system and that has led to efficiency and effectiveness in the decision making in the globalized business or company environment. The theory can be applied in the development of the procedures of the projects that are initiated by the firms. According to Breesam, and Jawad (2021) pronounced management competency, effective communication, trust and mutual respect among the stakeholders is necessary for the successful implementation of the of firms processes and projects. The stakeholders of an organization should not only be narrowed to the internal stakeholders only but also the external as they are very key to the performance of the organization.

Bello and Abu (2021) asserted that shareholder theory is more of shareholders value while the stakeholder theory emphasized more on expanded scope to include the interest of all groups that are directly related or indirectly related to the organization for equity. For the organization to achieve its set goals and objective, there must be a common level ground which is well orchestrated by the needs and expectations of every stakeholder (McGahan, 2021). For any organization to realize its dreams the resources availability is

neccesary as the performance, adoption of technology and leadership styles will only be aligned when resource alocation is done promptly (Marjamaa, Salminen, Kujala & Heikkinen, 2021). For Telecommunication industry players to be influential in the market they need to move to circular economy that involves handling the socio-economic, environmental challenges, resources depletion and the overconsumption of the natural resources. Marjamaa, Salminen, Kujala, and Heikkinen (2021) opined that stakeholders have a joint interest in the promotion of sustainabilty of the firms hence actively involve in the shaping of the actions that are geared towards the sustainability of the organization with respect to the profitabilty and performance. For these reasons for effective implementation of technolgy, business innovation there must exist a mutaul relationship of the stakeholders as it is key success factor in the incremental market performance of the firm.

The theory is related to the study for the adoption of technology to be effective and efficient, business innovation to be developed and implemented properly and for the appropriate leadership to influence the internal stakeholder cohesively every player needs to mutually understand the role played by evey stakeholder in the system to enhance the market performance.

### **2.1.3 Michael Porters Five Forces Model**

The theory was developed by Michael E. Porter in the early 1980s. The five forces models are used by the firms to analyze the new strategies that are developed by the organization to analyze the micro and macro environment. The model is constituted by five forces constituents: the bargaining power of the buyers, bargaining power of suppliers, threats of substitutes, barriers to new entrants and the competitiveness of the

competitors already in the industry. Porter believes that the magnitude of these five forces influences both the existing strategies and the newly developed strategies with respect to decision making and making the organization to be lucrative (Kum, Yuenan, & Yingxue, 2021).

Michael Porter further introduced four other generic strategies that added value to the organization which includes the disruptive innovation, product leadership, customer intimacy and operational excellence (Porter & Competitive Strategy, 1998). Disruptive innovation involves distracting the preceding market and the value networks, product leadership entails rebranding and innovating the product which is acceptable by the customer, customer intimacy is the connection that exist between the firms and the market, operational efficiency are organizations actions that generate value to both external and internal stakeholders (Jaboob, Jaboob, & Amri, 2020). The Five Forces Analysis is assumed to be a good tool that guides the strategic development and the standard of business research.

The mobile operators are in a strange position as they try to balance their profitability, increasing market share through performance. The five forces is used to analyze the difference that exist between the consumers and the suppliers diversity (Goyal, 2020). Buyer bargaining power is regarded as the force or the powers that buyers enforce on the company. As business entities the sole aim is to control a large market, but due to the stiff competition they have developed the price strategies to attract customers who due the oligopoly of the market. This calls for the mobile operators to combine their value goals and accurate strategy to locate the customer needs that aim at customer satisfaction (Zhang, Leng, & Zhou, 2020).

With the increasing importance of the sustainability in the 21<sup>st</sup> century, it is necessary for the organizations to incorporate leadership style and strategic management to achieve set goals and objectives of the organization. The theory is tied to the study as it focuses on different factors and strategies that hinders the entrance and expansion of the market by the organization hence influences market performance

## **2.2 Empirical Literature Review**

This section will review the previous studies in relation to adoption of technology, leadership style, business innovation and firm competitiveness and their impact on the market performance of the mobile operators in Kenya.

### **2.2. Technology Adoption and Market Performance**

Adoption of Technology is a means by which organizations use the existing idea, innovation or technology to accelerate the improvement of their performance (Atique, Safeer, Ullah & Iftikhar, 2021). Technology adoption entails how the organization can use the technology to cut the cost as it enhances the operational efficiency of the firm. Singh, Mathiassen and Mishra (2015) illustrated in their study that the material of technology is applied by the organization for only issues relating technologies such as, the creation of application, creating the generic tasks and to enhance the use of the organization's resources effectively. They further, stated that technology trajectory which is considered a possible direction for technology tool that enhances building of technology foundation can favor management innovation (MI) and lead to improved market performance and hence sustainability of the organization.

In Telecommunication industries globally, IT has become the central nerve tool for strategic management. Scholars argue that in the shaky markets, firms that command and succeeded in the market are viewed to have adopted the use of new technology in innovating their product offerings, processes and to some extent on the management innovation and services (Coccia, 2017). Despite different scholars' views on the adoption of technology with references to different sectors of the economy, there still exist gaps in literature that need to be filled (Gholami, Singh, Agrawal, Espinosa, & Bamufleh, 2021; Chile, Shayo, and Kara, 2021; Atique, Safeer, Ullah, and Iftikhar 2021; Daduokis, Fiaschetti, and Fusi 2021; Karimi & Mburugu, 2021).

Gholami, Singh, Agrawal, Espinosa, & Bamufleh, (2021) carried out a study on information technology and information systems adoption in the public sector considering the evidence from the Illinois department of transportation. The purpose of the study was to examine information technology and information systems adoption by the employees on non-market environment and state agencies. The study was based on the theory of planned behaviour (TPB) and technology acceptance model (TAM) relating to the constructs and trust of technology. Structured questionnaires were distributed to 194 respondents from the finance department of Illinois department of transportation. The Partial Least Squares (PLS) based on Structural Equation Modeling (SEM) was adopted to perform the analysis. The research findings revealed that information technology / systems adoption had positive relationship with the performance of the public sectors. Whereas the Gholami *et. al*, (2021) study specifically concentrated on the department of transportation and not the transport sector as a whole, this study will focus on how information technology adoption can influence the performance of the mobile



operators in Kenya using Safaricom Limited as a case study. This study will take a broader approach as it is designed to obtain data from diverse departments within the organization and the authorized Safaricom dealers as well as subscribers (Customers) in Nairobi, Kenya.

Chile, Shayo, and Kara (2021) conducted a study on mobile marketing in the Telecommunication industry of Tanzania to examine the influence of the perceived trust and perceived ease of use on the adoption. The study was guided Technology Acceptance Model (TAM) to foresee the adoption of mobile marketing in the Telecommunication industry in Tanzania. Survey strategy was employed to collect the data using structured questionnaire. The questionnaire was administered to 406 respondents who were selected using multi-stage sampling technique. The study data was analysed by use of multiple linear regression model. The findings revealed that perceived ease of use and perceived trust had a positive influence on the adoption of mobile marketing in Telecommunication industry. The study further recommended that the Telecommunication industry players should improve their mobile products and services that aims at easy usage and trust in order to conform to the customers needs. As much as the study contributes a lot of literature, it only applied the cross sectional research design and quantitative approach that gave the inferential analysis results without much details on the relationships between the study variables. This study takes a different approach where the study data will be collected using a structured questionnaire and analysis will be both descriptive and inferential in nature. The inferential analysis will entail both correlation and regression analyses whose results will demonstrate the relationships between each of the

independent variable with the dependent variable as well as the combine relationship between the independent variables (jointly) with the dependent variable.

Atique, Safeer, Ullah, and Iftikhar (2021) studied the factors Impacting Technology Adoption in the Public Sector of Pakistan. The aim of the work was to investigate the obstacles the adoption of social media from the public sectors point of view. The study used Unified Theory of Acceptance and use of technology (UTAUT) to determine how usability, value, social impact, innovation element, training and human resource, information security and trust affects the adoption of technology. The study adoted both quantitative and qualitative research design. The study data analyzed were obtained from primary (questionnare and interviews) sources where the respondents were government officials. The data was analyzed inferentially usingby correlation and regression analysis techniques. The findings revealed strong positive and statistically significant relationships between the independent variables (usability, value, social impact, innovation element, training and human resource, information security and trust) and the adoption of technology. The study was contextually broad that it could not address the market performance as a result of adoption of technology by the Telecommunication industry players.

Daduokis, Fiaschetti, and Fusi (2021) did a research on the IT adoption and bank performance during the Corona virus pendemic. The the paper was intended to scrutinize the impact of pre-2020 information Technology (IT) adoption on the bank perofmance on the outbrake of the Covid -19. The study analysed the secondary data and established that IT adoption had a greater positive effect of the performance of the banks. As the study contributes much on the empirical literature review, it did not specify the study context,

research design and approach that was adopted. In addition, the the analysis of secondary data which was relied upon was historical and can hardly present the current state of affairs of the banks under study. However, the current study purposes to rely on current primary data which will be collected using structured questionnaire from a well defined unit of analysis and unit of observation in Kenya's Telecommunication sector. The unit of analysis in this case will be Safaricom Limited while the unit of observation will include managers of various departments at the company headquarters as well as the appointed dealers from Nairobi county.

Karimi and Mburugu (2021) did some work on the elements influencing the adoption of mobile phones among household in the rural areas in Kenya. The study targeted 50 households in Kiagu location of Abothuguchi Sub-County in Meru County. The study relied on primary data which was collected using questionnaire and interview schedule. The data was analyzed with the aid of SPSS. The findings indicated that price, additional features, opinion of the friends, appearance of the handset and the low cost influenced the purchase decision. In addition the study concluded that mobile phones are crucial for the rural development through income level has a significance role on the adoption of technology. The study recommended that the Telecommunication industry players should introduce other low-cost forms of technology to the rural people. With the contribution of the study in literature, build up of the studies it never established how this could increase the market performance of the Telecommunication sector. The study will therefore seek to establish how the Telecommunication industry player can use adoption of the technology to enhance their performance with focus on the service end-users.

### **2.2.2 Leadership Style and market performance**

Leadership can be defined as a style that is characterized by differentiated skills and competency. M'Mugambi, Okeyo and Muthoka (2021) opined that the distinction of the leadership competency encompasses organizational leadership, strategic thinking, change oriented that is influenced by persuasion and creativity while considering new alternative of achieving short and long term goals. Anam, Inam-ul, and Hamid (2012) defined transactional leadership as the leader's attitude geared towards the identification of the follower's aspiration. The needs of the leadership style is the value and trust are real pillars for the growth of the organization for the sustainability and the excellence performance of the organization. In spite of numerous studies and scholar's perspectives on the aspect of leadership style in various sector, adopting different research methods and their contributions to literature, the findings remain inconclusive (Costa, Aleksic, & Bortoluzzi, 2021; Hilton, Arkkorful, and Martins 2021; Ramalingam, Piaralal, Osman, and Arokiasamy 2021; Bwonya, Ogutu and Okeyo 2020; Elizabth and Gakubo 2017 ).

A study by Costa, Aleksic, and Bortoluzzi (2021) on the power balance and interplay effects of exploitative leadership style, work-life balance and family-friendly workplace practices on innovation implementation. The focus here was to investigate the existence of inverted U-shaped relationship between exploitative leadership style and innovation implementation. The study used regression analysis to analyse the quantitative data from 440 respondents from 38 medium and large companies. The study findings revealed that there is a strong positive relation among the variables hence there is need to strengthen the relationship with the innovation implementation. The study did not factor how

leadership style can influence the performance of the Telecommunication industry market performance.

Hilton, Arkkorful, and Martins (2021) did a research on democratic leadership and organizational performance considering the moderating effect of contingent reward. The intention was to look into the moderating effect of contingent reward on the relationship between democratic leadership and organizational performance. The study used explanatory and cross-sectional survey designs, quantitative approach was adopted to collect data from 476 respondents employees in the Telecommunication industry. The data was analyzed using SPSS to test relationships between the study variables using correlation and regression analysis techniques.. The study revealed that both democratic and contingent reward has a significant positive relationship with the organizational performance. Even though the study contribute much on the organizational literature on the effectiveness of contingent reward and democratic leadership style on the performance of the organization. The outcome did not demonstrate how the leadership style can influence the market output share of the organization.

Ramalingam, Piaralal, Osman, and Arokiasamy (2021) studied the effect of transformational leadership and creativity and innovation on organizational performance. The study used a conceptual model with the objectives of the determining the relationships between transformational leadership, creativity and innovation. The target population of the study consisted of executives who had worked in Malaysia Telecommunication Mobile operators for five years. The study does not clearly explain the research design that was adopted. Although the findings of the contribute significant literature, it did not examine how the leadership style can influence organizational market

performance. In contrast, this study focuses on the relationship between leadership style and market performance of Telecommunication companies in Kenya with a key focus on Safaricom Limited as the the major mobile operator commanding a large share of the market.

Elizabeth and Gakubo (2017) researched on how leadership styles can sway the performance of Telecommunication companies in Kenya. The metrics of performance that were measured by the study were; market share, profitability, the attitude and motivation of the employees. Descriptive research design was adopted to distribute 98 questionnaires to respondents who were picked by stratified random sampling method. Both secondary data and primary data were analyzed by SPSS software version 20. Both coefficient of correlation and regression showed a positive relationship between leadership style performance of the organizations. The study recommended that the top management in the business should try to be role models to their juniors by giving them challenging tasks to stimulate their effort in order to become innovative enough and being creative. The study also recommended that senior staff should pay attention to their colleagues and provide the necessary support for their personal development and for the entire organization. While the study was conducted at a time when the industry was undergoing a lot of transformation, it is important to note that it was conceptually too general on performance and the findings and recommendations may not perfectly find application in all aspects of organizational performance in the Telecommunication sector. However, the current study takes a different approach by focusing on market performance to inform policy, further research and decision on market related interventions in the industry in future.

Ali and Ibrahim, (2014) carried out a research study on the impact of leadership style on corporate innovation with a survey of Telecommunication industry in Somalia. The main objective was to find out the relationship between leadership styles and corporate innovation dimension among Telecommunication companies in Mogadishu- Somalia. The specific objectives of the study was to ascertain the effect of transactional leadership style, transformational leadership style, Laissez-faire leadership style on corporate innovation. Using purposive sampling method, 142 respondents from top and supervisory levels were considered for the study. The findings revealed that the leadership style greatly influence the corporate innovation. The study would adopt longitudinal approach in data collection as it would give explicit results than the cross-sectional approach.

Bwonya, Ogutu and Okeyo (2020) did a critical review on the leadership style and organizational performance. Their work evaluated the conceptual and empirical literature to determine the possibility of the influence of organizational culture on the leadership style and the performance of the organization. The study was inconclusive as it reviewed general perspectives on organizational performance and did not show how the leadership style and organizational culture influences the market performance of the organizations.

### **2.2.3 Business Innovation and market performance**

Innovation explicitly is the development of the products, process and services that are aimed at enhancing the operation of the business to gain competitive edge (Gyemang, & Emeagwali, 2020). Innovation has made most the organizations to reduce lots of cost through monitoring and evaluation, implementation of the returns earned from the implementation of the business innovation. A research conducted by Odhiambo (2015) on the innovation strategies applied by organizations putting into consideration the

financial strategies, organization culture, technology, and training and development are some of the immediate or the long term impact on the performance of the organization. Innovation is the avenue through which companies adapt or create diagnosis and observe the decrease or blocking the environmental problems.

Different views have been put forward in relation to the innovation as all about ICT adoption, competitive capabilities, management qualities and the financial and organization performance (Bhatti, Malik, Kamal, Aamir, Alaali, and Ulla 2021; Gyemang and Emeagwali 2020; Hajar, Ibrahim, Darun, and Al-Sharafi 2020 and Hussain, Mu, Mohiuddin, Danish, and Sair 2020).

Bhatti, Malik, Kamal, Aamir, Alaali, and Ulla (2021) researched on much-needed business digital transformation through big data, internet of things and blockchain capabilities considering the implications for strategic performance in Telecommunication sector. The importance of digital transformation within a business set up was evaluated through big data, the internet of things and blockchain based capabilities for overall strategic performance within the telecommunication sector in China. The data were collected online by random sampling that gave 343 response from the professionals in telecommunication sector. The primary data were analysed by confirmatory factor analysis (CFA) and Structural equation Modeling (SEM). The research findings revealed significant relationship between data quality, technological competence and strategic performance. Further, the study established that big data analytics and internet things significantly mediate between the independent and dependent variable.

Gyemang and Emeagwali (2020) researched on the roles of dynamic capabilities, innovation, organizational agility and knowledge management on competitive



performance in Telecommunication industry. Their work elicited the relationships among dynamic capabilities, innovation, organizational agility and knowledge management in achieving maximum performance in the Telecommunication industry. The study used survey data from the 70 firms in which 341 questionnaire were returned from the respondents. The collected data were analyzed using Partial Least Square approach of Structural Equation Model (PLS-SEM). The findings revealed that dynamic capabilities had a positive relation with organizational agility and competitive performance. Also, knowledge management has a positive relation with dynamic capabilities, competitive performance and innovation. The study recommended that the Telecommunication players should embrace the finding of the study for better decision making and improve on their performance. As the study contributes immensely on the development of the literature in the Telecommunication sector its findings were more general as it did not exhibit how these objectives can address business innovation and improve on the market performance of the organization as it focused on the general performance of the organization.

Ulwick (2017) posited that for an organization to realize the effectiveness of innovation he identified six steps in relation to Job-to-be-done theory in the development of goods and services, the organization should factor in defining the market around the job to be done, uncovering the needs of the customer, quantifying the intensity to which the outcome is underserved or over-served, discover the hidden segment of the available opportunities, aligning the existing products with the market opportunities and conceptualizing the new product to address the unmet outcome.

Hajar, Ibrahim, Darun, and Al-Sharafi (2020) carried a study on the value innovation activities in the wireless Telecommunications services sector: a case study of the Malaysian market. The intent of the research was to highlight the logic of value innovation in the wireless telecommunication sector to enhance customer satisfaction and customer loyalty. The study used a qualitative research approach to analyse the actions related to value innovation in the mobile sector in Malaysia. The study recommended that the telecommunication service providers should improve on customer satisfaction and loyalty by ensuring customer value to enhance customer requirements, maximize the use of customer relation management (CRM) software to enhance high end customer connection. What the study did not address was how all these can improve the market performance and the business innovation in an organization.

Hussain, Mu, Mohiuddin, Danish, and Sair (2020) researched on the effect of sustainable brand equity and marketing innovation on market performance in hospitality industry: mediating effects of sustainable competitive advantage. The work was intended to evaluate the effects of sustainable marketing assets such like brand equity and market innovation on market performance for sustainable competitive advantage as the intermediary in the hospitality. The observation was made to determine the relationship among brand equity, marketing innovation, sustainable competitive advantage and market performance in hotel industry. The study adopted multi-stage sampling technique to distribute 360 questionnaires to the respondents. The researcher tested the reliability of the instrument using SPSS version 20 applying Structural equation modeling (SEM) technique. The collected data were analysed using AMO version 23. The study findings revealed that brand equity, market innovation, sustainability and market performance had a strong

positive relationship. The recommendations of the study were that the hospitality sector should increase the market asset to increase their market performance. Despite the utmost contribution of the study in the development of literature there are gaps that existed in the study. It only concentrated mostly in urban areas leaving the rural customers, focused on market assets only, and also the study only considered the hospitality industry. It is from these that this study was intended to determine how business innovation can influence the Telecommunication industry.

#### **2.2.4 Firm competitiveness and market performance**

Firm competitiveness is the capability of the organization to use its innovative models, leadership style and resources to create a flexible market to enhance their competitiveness in the market (Dorson, 2021). Ivanova, Deliyska, and Terziyska (2021) affirmed that firm competitiveness varies from company to company and this is measured by use of key performance indices that include quality, product and technological indicators. Different scholars have developed a lot of literature in the view of firm competitiveness with different dimension in regards to the performance (Dorson, 2021; Afum, Mensah, Acquah, Baah, Dacosta, Owusu, & Owusu, 2021; Njeri, and Kariuki, 2019; and Chesula, & Kiriinya, 2018).

A study by Dorson (2021) on organizational culture and leadership antecedents to organizational flexibility: implications for their competitiveness in Ghana. The purpose of the study was to assess how innovative organizational culture and innovative leadership generate market flexibility for small and medium enterprises (SMEs) in the service sector to enhance their competitiveness. The study adopted online database to collect data from the sample frame of SMEs operating in the service sector, the data

collected were analysed by standard regression analysis. The study revealed that as much as the organizational culture and leadership style influences the firm competitiveness also noted that firms should utilize their resource level to develop their market flexibility to accelerate their effect. The implication of the study was that firms should be able to utilize the organizational culture and leadership to enhance the organizational flexibility to create opportunities in the market dynamics. As much the study contributes to the development of the literature study, it was not clear on the population size and the sample size was not indicated and how organizational culture and leadership can influence the market performance of the telecommunication sector as the study was too broad.

Afum, Mensah, Acquah, Baah, Dacosta, Owusu, and Owusu, (2021) did a study on the links between logistics outsourcing, company competitiveness and selected performances. The purpose of the study was to examine the mediation effects of time-based competitiveness, cost-based competitiveness and customer performance between logistics outsourcing and financial performance. The study adopted questionnaire as the primary data collection instrument and used partial least squares structural equation modelling technique to test hypotheses. The analysis indicated that logistics outsourcing has a significant positive impact on time-based competitiveness, cost-based competitiveness, customer performance and financial performance. Time-based competitiveness and cost-based competitiveness were both found to have a significant positive impact on financial performance. The analysis also indicated that while both time-based competitiveness and cost-based competitiveness play mediation effects between logistics outsourcing and financial performance, customer performance plays no mediation effect between logistics outsourcing and financial performance. The study

implication is that managers should focus on the logistics outsourcing to gain time and cost competitiveness in the market. Besides the contribution of the study on the development of the literature review the scope was too narrow as it focused on the financial performance of the organizations and the logistics hence cannot be generalized for other sectors of the economy.

A study by Njeri and Kariuki (2019) on the influence of McKinsey on competitive advantage of firms in the Telecommunication industry in Kenya. The purpose of the study was to assess the influence of McKinsey framework on competitive advantage of firms in telecommunication industry in Kenya. The objectives of the study were, to examine the influence of Strategy and staff on a firm Competitive Advantage in Telecommunication Industry in Kenya. The study adopted contingency and dynamic theory. The study adopted descriptive survey design, the unit of analysis were the head of strategic department of these companies from a population of 179 Telecommunication firms licensed by Communications Authority of Kenya (CAK). The study adopted Yamane formula to determine a sample size of 123 firms which were randomly selected. Data was collected using questionnaires which were structured using closed-ended questions in likert scale form. Descriptive and inferential analysis were adopted to achieve the research objectives. The study findings indicated that strategy and staff greatly influence competitive advantage. The study recommended that in order for telecommunication firms to gain competitive advantage they should ensure that they have better strategic innovation, differentiation and cost leadership. The study further recommended the building of staff capacity. Besides the study contribution on the

development of the literature review it did not exhibit how the Telecommunication firms can utilize the McKinsey framework to influence their market share performance.

Chesula, and Kiriinya (2018) did an empirical study on competitiveness in the Telecommunication sector in Kenya using Porter's five forces model. The purpose of the study was to use Porter's Five Forces Model to empirically review the competitive structure of the industry and extract key insights for strategically marketing the key players. The study reviewed the empirical sources and the secondary source of data to arrive at the conclusion. The study revealed that the impact of the five forces model is vital for the formulation of business competitive strategies by players in the Telecommunication industry. With the review pillar to the development of the literature study there still existed some of the gaps that needed to be addressed such as the empirical review and the statistical field research. This study was meant to fill the existing gaps by undertaking primary source of data that was to be obtained from the respondent in the field.

### **2.2.5 Market performance in the Telecommunication Sector**

Market performance of an organization is the ability of the organization to use the available resources to achieve their set goals and objectives by use of their product and services to win and maintain their customers sustainably (Omotoye, Adeyemo, Omotoye, Okeme & Leigh, 2021). Extant literature on measurement of market performance considers indicators such as; sales revenue, sales growth, market share, leads, customer satisfaction, customer loyalty and cost of customer acquisition (Ahmad, Ramaya, & Halim, 2017). Different scholars have different views in regards to the performance of

the firm (Obeidat, AL-Tamimi, and Hajjat 2021; Pustokhina, Pustokhin, Nguyen, Elhodeney and Shankar 2021; Mugo 2020; and Wanyeri 2020).

Toni, Reche and Milan (2021) carried out a study on the effects of market orientation, innovation strategies and value-based pricing on market performance. The purpose of the study was to propose and test a theoretical model that contemplates antecedent constructs of organizational performance and their interactions. The survey was conducted among the 151 respondents and the data analysis focused on the regression analysis, mediation and moderation test. From the research findings it was revealed that value based pricing and innovation strategies had a direct significant influence on the market performance while market orientation had an indirect effect on the market performance.

Obeidat, AL-Tamimi, and Hajjat (2021) conducted a study on the effect of intellectual capital and financial leverage on evaluating market performance. The purpose of the study was to determine the key factors that affect financial market performance. The study used a sample of 35 public shareholding industrial companies on the Amman Stock Exchange for the period of 2010-2019. The study adopted simple linear regression model, correlation analysis and used dispersion board to analyse the data. The findings revealed that there was non-existence of significant effect between the intellectual capital market value added (MVA) and market performance, positive significant effect between financial leverage (FL) and market performance with interpreted variation of 64%, Also, the study showed that the relationship of MVA and market performance was strong. From the study recommendations companies should focus more on intellectual capital. The study is more recent and therefore, contributes more in the build up of literature in the current studies. However the gap that existed in the study was that it was not clear the

tool that was used to collect data and the source of that analysed data. It is on this that the study will rely on primary source of data to determine the market performance of the organizations more specifically those in the telecommunication industry in Kenya.

Pustokhina, Pustokhin, Nguyen, Elhodeney and Shankar (2021) did a multi-objective rain optimization with ELM model from customer churn prediction in Telecommunication sector. The study opined that Telecommunication industry players should be able to analyse their customers churn predictors in order to increase their market performance. The study did not indicate their source of the analysed data, the population and the research methodology that was adopted. Also, it was not clear how the customer churn prediction can be used to increase the market performance of the Telecommunication industry. It is based on these gaps that this study adopted the descriptive and inferential statistics analysis to determine how the customers churn can influence the market performance of the Telecommunication sector entities.

Mugo (2020) did a study on the Porter's five forces influence on competitive advantage in Telecommunication industry in Kenya. The purpose of the study was to investigate the influence of adopting the Porter's Five Forces model in examining the firm competitive advantage in Telecommunication industry in Kenya. The objectives of the study were; to determine the degree to which barriers to entry, rivalry among the established firms, bargaining power of the buyers, bargaining power of the suppliers and the substitute products influence competitive advantage of Telecommunication industry in Kenya. The study involved desktop research relying on the secondary sources of data from the empirical studies. The study findings revealed that threat of entry into the market and threat of substitute product greatly influenced the performance of these



Telecommunication industry players. The study recommended that the firms to establish strategies like product differentiation, technology innovation, process innovation and product innovation. Also, the study recommended that the Telecommunication players should always monitor their business environment so as to put in place the appropriate strategies. With the great contribution of the study on the development of the market performance literature, the study heavily relied on the secondary data that could not be perfect representations of the view of the present time. This study relied on the primary data so as to exhibit the present strategies adopted and how the Telecommunication industry players can harmonize these strategies with the market performance.

Wanyeri (2020) carried out a study on the events marketing as a strategic communication tool towards performance of Telecommunication firms using Safaricom PLC, Kenya as a case. The study investigated how promotion of events, sponsorship of events, participation in online events and participation in trade show events as strategic marketing communication strategies influence performance. The study was guided by AIDA theory, social exchange theory, relationship marketing theory and diffusion of innovation theory and adopted a descriptive research design. The research data was obtained from a population of 2045 employees from consumer business unit division, Enterprise Business division, financial services division, corporate affairs division and strategy and innovation division. Structured questionnaire were administered to a sample of 354 respondents. The data were analysed descriptively and inferentially. The results revealed a strong positive relationships between the independent variables with the performance and that sponsorship increases the exposure to new clients, customers and businesses. The study did not demonstrate how these efforts can be harnessed to the

increase of market performance. This study was aimed at integrating these practices to influence positively the market performance of the mobile operators in Telecommunication sector in Kenya.

### 2.3 Summary and the Research Gaps

This section presents the gaps that have been found on the reviewed literature. The gaps identified in these studies will be addressed differently from the conceptual, contextual, methodological and time-based perspectives respectively.

Several studies have been done in regard to the organization and the companies with most of the studies concentrating on the financial performance and organizational performance and failing to understand that for the organization to realize a better if not excellent performance, it should understand the market in which it operates. From the empirical studies above there is a depth of literature in the field of market performance (Gholami, Singh, Agrawal, Espinosa, & Bamufleh, 2021; Chile, Shayo, & Kara 2021; Ramalingam, Piaralal, Osman, & Arokiasamy 2021; Elizabeth & Gakobu 2017; Gyemang & Emeagwali 2020 and Hussain, Mu, Mohiuddin, Danish, & Sair 2020).

**Table 1**

*Summary of the Research Gaps*

| Author and year                                       | Focus of the study                                                                                                                                                                                           | Findings                                                                          | Current Focus of the Study                                                                                               |
|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Gholami, Singh, Agrawal, Espinosa and Bamufleh (2021) | Information technology and information systems adoption in the public sector considering the evidence from the Illinois department of transportation examined information technology and information systems | Revealed that information technology / systems adoption had positive relationship | This study focused on how information technology adoption can influence the performance of the mobile operators in Kenya |

| Author and year                                   | Focus of the study                                                                                                                                                                                                                                | Findings                                                                                                                                           | Current Focus of the Study                                                                                                              |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
|                                                   | adoption by the employees on non-market environment and state agencies                                                                                                                                                                            | with the performance of the public sectors.                                                                                                        |                                                                                                                                         |
| Chile, Shayo and Kara (2021)                      | The effect of perceived trust and ease of use on adoption of mobile marketing in the Telecommunication industry of Tanzania                                                                                                                       | Revealed that perceived ease of use and perceived trust had a positive influence on the adoption of mobile marketing in Telecommunication industry | The current study focused on the influence of technology adoption on the market performance mobile operators in Kenya                   |
| Ramalingam, Piaralal, Osman and Arokiasamy (2021) | Effect of transformational leadership and creativity on innovation on organizational performance using a conceptual model with the objectives of the determining the relationships between transformational leadership, creativity and innovation | The study revealed that transformational leadership and creative innovation significantly affects the performance of the organization .            | The study was aimed at establishing the effect of innovation, leadership style on the market performance of mobile operators in Kenya.  |
| Elizabeth Gakobu (2017)                           | & Influence of leadership styles on the performance of Telecommunication industry in Kenya.                                                                                                                                                       | The study found a strong effect of leadership style on the performance of the Telecommu                                                            | The study appeared broader the study was centered on the influence of leadership on the market performance of mobile operators in Kenya |

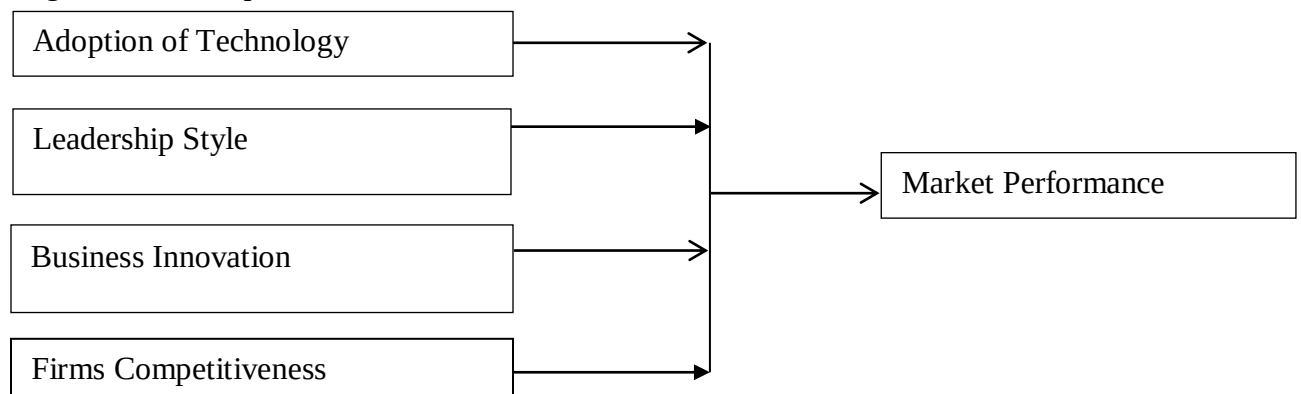
| Author and year                                 | Focus of the study                                                                                                                                                                                     | Findings                                                                                                                | Current Focus of the Study                                                                                                   |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Hussain, Mu, Mohiuddin, Danish and Sair (2020). | Mediating effects of sustainable competitive advantage, brand equity and marketing innovation on market performance in hospitality industry focusing only on urban markets leaving the rural customers | Revealed that brand equity, market innovation, sustainability and market performance had a strong positive relationship | The current study was based on the use of business innovation to influence the market performance mobile operators in Kenya. |

## 2.4 Conceptual Framework

**Figure 1**

*Conceptual Framework*

Organizational Capabilities



*Independent Variables*

*Dependent Variable*

## 2.5 Operationalization of Variables

**Table 2**

*Operationalization of Study Variables*

| <b>Variable</b>      | <b>Indicators</b>                                                                                            | <b>Tool of Analysis</b> | <b>Measurement Scale</b>                                                                     |
|----------------------|--------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------------------------------------------------------------------------|
| Market performance   | Market share<br>Efficiency<br>Customer loyalty<br>Market growth                                              | Descriptive survey      | Ordinal Measurement using the 5-point Likert scale. 1 – strongly disagree 5 – Strongly Agree |
| Adoption technology  | User friendly<br>Cost/Affordability<br>Accessibility<br>Reliability                                          | Descriptive survey      | Ordinal Measurement using the 5-point Likert scale. 1 – strongly disagree 5 – Strongly Agree |
| Leadership style     | Strategy<br>Employee Involvement<br>Customer oriented<br>Transformational                                    | Descriptive survey      | Ordinal Measurement using the 5-point Likert scale. 1 – strongly disagree 5 – Strongly Agree |
| Business Innovation  | Process innovation<br>Product innovation<br>Product Leadership<br>Brand recognition                          | Descriptive survey      | Ordinal Measurement using the 5-point Likert scale. 1 – strongly disagree 5 – Strongly Agree |
| Firm Competitiveness | Price/Cost<br>Competitive Advantage<br>Location/Environment<br>Turnaround time/speed<br>Added customer value | Descriptive survey      | Ordinal Measurement using the 5-point Likert scale. 1 – strongly disagree 5 – Strongly Agree |

## **2.6 Chapter Summary**

Chapter two discussed the theory in which the study is anchored on, with other three theories which are related to the objectives of the study, the literature review giving the over view of the scholars with regards to empirical studies, the summary and the research gaps that the study intends to fill, the conceptual framework indicating the relation of the independent and dependent variables, and the operationalization of the variables.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter describes the methodology that will be used in conducting the study. The chapter covers the research design, target population, sample size and sampling technique, research instrument, pilot testing, data collection and analysis methods which will be adopted to achieve the objective of this study.

#### **3.1 Research Design**

This research will adopt a descriptive research design. The descriptive research design enables the researcher to clearly organize present the processed data in a way that brings out the study results very explicitly for easy understanding. Descriptive survey will be used to enhance the description of the findings in the present state that will enhance the reliability of the collected data (Baumgartner, Strong and Hensley 2002). Descriptive survey is commonly applied as a tool for the statistical observation and easy understanding of the concepts. According to Bhalta (2003), the descriptive research design makes it possible to summarize results per research objective findings.

#### **3.2 Target Population**

Target population refers to the collection of individuals or items or the objects that are serving as the main centre of interest or the focus to be subject of the study (Castilo, 2009). Target population can be explained as everything that shows or items that have similar characteristics that a study can be taken on and can be understood. The target population for the study will consist of 402 respondents including the employees of

Safaricom Ltd (who will be drawn from: marketing department, technical department, and customer care department) and Safaricom dealers.

**Table 3**

*Population distribution*

| <b>Categories</b>    | <b>Frequency</b> | <b>Percentage</b> |
|----------------------|------------------|-------------------|
| Marketing department | 20               | 5                 |
| Technical Enterprise | 78               | 19                |
| Customer Care        | 144              | 36                |
| Super Dealers        | 160              | 40                |
| <b>Total</b>         | <b>402</b>       | <b>100</b>        |

### **3.3 Sample Size and Sampling Technique**

#### **3.3.1 Sampling Technique**

The researcher will adopt stratified random sampling and simple random techniques to select the sample respondents. The stratified random sampling technique is used where the population constitutes heterogeneous members like in this case study we have employees of Safaricom from different departments and non-employees, dealers as respondents. The population will then be divided into homogeneous strata from which members of the study sample will be selected with simple random sampling. The adoption of the stratified random sampling technique gives the members of the sample an equal chance to be selected from each stratum (Kothari, 2008). The stratified random sampling technique chosen for this study increases a sample's statistical efficiency, gives efficient data for analyzing the various strata and also allows for proper use of a variety of research methods and procedures (Coopers and Schindler, 2011).



### 3.3.2 Sample Size

Sampling involves selection of a fraction or a part of individuals from a larger population as a representative of the whole (Ajay & Masuku, 2014). There are several methods of arriving at the sample size. Ajay and Masuku (2014) suggested the use of similar formulae as one used by similar studies to determine the sample size). According Mugenda and Mugenda (2019), a reasonable sample size for a target population greater than 10,000 can be obtained by the following formula;

$$n = \frac{Z^2 (p)(q)}{d^2}$$

Where;

n; The desired sample size if target population is greater than 10,000

Z: The critical z-value at the required confidence level (e.g. at 0.05, Z=or-1.96)

p: The proportion of the target population, assumed as p=0.50 (50% of the target population)

q: is equal to 1-p

d: The set confidence level or statistical significance (e.g. 0.05)

Hence for target population greater than 10,000

$$n = \frac{1.96^2 (0.5)(0.5)}{0.05^2}$$

$$n = 384.16$$

The estimated sample size for population >10,000, rounded to the nearest whole number;

$$n = 384$$

Mugenda and Mugenda (2019), further states that for target population less than 10,000, the formula would be adjusted to give the required sample size as follows:

$n_f = n / (1 + n/N)$ , where;

$n_f$ : The desired sample size when the population is less than 10,000

$n$ : The estimated sample size when the population is greater than 10,000

$N$ : The estimated target population

For the case study,

$N = 402$ , the estimated target population

$n = 384$ , the estimated sample size (population greater than 10,000)

Hence, the desired sample size for the case study,

$n_f = 384 / (1 + (384/402))$

$n_f = 197$  (which is 49% of the target population;  $197/402$ )

Thus, in this study, 49% of the accessible target population will be considered adequate and used for the sample size in each category of the targeted population to get the respondents.

**Table 4***Sample size distribution*

| <b>Category</b> | <b>Frequency</b> | <b>Sample ratio</b> | <b>Sample size</b> |
|-----------------|------------------|---------------------|--------------------|
| Marketing Dept. | 20               | 0.49                | 10                 |
| Technical Dept. | 78               | 0.49                | 38                 |
| Customer Care   | 144              | 0.49                | 71                 |
| Dealers         | 160              | 0.49                | 78                 |
| <b>Total</b>    | <b>402</b>       | <b>0.49</b>         | <b>197</b>         |

### **3.4 Research Instrument**

The study relied on primary data which was obtained using structured questionnaire on a five-point Likert scale used to understand the respondents' perceptions on each of the variables. The Likert scale responses was used to convert qualitative response to quantitative response values (Upagade & Shende, 2012). The merits of the questionnaire are that privacy and sincerity of the respondent.

### **3.5 Pilot study**

The pilot study was carried in August 2021 with 20 respondents from the targeted population in Nairobi. This was carried out to test the validity and reliability of the research questionnaire and gives a chance to make adjustments (if any) to the research instrument. According to Crewel (2014), the feasibility test of the research instrument through a pilot study is of great significance before the instrument is used in a study. According to Cooper and Schindler (2010) and Mugenda & Mugenda (2019), a sample of at least 10% of the total sample is usually appropriate for a pilot study. In this study 20 respondents represent 10.2% of the sample size.

### **3.5.1 Validity of the Research Instrument**

Validity is concerned with assurance of the integrity of the conclusions that are derived from research. It evaluates the extent to which a research instrument measures what it is designed to measure. Validity measures accuracy with which data collected using a research instrument represents the content of the concept being measured (Mugenda & Mugenda, 2003). A measure that is valid and reliable enhances the results produced and ensures they are well understood and usable. (Elstak, 2013). To test the validity of the instrument, the researcher will review and seek expert opinion from faculty on the content of the items in the research questionnaire.

### **3.5.2 Reliability of the Research Instrument**

Reliability is the degree at which results obtained from a study remain consistent. Kothari (2011) described a reliable measuring instrument as one that gives consistent results. The reliability of the research instrument in this study will be measured using Cronbach's alpha with a reliability threshold of alpha of 0.7 or above being generally accepted.

### **3.6 Data Collection Procedure**

After carrying out the pilot test to confirm the validity and the reliability of the research instrument, the researcher will seek clearance from the university, get a research permit from the National Council for Science Technology and Innovation (NACOSTI) and obtain a permission form from the Safaricom to collect data from the respondents. The researcher will utilize the research assistants who will help in the collection of data using a blended approach involving face-to-face interaction as well as using digital tools such as survey monkey to administer the questionnaire to the sampled respondents.

### 3.7 Data Analysis and presentation

Once the data collection process is completed, the data will be cleaned, coded, entered, edited and reviewed to ensure completeness and reliability. Modern scientific analysis involves application of several statistical techniques which enable drawing inductive references from the data and distinguishing real phenomena from random fluctuations (Shamoo & Resnik, 2003). The study data will be analyzed using SPSS Version 26.0. Content analysis will also be used to analyze the Qualitative data.

The researcher will employ descriptive statistics such as mean score, percentages, average, and frequencies as well as inferential techniques such as regression and correlation analysis to examine the relationships between the study variables. The regression model that will be to measure the relationship is as shown below:

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

Where: Y is the dependent variable, (Market performance)

$X_1$  = Technology Adoption

$X_2$  = Leadership Style

$X_3$  = Business Innovation

$X_4$  = Firm Competitiveness

$\beta_0$  is a constant while  $\beta_1$  to  $\beta_4$  represent the predicted coefficient of regression which measures the how strong each independent variable impacts the dependent variable.  $\varepsilon$  is the error term. The analyzed data is presented in tables, charts and graphs for easy understanding and interpretation.

### **3.8 Ethical considerations**

The researcher was expected to, and indeed observed ethical research conduct during the research. Ethical behavior promotes objectivity in research, since ethical transgressions, such as data fabrication, falsification, and conflicts of interest, can lead to biased or erroneous research outcome (Shamoo & Resnik, 2003). The conduct issues relate to politeness in dealing with respondents, confidentiality of information, privacy, informed consent, and anonymity.

#### **3.8.1 Informed Consent**

The researcher took time to explain to the participant on the need and the purpose of the study to allow the participant to make informed decision to participate or not in the study at the convenience of the participant

#### **3.8.2 Voluntary Participation**

Participants in the study were fully advised on the purpose and objectives of the study and encouraged to participate voluntarily. The researcher did not force any one to participate in the survey and advised whoever wished to decline do so. The opinions of the respondents were respected.

#### **3.8.3 Confidentiality**

The participants in the study were assured that the privacy of the information that they provided was to be treated with utmost confidentiality.

#### **3.8.4 Privacy**

The respondents were assured of their privacy by not disclosing their names or any identification on the questionnaire and that they are free to fill the questionnaire at the agreed place and appropriate time.

#### **3.8.5 Anonymity**

The researcher explained to the respondents the purpose and need to participate in the study as an anonymous hence removing the fear of the respondent being victimized by the information provided.

### **3.9 Chapter Summary**

The chapter has covered the research methodologies to be adopted by the researcher. The chapter covers the research design, target population, sampling frame and sample size, research instrument, data collection procedure and data analysis and finally the ethical considerations.

## CHAPTER FOUR

### RESEARCH FINDINGS AND DISCUSION

#### 4.0 Introduction

This chapter represents the results from the analyzed data constructed from the research objectives and questions presented for the study. It presents the analyzed responses on the specific variables that the study was grounded on and the estimates on the relationship. Inferential analysis was done on the specific variables and regression model, interpretation of the analyzed data results given.

#### 4.1 Presentation

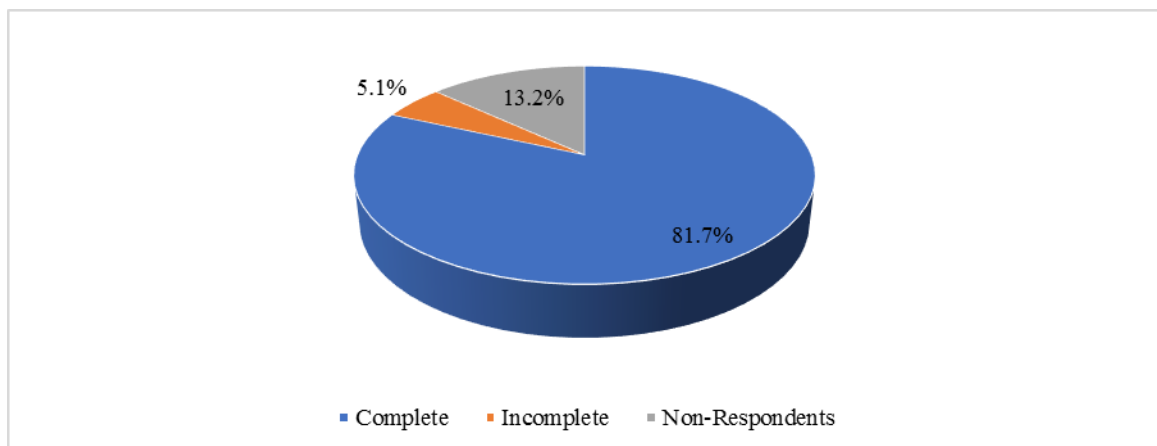
##### 4.1.1 Response Rate

**Table 5:**

*Response Rate*

| <b>Response Rate</b> | <b>Frequency</b> | <b>Percentage</b> |
|----------------------|------------------|-------------------|
| Complete             | 161              | 81.7              |
| Incomplete           | 10               | 5.1               |
| Non-Respondents      | 26               | 13.2              |
| <b>Total</b>         | <b>197</b>       | <b>100</b>        |

Figure 2: Response Rate



From table 5 and figure 2 represents the analysis of the response rate from the sampled



197 respondents. Out of 197 questionnaires given out, 171 responded representing 86.8% while 26 (13.2%) did not respond. During the verification and serializing of the data collected from the respondents, 161 (81.7%) were complete and 10 (5.1%) were found to be incomplete.

According to Mugenda and Mugenda *et.al.*, (2019) a response rate of 60% response rate is enough to draw conclusion and a response rate of 70% is enough to make analysis and draw conclusion from the findings. This therefore, implies the response rate of 81.7% is quite appropriate for the study. This was possible as the research assistant administered the questionnaires in person for the respondents to fill in and later be collected.

#### 4.1.1 Reliability Statistics

**Table 6:**

*Reliability Statistics*

| <b>Variable</b>            | <b>Cronbach's Alpha</b> | <b>No of Items</b> | <b>Comments</b> |
|----------------------------|-------------------------|--------------------|-----------------|
| Technology adoption        | 0.800                   | 5                  | Reliable        |
| Leadership Style           | 0.600                   | 4                  | Reliable        |
| Business Innovation        | 0.700                   | 4                  | Reliable        |
| Firm Competitiveness       | 0.800                   | 4                  | Reliable        |
| Market Performance         | 0.700                   | 4                  | Reliable        |
| <b>General Reliability</b> | <b>0.886</b>            | <b>21</b>          |                 |

The table 6 gives the reliability statistics. The technology adoption received an alpha of 0.800, leadership style had 0.600, business innovation, firm competitiveness and market performance had 0.700 making all the variables to be reliable and valid. The general reliability was found to be 0.886 approximately 0.9 which is regarded as excellent for a tool to be used in a research study Kothari (2011).

#### 4.1.2 Gender

| <i>Frequency Table 7:</i> |            | <b>Percent</b> |
|---------------------------|------------|----------------|
| Gender                    |            |                |
| Male                      | 88         | 54.7           |
| Female                    | 73         | 45.3           |
| <b>Total</b>              | <b>161</b> | <b>100</b>     |

**Figure 3:**

*Gender*

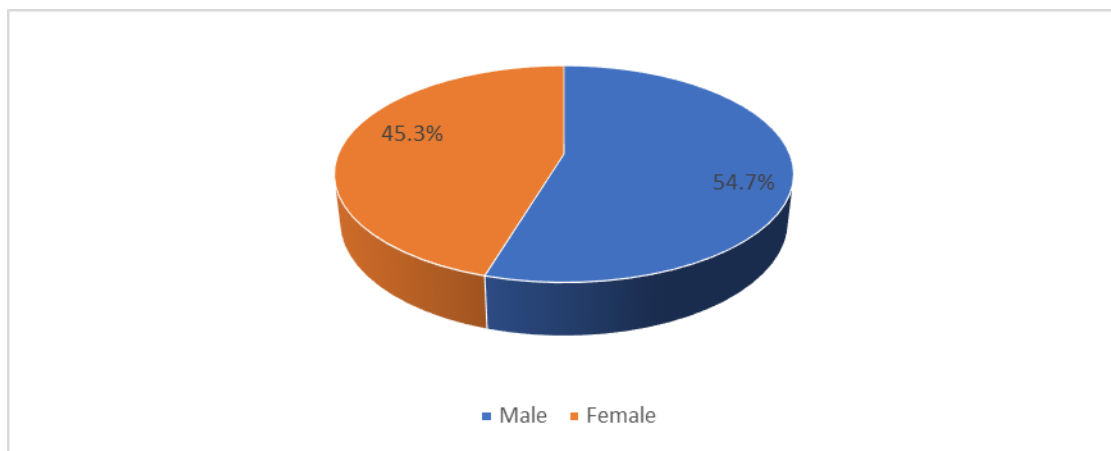


Table 7 and figure 3 shows the analysis of the gender. The results indicate that 54.7% of the respondents were male while 45.3% were female. This implies that there is gender balance in mobile industry which positively reflects the constitution of Kenya 2010.

#### 4.1.3 Age

**Table 8:**

*Age*

|              | <b>Frequency</b> | <b>Percent</b> |
|--------------|------------------|----------------|
| 18-30        | 94               | 58.4           |
| 31-40        | 46               | 28.6           |
| 41-50        | 13               | 8.1            |
| Above 50     | 8                | 5.0            |
| <b>Total</b> | <b>161</b>       | <b>100.0</b>   |

**Figure 4:**

*Age*

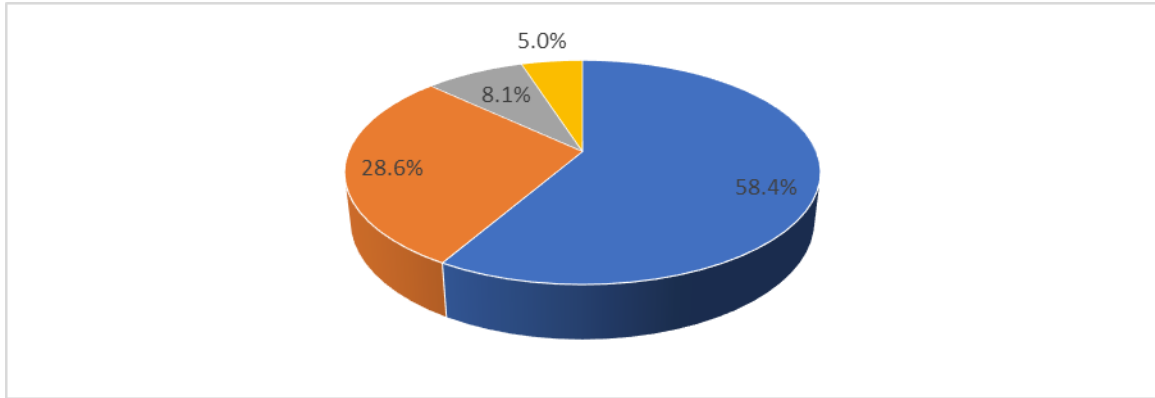


Table 8 and figure 4 exhibits the distribution of age among the respondent in the mobile industry. 58.4% of the respondents were in the age bracket of (18-30), 28.6% represented (31-40), those of the age between 41-50 represented 8.1% of the total population while those above 50 made it to a percent of 5.0. From the analysis it was clear that an average of 87% of the respondents were at the age of 18-40. This is the age bracket that is expected to embrace the current technology and forms the larger percentage of employment in this industry.

#### **4.1.4 Highest Level of Education**

**Table 9:**

*Highest Level of Education*

| Level of Education | Frequency  | Percent      |
|--------------------|------------|--------------|
| Primary            | 8          | 5.0          |
| Secondary          | 61         | 37.9         |
| University         | 83         | 51.6         |
| Others             | 9          | 5.6          |
| <b>Total</b>       | <b>161</b> | <b>100.0</b> |

**Figure 5**

*Highest Level of Education*

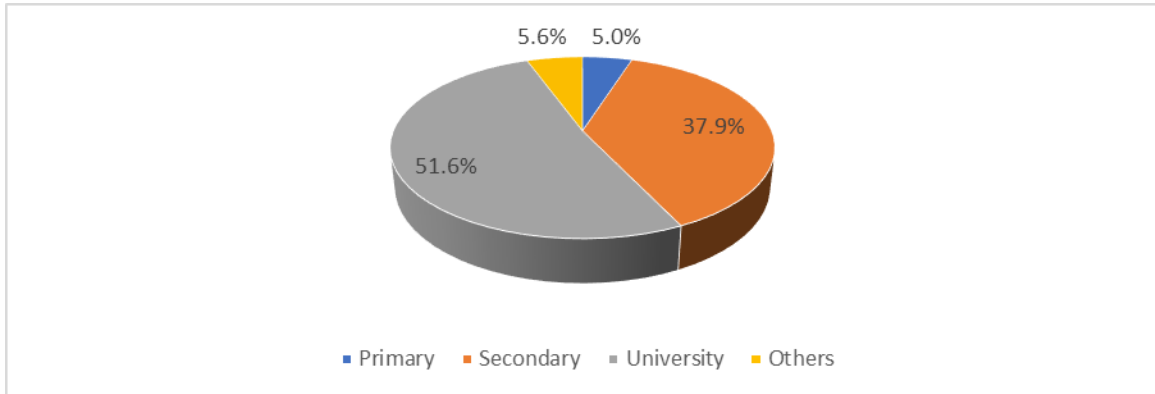


Table 9 and figure 5 illustrates the analysis of the level of education by the respondents. From the analysis 51.6% of the respondents had attained the university, 37.9% of the respondents had attained secondary level of education, 5.6% of the respondent had attained primary while 5.0% of the respondent had either attained tertiary or diploma. This indicated that majority of the respondent had acquired basic knowledge, and could understand and respond clearly to research questions (Jabeen, & Rafiuddin, 2015).

#### **4.1.5 How long have been using Safaricom products and services**

**Table 10**

*How Long have you been using Safaricom products and services?*

|              | Frequency  | Percent      |
|--------------|------------|--------------|
| 0-5 years    | 33         | 20.5         |
| 5-10 years   | 49         | 30.4         |
| 10-15 years  | 44         | 27.3         |
| 15-20 years  | 35         | 21.7         |
| <b>Total</b> | <b>161</b> | <b>100.0</b> |

**Figure 6**

*How Long have you been using Safaricom products and services?*

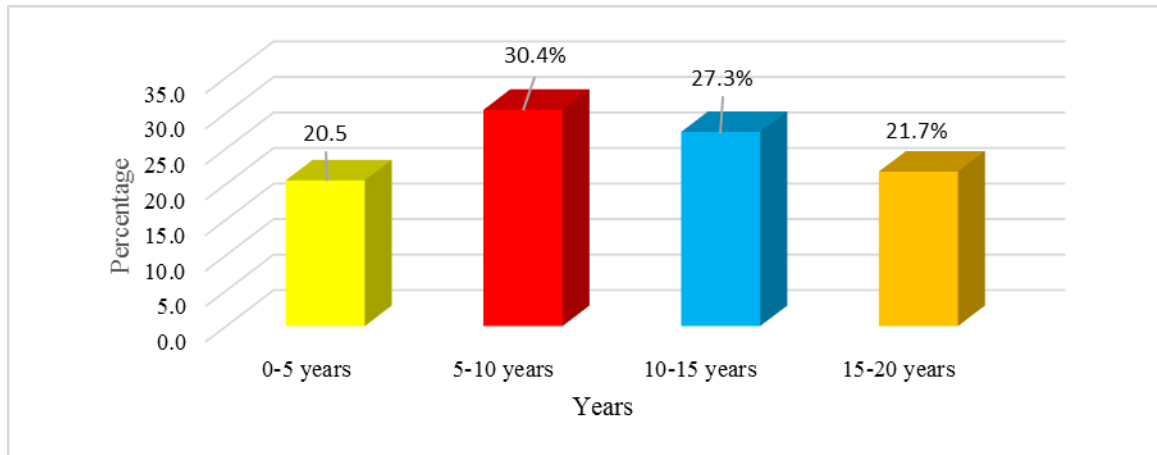


Table 10 and figure 6 gives the picture on the duration that different respondents have used the Safaricom products and services. 30.4% of the respondents have used these items for a period between 5-10 years, between 10-15 years represented 27.3%, those who have used the Safaricom products and services for a period of 15.20 years were 21.7% while those between 0-5years were 20.5%. This illustrates that Safaricom has good customer retention as shown with the about 50% who have used Safaricom products and services for more than 10 years (Lamrhari, Ghazi, Oubrich, & Faker, 2015). On equal measure the entrance of new customers is about 50% as shown by those who have used the service below 10 years.

#### 4.1.6 Preferred Mobile Line

**Table 11**

*Preferred Mobile Line*

| Preferred Mobile line | Frequency  | Percent      |
|-----------------------|------------|--------------|
| Safaricom             | 129        | 80.1         |
| Airtel                | 23         | 14.3         |
| Telkom                | 9          | 5.6          |
| <b>Total</b>          | <b>161</b> | <b>100.0</b> |

**Figure 7**

*Preferred Mobile Line*

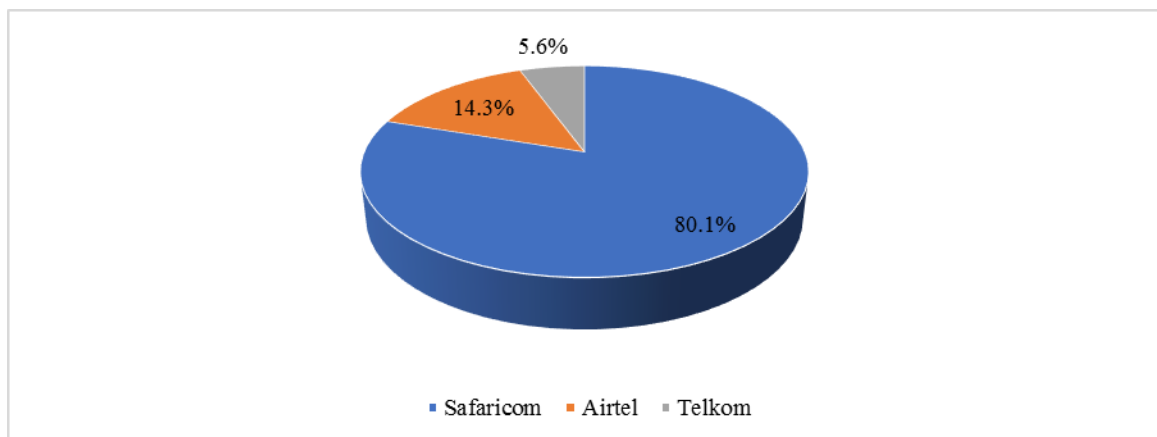


Table 11 and figure 7 shows the analysis on the most preferred mobile line. From the data 80.1% of the respondents preferred Safaricom line, followed by Airtel at 14.3% while Telkom had 5.6%.

#### 4.1.7 Technology Adoption and market performance

The study investigated the relationship between technology adoption and the market performance of mobile operators in Kenya.

**Table 12**

##### *Technology Adoption*

| Statements                                                                   | Strongly Agree |      | Agree |      | Neutral |      | Disagree |      | Strongly Disagree |     |
|------------------------------------------------------------------------------|----------------|------|-------|------|---------|------|----------|------|-------------------|-----|
|                                                                              | Fre            | %    | Fre   | %    | Fre     | %    | Fre      | %    | Fre               | %   |
| Safaricom network is easily accessible to the user                           | 74             | 46.0 | 57    | 35.4 | 14      | 8.6  | 12       | 7.5  | 4                 | 2.5 |
| The technology offered by the company are user friendly                      | 52             | 32.3 | 64    | 39.8 | 25      | 15.5 | 13       | 8.1  | 7                 | 4.3 |
| Customers have gadgets that are compliant with technology offered by company | 32             | 19.9 | 68    | 42.2 | 27      | 16.8 | 26       | 16.1 | 8                 | 5.0 |
| New products and services are designed with the customer in mind             | 41             | 25.5 | 58    | 36.0 | 31      | 19.3 | 20       | 12.4 | 11                | 6.8 |
| The Safaricom network quality is stable and can always be relied upon        | 68             | 42.2 | 53    | 32.9 | 15      | 9.3  | 17       | 10.6 | 8                 | 5.0 |

Table 12 shows the summary of the responses on impact of technology adoption on the market performance of mobile operators in the Kenya. From the analysis it is evident that majority of the respondents agreed that Safaricom network is easily accessible to the users with 81.4% of the respondent in support of this, those who disagreed were 10% while those who were neutral constituted 8.6%. On the Safaricom network quality and its reliability, 75.1% of the respondents agreed while 15.6% had dissenting opinion and

neutral opinion composed 9.3%. With regard to the user friendliness of the technology offered, 72.1% agreed, those who disagreed are 12.4% while those who are neutral had an average of 15.5%. The opinion of the respondents on whether new products and services are designed with the customers in mind, 61.5% agreed, those with different opinion formed 19.2% while those with the neutral mind were 19.3%. The response on the compliancy of the gadgets with the technology, 62.1% agreed, those who disagreed with the statement comprised of 21.1% while with the neutral mind were 16.8%.

From the analysis findings it is technology adoption seem to have some positive impact on the market performance of mobile operators. The findings support the study done by (Chile, Shayo, & Kara, 2021) who stated in their findings revealed mobile operators should improve their mobile products and services that aims at easy usage and trust in order to conform to the customers needs.

#### **4.1.8 Leadership Style**

The investigation of the impact of leadership style on the market performance of the mobile operator was done by the researcher determining the relationship using four constructs as illustrated by the statement in the table.



**Table 13***Leadership Style*

| Statement                                                                                                                        | Strongly Agree |      | Agree |      | Neutral |      | Disagree |      | Strongly Disagree |     |
|----------------------------------------------------------------------------------------------------------------------------------|----------------|------|-------|------|---------|------|----------|------|-------------------|-----|
|                                                                                                                                  | Fre            | %    | Fre   | %    | Fre     | %    | Fre      | %    | Fre               | %   |
| Safaricom way of business is long lasting and sustainable                                                                        | 54             | 33.5 | 65    | 40.4 | 18      | 11.2 | 19       | 11.8 | 5                 | 3.1 |
| Safaricom has leadership structures that ensures enhanced participation of employees in product/service delivery and development | 48             | 29.8 | 60    | 37.3 | 24      | 14.9 | 21       | 13.0 | 8                 | 5.0 |
| Safaricom management has good structures for customers feedback to meet their needs and expectations                             | 60             | 37.3 | 48    | 29.8 | 26      | 16.1 | 21       | 13.0 | 6                 | 3.7 |
| Safaricom has made good leadership succession that has transformed the company                                                   | 61             | 37.9 | 62    | 38.5 | 22      | 13.7 | 8        | 5.0  | 8                 | 5.0 |

The relationship of leadership style on the market performance of the mobile operators was shown by responses to four indicators. 76.4% of the respondents agreed that Safaricom has made good leadership succession that has transformed the company, 10% disagreed while 13% were neutral. 73.9% agreed that Safaricom business is strategic and sustainable, those who disagreed were 14.9% while 11.2% were undecided. 67.1% of the respondents agreed on both Employee oriented leadership and customers oriented management style. 17.4% disagreed and 15.5% were neutral. From the analysis it proves that leadership style adopted influence the market performance of the mobile operators, this agrees with a study done by Hilton, Arkkorful, and Martins (2021) which found that both democratic and contingent reward has a significant positive relationship with the

organizational performance. This also agrees by a study in Kenya by (Elizabeth, & Gakubo, 2017) who found that leadership style had both positive correlation and regression coefficient on the performance of Telecommunication industries.

#### 4.1.9 Business Innovation

**Table 14**

*Business Innovation*

| Statement                                                                                                                              | Strongly Agree |      | Agree |      | Neutral |      | Disagree |     | Strongly disagree |     |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------|------|-------|------|---------|------|----------|-----|-------------------|-----|
|                                                                                                                                        | Fre            | Per  | Fre   | Per  | Fre     | Per  | Fre      | Per | Fre               | Per |
| Safaricom regularly changes its business and operational processes to ensure efficient and effective service delivery to the customer. | 43             | 26.7 | 73    | 45.3 | 20      | 12.4 | 13       | 8.1 | 12                | 7.5 |
| Safaricom has ensured continuous product/services variety that has retained its customers.                                             | 44             | 27.3 | 71    | 44.1 | 24      | 14.9 | 10       | 6.2 | 12                | 7.5 |
| The business practices adopted by Safaricom are customer focused and drawn near to its customers and has enhance their performance.    | 46             | 28.6 | 57    | 35.4 | 29      | 18.0 | 16       | 9.9 | 13                | 8.1 |
| You can easily recognize and access Safaricom agents, dealers and products                                                             | 66             | 41.0 | 55    | 34.2 | 22      | 13.7 | 9        | 5.6 | 9                 | 5.6 |

From the analysis in table 14, it is revealed that majority of the respondents agreed that Safaricom agents, dealers and products are easily recognized as indicate by 75.2% of the respondents, 11.2% of the respondent disagreed and 13.7% were neutral. 72% of the respondents agreed that Safaricom has regularly changed its business and operation to enhance its delivery to its customers, as those who disagreed were 15.6% while the neutral respondents accumulated 12.4%. 71.4% agreed that Safaricom has retained it

customers because of variety of products and services, 13.7% of the respondents disagreed with the statement, while 14.9% were of the neutral opinion. 64% agreed that business practices adopted by Safaricom are customer focused and drawn near to its customers and has enhance their performance, while 18% disagreed and another 18% of the respondent remained neutral on the opinion.

From the analysis it is evident that most of the respondents were in agreement that Safaricom has a continuous process innovation, product innovation, product leadership and brand recognition which are customer focused and this has ensured improved performance of Safaricom. The outcome of the analysis agrees with Gyemang, and Emeagwali (2020) who stated the innovation explicitly enhances the operation of the business to gain competitive edge, also supported by (Hussain, Mohiuddin, Danish, & Sair, 2020) who stated that brand equity, market innovation, sustainability and market performance had a strong positive relationship. This therefore, implies that for Safaricom to increase their market share there should be sustained business innovation by the organization.

#### 4.1.10 Firm Competitiveness

**Table 15**

*Firm Competitiveness*

| Statement                                                                                                   | Strongly Agree |      | Agree |      | Neutral |      | Disagree |      | Strongly disagree |      |
|-------------------------------------------------------------------------------------------------------------|----------------|------|-------|------|---------|------|----------|------|-------------------|------|
|                                                                                                             | Fre            | Per  | Fre   | Per  | Fre     | Per  | Fre      | Per  | Fre               | Per  |
| You prefer Safaricom products and services due to good quality and reliability                              | 62             | 38.5 | 63    | 39.1 | 12      | 7.4  | 12       | 7.5  | 12                | 7.5  |
| You prefer Safaricom to other networks due to its competitive prices.                                       | 36             | 22.4 | 44    | 27.3 | 20      | 12.4 | 38       | 23.6 | 23                | 14.3 |
| Safaricom has specific products and services for its customers which are not available with other networks. | 54             | 33.5 | 56    | 34.8 | 20      | 11.2 | 20       | 12.4 | 13                | 8.1  |
| Safaricom has some additional value (specify)..... to its customers and Kenyan society at large             | 53             | 32.9 | 64    | 39.8 | 21      | 13.0 | 6        | 3.7  | 17                | 10.6 |

Table 15 shows summary analysis of the influence of firm competitiveness on the market performance. 77.6% of the respondents agreed that they preferred Safaricom products and services due to the good quality and its reliability, 15% of the respondent had dissenting view about the statement while, 7.4% were neutral about this. On Corporate Social Responsibility (CSR) 72.7% of the respondent agreed that Safaricom participates in adding value to the Kenyan society, 14.3% disagreed with the statement and 13% of the respondent remained neutral of the opinion. 68.3% of the respondents agreed that Safaricom had specific products and services for its customers that are not available with other mobile networks, 20.5% of the respondents were of the opinion that Safaricom does not have specific products than other mobile networks while 11.2% of the respondents

were neutral on the statement. 49.7% agreed that they preferred Safaricom due to its competitive prices, 37.9% disagreed with the statement and 12.4% of the respondents just remained neutral on the statement.

From the analysis, firm competitiveness is seen to have some influence on the market performance of the mobile operators in Kenya. This study agrees with Njeri and Kariuki (2019) who stated that in order for Telecommunication firms to gain competitive advantage they should ensure that they have better strategic innovation, differentiation and cost leadership. Also, in support of this is a study by Chesula and Kiriinya (2018) established and stated five forces model is vital for the formulation of business competitive strategies by players in the Telecommunication industry as this will enhance their firm competitiveness.

#### 4.1.11 Market Performance

**Table 16**

*Market Performance*

| Statement                                                                                                        | Strongly agree |      | Agree |      | Neutral |      | Disagree |      | Strongly Disagree |      |
|------------------------------------------------------------------------------------------------------------------|----------------|------|-------|------|---------|------|----------|------|-------------------|------|
|                                                                                                                  | Fr             | %    | Fr    | %    | Fr      | %    | Fr       | %    | Fr                | %    |
| Safaricom services are reliable and are available in most locations to the users.                                | 71             | 44.1 | 56    | 34.8 | 19      | 11.8 | 7        | 4.3  | 8                 | 5    |
| Majority of the people you know, use Safaricom line as compared to other networks providers.                     | 73             | 45.3 | 47    | 29.2 | 24      | 15   | 11       | 6.8  | 6                 | 3.7  |
| You would stick to Safaricom no matter the circumstance and recommend other customers to Safaricom               | 40             | 24.8 | 37    | 23   | 28      | 17.4 | 31       | 19.3 | 25                | 15.5 |
| You perceive Safaricom to be getting bigger in terms of products, services and number of customers in the market | 49             | 30.4 | 75    | 46.6 | 17      | 10.6 | 8        | 5    | 12                | 7.5  |

Table 16 gives the summary of the analysis on the market performance of mobile operators. 78.9% of the respondents agreed that Safaricom services are reliable and that they are available in most locations for their users, 9.3% of the respondents dissented to the opinion while 11.8% of the respondents had neutral mind. 77% of the respondents agreed that Safaricom is getting bigger in terms of products, services and increasing in the number of customers, 12.5% disagreed and 10.5% of the respondents were neutral on the perception in regard to the growth of products, services and increased number of customers. 74.5% of the respondent agreed that majority of people they know use Safaricom line while 10.5% of the respondents disagreed that majority of the people use Safaricom line as compared to other networks and 15% were neutral of the opinion.

47.8% of the respondents agreed that they would stick to Safaricom no matter the circumstance and recommend other customers to Safaricom, 34.8% of the respondents disagreed and 17.4% respondents were neutral on whether they would stick to Safaricom and recommend others.

From the analysis it is revealed that organizations need to establish themselves in the market by ensuring market share, efficiency, customer loyalty and market growth are properly put into consideration as most of the respondent agreed that market performance is necessary. This finding supports Omotoye, Adeyemo, Omotoye, Okeme, and Leigh (2021) opined that market performance of an organization is the ability of the organization to use the available resources to achieve their set goals and objectives by use of their product and services to win and maintain their customers sustainably. This also, supports a study by Toni, Reche and Milan (2021) stated that value based pricing and innovation strategies had a direct significant influence on the market performance.

#### 4.1.12 Model Summary

**Table 17**

*Model Summary*

| <b>Coefficient of determinant</b>                                                                           |                   |                 |                          |                                   |
|-------------------------------------------------------------------------------------------------------------|-------------------|-----------------|--------------------------|-----------------------------------|
| <b>Model</b>                                                                                                | <b>R</b>          | <b>R Square</b> | <b>Adjusted R Square</b> | <b>Std. Error of the Estimate</b> |
| 1                                                                                                           | .771 <sup>a</sup> | 0.595           | 0.584                    | 0.56474                           |
| a. Predictors: (Constant), Firm competitiveness, Technology adoption, Business innovation, Leadership style |                   |                 |                          |                                   |

The coefficient of Correlation R, is used to determine the degree of Correlation between independent variables and the dependent variable. The coefficient of Correlation from the

table is  $R = 0.771$ , which is acceptable and fit. This implies that there is a strong correlation between market performance and technology adoption, leadership style, business innovation, and firm competitiveness.

The data indicate the independent variables; technology adoption, leadership style, business innovation, and firm competitiveness. Chosen to explain market performance are appropriate variables which have the ability to influence the financial performance.  $R = 0.771$  is a strong indicator showing that the financial performance and the independent variables; technology adoption, leadership style, business innovation, and firm competitiveness, have a linear relationship hence can be fitted in a linear regression model.

The coefficient of determination is  $R^2 = 0.595$ , which implies that the data on the variables fits in the linear regression at about 60%. Only 40 percent of the data is out of the regression model as outliers; the rest is in the model. The parameter  $R^2$  can therefore be used to measure the validity and feasibility of the variables being used in the research. In this case, the  $R^2 = 0.595$  show that the linear model is valid and suitable for the independent variables can be used to predict the direction of the dependent variable with the efficiency of 60%. Of the variance of the market performance to the independent variables technology adoption, leadership style, business innovation, and firm competitiveness is 0.6 hence good model.



#### 4.1.13 Variance Analysis (ANOVA)

**Table 18**

*Analysis of Variance*

| Model |            | Sum of Squares | Df  | Mean Square | F      | Sig.              |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1     | Regression | 72.957         | 4   | 18.239      | 57.188 | .000 <sup>b</sup> |
|       | Residual   | 49.754         | 156 | 0.319       |        |                   |
|       | Total      | 122.711        | 160 |             |        |                   |

a. Dependent Variable: Market performance

b. Predictors: (Constant), Firm competitiveness, Technology adoption, Business innovation, Leadership style

Table 19 shows the ANOVA analysis F-test that is used to determine the significance of the whole model. F-test is used to analyze the variations in the data sets within and between the data sets given to show if there is the constancy in the data provided. The overall result analysis shows that ( $p=0.000$ ) value is less than 0.05 implying that the overall model is significant therefore, technology adoption, leadership style, business innovation and firm competitiveness are deemed to be significant predictors to market performance. F- statistics support this with 57.188 confirming the appropriateness of the model in testing the relationship between independent and dependent variable. Therefore, the market performance can be explained by the independent variable; competitiveness, technology adoption, innovation, and leadership styles.

#### 4.1.13 Regression Analysis

**Table 19**

*Regression Analysis Coefficients*

|       |                      | Coefficients <sup>a</sup>   |            |                           | T     | Sig.  |
|-------|----------------------|-----------------------------|------------|---------------------------|-------|-------|
| Model |                      | Unstandardized Coefficients |            | Standardized Coefficients |       |       |
|       |                      | B                           | Std. Error | Beta                      |       |       |
| 1     | (Constant)           | 0.447                       | 0.256      |                           | 1.743 | 0.083 |
|       | Technology adoption  | 0.077                       | 0.073      | 0.067                     | 1.053 | 0.294 |
|       | Leadership style.    | 0.210                       | 0.071      | 0.212                     | 2.947 | 0.004 |
|       | Business innovation  | 0.220                       | 0.068      | 0.225                     | 3.223 | 0.002 |
|       | Firm competitiveness | 0.390                       | 0.060      | 0.425                     | 6.460 | 0.000 |

a. Dependent Variable: Market performance

Table 17 shows the regression analysis coefficient. The table indicates that all the independent variables (Technology adoption, leadership style, business innovation, and firm competitiveness) positively and significantly correlate with the dependent variable (market performance).

The y-coefficient  $b_0=0.447$  indicates that there is a degree of market performance that is not affected by the independent variables in any way when the independent variables are equated to zero. The coefficient  $b_0=0.447$  shows that the value is exogenous, meaning that even with the absence of the factors provided, the entrepreneur can produce without employing managers, innovation, technology, and leadership models. The slope coefficients are all positive, which indicates that all independent variables, technology

adoption, leadership style, business innovation, and firm competitiveness, are positively correlated to the market performance since all the gradients are positive. Firm competitiveness with coefficient  $b_4=0.390$ , business innovation with  $b_3=0.220$  and leadership style with  $b_2=0.210$  all have a stronger relationship with market performance than the technology adoption ( $b_1=0.077$ ) and hence the three are the most contributing variables to measure the market performance of Safaricom Plc

The results are summarized in the model:

$$Y = 0.447 + 0.077X_1 + 0.210X_2 + 0.220X_3 + 0.390X_4$$

Where:

$Y$  = Market performance

Constant = 0.447

$X_1$  = Technology adoption

0.077 = Coefficient of  $X_1$

$X_2$  = Leadership Style

0.210 = Coefficient of  $X_2$

$X_3$  = Business Innovation

0.220 = Coefficient of  $X_3$

$X_4$  = Firm competitiveness

0.390 = Coefficient of  $X_4$

The finding agrees with Costa, Aleksic and Bortoluzzi (2021) that there is a strong positive relation between leadership style and the performance and innovation implementation; Bhatti, Malik, Kamal, Aamir, Alaali, and Ulla (2021) significant relationship between data quality, technological competence and strategic performance and Chesula and Kiriinya (2018) that the impact of the five forces model is vital for the formulation of business competitive strategies by players in the Telecommunication industry.

#### **4.2 Limitations of the Study**

The study had some limitation such as the time frame which was not sufficient to reach all the targeted population of the study. The scope of the study was a limitation as the study was done only in Nairobi leaving other parts of the country and it only focused on the marketing department, technical department, customer care, and Safaricom dealers leaving the top management and the subscribers and this was due to cost implications. The Covid-19 pandemic was responsible for limitations in free movements and association in data collection such as the one-on-one interview with the respondents.

The research study was not comparative to get responses from those using other networks in Kenya, such as Airtel and Telkom. This could not ascertain the impact of technology adoption, leadership style, business innovation and firm competitiveness on the market performance of other competitors in the industry.

#### **4.3 Chapter Summary**

The chapter covered the presentation of the data result, analysis, discussions of the research finding and the limitations of the study.

## **CHAPTER FIVE**

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

#### **5.0 Introduction**

The chapter discusses the summary of findings, recommendations and the conclusions about the study.

#### **5.1 Summary of Findings**

The section gives a brief summary of findings with regards to each specific research objectives and questions.

##### **5.1.1 Effect of Technology Adoption on market performance**

The study sought to investigate the impact of technology adoption on the market performance of mobile operators in Kenya. Based on the regression analysis, the study established that technology adoption has a positive correlation on the market performance. The regression model indicates that a unit increase in technology adoption leads to 0.077 increase in market performance. The study from the analysis of variance it is found that there is a positive significance correlation between technology adoption and market performance as indicate with ( $p=.000$ ). From the analysis, the beta coefficient for technology adoption in the summary model is 0.077.  $Y = 0.447 + 0.077X_1 + 0.210X_2 + 0.220X_3 + 0.390X_4$ . Hence with all the other variables held constant, the unit change in technology adoption has some small change in market performance, Y. The aspects of technology adoption considered in this study are how user friendly the technology is, cost and affordability of the technology, its accessibility and reliability. From the analysis

report, technology adoption has the least effect on the market performance according to the respondents. The mobile operators therefore should make the least investments on technology adoption as compared with other variables. This is an area that will require more investigation since technology is a very integral part of telecommunications business industry

#### **5.1.2 Effect of Leadership style on market performance**

The study investigated the impact of leadership style on market performance of mobile operators in Kenya. From the regression equation model,  $Y = 0.447 + 0.077X_1 + 0.210X_2 + 0.220X_3 + 0.390X_4$ , the coefficient for  $X_2$  is  $b_2=0.210$  for leadership style. This indicates that a unit increase of  $X_2$  (leadership style) leads to 0.210 increase in market performance when all the other variables remain constant. The degree of variance indicated by ( $p=.000$ ) is an indication of a positive and significant correlation between the market performance and leadership style adopted by the mobile operators in Kenya. This shows that Leadership style has a significant and positive impact on market performance. The leadership style criteria considered in this study were centered on strategy, employee orientation, customer orientation and transformative leadership. Hence the investment made on leadership by the mobile operators is of great importance and likely the influence the outcome of the market performance positively.

#### **5.1.3 Effect of Business innovation on market performance**

The third objective of the research was to find out the impact of business innovation on the market performance of the mobile operators in Kenya. The regression analysis coefficient indicate that business innovation has a significant positive correlation with

market performance with  $b_3=0.220$ . This signifies that a unit increase of  $X_3$  (business innovation) leads to 0.220 increase in market performance, when other factors are held constant. Business innovation had a positive significance on the market performance as indicated by ( $p=0.000$ ) of the variance analysis. Business innovation in the study was focusing on processes, products, brand recognition and product leadership. The outcome from the study has proved that having a continuous innovation approach to business which targets the customers, will result in significant market performance.

#### **5.1.4 Effect of firm competitiveness on market performance**

The fourth study objective was to find out the impact of firm competitiveness on the market performance of mobile operators in Kenya. In the regression model, firm competitiveness had the highest value of beta coefficient  $b_4= 0.390$ , which implies that a unit increase in firm competitiveness leads to 0.390 increase in market performance when other factors are held constant. This indicates a very strong correlation between firm competitiveness and market performance. In this study firm competitiveness focused on pricing, competitive advantage, business environment, turn-around time in making important decisions and other value adds to the customer. It is therefore evident from the study that market performance of mobile operators in Kenya can be positively predicted by the level of firm competitiveness. Mobile operators therefore need to put the highest priority on investments that are related to firm competitiveness, in order to get the best market performance results.

## 5.2 Conclusions

The study focused on the technology adoption, leadership style, business innovation, firm competitiveness on market performance of mobile operators in Kenya, case Safaricom PLC. The research study was carried between the month of January to October 2021 in Nairobi. The study was to determine the impact of technology adoption, leadership style, business innovation and firm competitiveness.

The main theory of the study was UTAUT supported by Stakeholder theory and Michael Porter Five Forces Model. This was justified by stiff competition evidenced in the industry caused by the rapid changes of technology, innovation and different leadership styles that exist in organizations which must be accepted by the employees as customers are driven by the new arrivals of the products in the market. The research adopted descriptive research design. The descriptive research design enables the researcher to clearly organize present the processed data in a way that brings out the study results very explicitly for easy understanding. The targeted population for the study was 402 respondents, on adopting the formula  $n = \frac{n}{1+n/N}$  by (Mugenda & Mugenda, 2019) the study arrived at the sample size of 197 respondents. Structured questionnaires were distributed to the 197 respondents with an assistance of three research assistant, out of this 171 were returned for data analysis. The duly returned questionnaires were verified, coded and entered into SPSS version 26 for analysis.

From the findings regression model equation of:  $Y = 0.447 + 0.077X_1 + 0.210X_2 + 0.220X_3 + 0.390X_4$  showed that there was a positive significant correlation between all the independent variables (technology adoption, leadership style, business innovation and firm competitiveness) and market performance. Due financial and time constraints, the



researcher could not conduct a comparative study to determine the market performance of the other two mobile operators in Kenya, the pandemic Covid-19 could not allow other methods of data collection to be adopted such as one-one interview. The study recommends more research to be done on the other factors that influence market performance apart from the four variables discussed, as this will justify the constant Y-intercept  $b_0=0.447$ , also to be investigated further is the impact of technology on the market performance as it had lower coefficient and was established to be less significant.

### **5.3 Recommendations**

#### **5.3.1 Recommendation for Policy**

Safaricom customers range from government, corporate level, small businesses, groups and individual subscribers. The greater percentage of consumers of Safaricom products and services are the individual subscribers who are majorly connected to Safaricom network by telephone devices. These devices continually change and upgrade in terms of technology, and therefore, it requires some level of efficiency and effectiveness of the technology adoption by the consumers and the company to be guided by some policy, which should entail level of technology, affordability and ease of use of the gadgets/devices that are in line with current state of technology. Among the four independent variables under the study, (Technology adoption, leadership style, business innovation and firm competitiveness), only technology adoption is related to customers acquiring and using devices to set up communication and transactions through the mobile networks. It is therefore, necessary that the mobile operators should have clear policy that clarifies the specifications of devices (phones, computers, modems etc) that are

connected to the networks and their compatibility as well as the protection of the consumers.

### **5.3.2 Recommendation for Practice**

One of the justification of the study was earlier stated its significance to the practice of the Telecommunication industry players in Kenya. The outcome of the study has clearly shown that all the four independent variables (Technology adoption, leadership style, business innovation and firm competitiveness), have a positive correlation with the dependable variable (Market performance). However, the level of significance varies from one variable to another. The recommendation for practice in the mobile telecommunication industry is to make business leaders and managers understand the how to blend adoption of technology, leadership style and business innovation to operationalize efficiency. The recommendation out of this study is that the mobile operators should keenly analyze and consider investing in new technology by identifying what is only mandatory and appropriate to improve operational systems and solve problems that will increase market performance. Safaricom should improve on their public relations (PR) and corporate social responsibility (CSR) to enhance customer participation and interaction, for this will help in identifying the kind of technology that is appropriate to be adopted to enhance the competitive edge and increase their market performance. The devices used by the subscribers need to be technologically fit for purpose and affordable by the majority of the consumers. The company, through a strong research and development initiative, need to design the devices that are aimed at enhancing customer usage. This can be done by improving on customer feedback and acting swiftly on their joint proposals with the R&D team.

### **5.3.3 Implication of the Study**

The findings of this research have implication on the theory and academic, policy formulation, industry and practice. The study is of great significance to the industry players as it helps them understand the impact of technology adoption, leadership style, business innovation and firm competitiveness on the market performance by knowing the areas of concern and improve. The study will help the policy makers such as Communications Authority to develop policies that are aimed at creating a healthy competitive environment for the competitors in the industry. In a similar note, the study will help enlighten the mobile operators on how to have the best cost, product, service strategies to help enhance their market performance

### **5.4 Suggestions for further studies**

In order to get the true applicability of the study findings on the mobile operators in Kenya, the researcher should carry out further studies on the two other operators, Airtel Kenya and Telkom Kenya.

Other factors contributing to the significant level of the constant in the study, needs to be investigated.

From the findings Technology adoption was seen to have the least effect on market performance, this needs to be investigated further.

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## **APPENDICES**

### **Appendix I: Introduction Letter**

To The Respondents

**RE: MR. WILLYS ODHIAMBO ID 30052785- RESEARCH ASSISTANT**

I Denis Ochieng Radonji, is a student at Management University of Africa undertaking a Masters degree course in Management and Leadership. I am currently carrying out a research on ‘Technology Adoption, Leadership Style, Business Innovation and Firm competitiveness on Market Performance of Mobile Operators in Kenya, a case of Safaricom PLC’.

The purpose of this letter is to introduce the above mentioned person, Mr. Willys Odhiambo who will be collecting data through questionnaires on my behalf.

This activity shall be treated with utmost confidentiality without revealing your identity.

I am looking forward to your assistance and cooperation

**DENIS RADONJI**

## **Appendix II: Research Questionnaire**

The questionnaire is divided into two sections A and B. Section A is about the general information while section B is guide by the research objectives.

### **Section A: General Information**

Indicate by marking your choice

1. Gender

Male [     ]

Female [     ]

2. Age

18-30 [     ]

31-40 [     ]

41-50 [     ]

Above 50 [     ]

3. Highest Level of Education

Primary [     ]

Secondary [     ]

University [     ]

Others (specify)

4. How long have been using Safaricom products and/or services

0 -5 years [     ]

5 – 10 [     ]

10 – 15 [     ]

15 -20 [ ]

5. Preferred Mobile line

Safaricom [ ]

Airtel [ ]

Telkom [ ]

**Section B: Technology adoption**

| S/No | Statement                                                                        | Strongly disagree | disagree | Neutral | Agree | Strongly agree |
|------|----------------------------------------------------------------------------------|-------------------|----------|---------|-------|----------------|
| TA1  | Safaricom network is easily accessible to the user                               |                   |          |         |       |                |
| TA2  | The technologies offered by the company are user friendly                        |                   |          |         |       |                |
| TA 3 | Customers have gadgets that are compliant with technology offered by the company |                   |          |         |       |                |
| TA 4 | New products and services are designed with the customer in mind                 |                   |          |         |       |                |
| TA 5 | The Safaricom network quality is stable and can always be relied upon            |                   |          |         |       |                |

### Section C: Leadership Style

| S/No | Statement                                                                                                                            | Strongly disagree | Disagree | Neutral | Agree | Strongly agree |
|------|--------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------|---------|-------|----------------|
| LS1  | Safaricom way of business is long lasting and sustainable                                                                            |                   |          |         |       |                |
| LS2  | Safaricom has leadership structures that ensures enhanced participation of the employees in product/service delivery and development |                   |          |         |       |                |
| LS3  | Safaricom management has good structures for customer feedback to meet their needs and expectations                                  |                   |          |         |       |                |
| LS4  | Safaricom has made good leadership successions that has transformed the company.                                                     |                   |          |         |       |                |

### Section D: Business Innovation

| S/No | Statement                                                                                                                              | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|------|----------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------|---------|-------|----------------|
| BI1  | Safaricom regularly changes its business and operational processes to ensure efficient and effective service delivery to the customer. |                   |          |         |       |                |
| BI2  | Safaricom has ensured continuous product/services variety that has retained its customers.                                             |                   |          |         |       |                |
| BI3  | The business practices adopted by Safaricom are customer focused and drawn near to its customers and has enhance their performance.    |                   |          |         |       |                |
| BI4  | You can easily recognize and access Safaricom agents, dealers and products                                                             |                   |          |         |       |                |

### Section E: Firm Competitiveness

| S/No | Statement                                                                                                   | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|------|-------------------------------------------------------------------------------------------------------------|-------------------|----------|---------|-------|----------------|
| BI1  | You prefer Safaricom products and services due to good quality and reliability                              |                   |          |         |       |                |
| BI2  | You prefer Safaricom to other networks due to its competitive prices.                                       |                   |          |         |       |                |
| BI3  | Safaricom has specific products and services for its customers which are not available with other networks. |                   |          |         |       |                |
| BI4  | Safaricom has some additional value (specify)..... to its customers and Kenyan society at large.            |                   |          |         |       |                |

### Section E: Market performance

| S/No | Statement                                                                                                        | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|------|------------------------------------------------------------------------------------------------------------------|-------------------|----------|---------|-------|----------------|
| MP1  | Safaricom services are reliable and are available in most locations to the users.                                |                   |          |         |       |                |
| MP2  | Majority of the people you know, use Safaricom line as compared to other networks providers.                     |                   |          |         |       |                |
| MP3  | You would stick to Safaricom no matter the circumstance and recommend other customers to Safaricom.              |                   |          |         |       |                |
| MP4  | You perceive Safaricom to be getting bigger in terms of products, services and number of customers in the market |                   |          |         |       |                |

### APPENDIX III: TARGET POPULATION

| S/<br>N<br>o            | Target<br>Category                                                                                                                                     | Population | Total<br>Countrywide                       | Target<br>population<br>in Nairobi               | Target<br>Population |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------------------------------------|--------------------------------------------------|----------------------|
| 1.                      | Marketing: (Has 20 employees and uses 10 marketing agencies)                                                                                           |            | 20                                         | 20                                               | 20                   |
| 2.                      | Technical: The target was Technical staff under the Enterprise department who regularly interact with customers, hence they are relevant to this study |            | 110                                        | 78                                               | 78                   |
| 3.                      | Customer Care                                                                                                                                          |            | Total 67 customer care centers countrywide | 16 Customer Care centers with average staff of 9 | 144 (16x9)           |
| 4.                      | Dealers: There are total of 6250 dealers in Kenya. They are categorized as<br><br>Super Dealers<br><br>Big Dealers<br><br>Normal Dealers,              |            | 20 Big dealers were sampled in Nairobi     | 20 Dealers each with average 8 employees         | 160 (20x8)           |
| TOTAL TARGET POPULATION |                                                                                                                                                        |            |                                            |                                                  | <b>402</b>           |

Source: Safaricom



## APPENDIX IV: LETTER OF AUTHORIZATION



Date: 14<sup>th</sup> September 2021

TO WHOM IT MAY CONCERN

DENNIS OCHIENG RADONJI- MMI/17/00185/3/19

This letter serves to introduce the above named who is a (Master of Management and Leadership) student and is interested in carrying out research on Technology Adoption, Leadership Style, Business Innovation, Firm Competitiveness On Market Performance Of Mobile Operators In Kenya: A Case Of Safaricom Plc

Any assistance accorded to him, in pursuit of this study will be greatly appreciated.

Yours Sincerely,

Juster Nyaga  
Dean, School of Management and Leadership

## APPENDIX V: RESEARCH PERMIT

|                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>REPUBLIC OF KENYA</b>                                                                                                                                                                                                                                                           | <br><b>NATIONAL COMMISSION FOR<br/>SCIENCE, TECHNOLOGY &amp; INNOVATION</b>                           |
| Ref No: <b>709761</b>                                                                                                                                                                                                                                                                                                                                                   | Date of Issue: <b>20/September/2021</b>                                                                                                                                                  |
| <b>RESEARCH LICENSE</b>                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                          |
|                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                          |
| <b>This is to Certify that Mr. DENIS OCHIENG RADONJI of The Management University of Africa, has been licensed to conduct research in Nairobi on the topic: TECHNOLOGY ADOPTION, LEADERSHIP STYLE, BUSINESS INNOVATION, FIRM COMPETITIVENESS ON MARKET PERFORMANCE OF MOBILE OPERATORS IN KENYA; A CASE OF SAFARICOM PLC for the period ending : 20/September/2022.</b> |                                                                                                                                                                                          |
| License No: <b>NACOSTI/P/21/13080</b>                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                          |
| <b>709761</b><br>Applicant Identification Number                                                                                                                                                                                                                                                                                                                        | <br>Director General<br><b>NATIONAL COMMISSION FOR<br/>SCIENCE, TECHNOLOGY &amp;<br/>INNOVATION</b> |
|                                                                                                                                                                                                                                                                                                                                                                         | Verification QR Code<br>                                                                            |
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## **APPENDIX VI: PLAGIARISM REPORT**