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Influence of Strategic Responses on Project Performance of the Telecommunication Sector: A Case of Telkom Kenya Limited, Nairobi County

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Abstract

Purpose: Globalization and the global dynamics of the market are forcing many enterprises, including the telecommunications industry, to develop new strategies. The trends and the dynamic development in the telecommunications market are the starting points for a company's sourcing strategy and they form the framework for action. The purpose of this study was therefore to determine the influence of strategic responses on project performance in the telecommunication sector.

Methodology: The target population was composed all employees of TKL as contained in the personnel register as at 31st January 2015. These are a total of 3000 employees but the study only targeted a population of the 300 management staff. Data collected from the questionnaires was converted from responses to quantitative format for ease in analysis using statistical package for social sciences (SPSS Version 20).

Results: Strategic pricing, sstrategic human resource training, strategic lobbying and strategic product development were all found to be positively and significantly related to project performance.

Unique contribution to theory, practice and policy: The study recommended that Project managers should focus more of their effort on strategic pricing strategy because there was a significant level of effect of penetration pricing strategy on the number of customers, customer loyalty and quality of service, creating and implementing policies and human resource development practices which can ensure their contribution to acquiring the organizational goals.
Keywords: *strategic pricing, strategic human resource training, strategic lobbying, strategic product development*

1.0 INTRODUCTION

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

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

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

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

In Kenya, Telkom Kenya Limited (TKL) is expected to undergo major shifts in strategy after the main shareholder, the Government, offloaded its entire original stake to the strategic investor, France Telecom. Subsequently, TKL has embarked on new product development. Its newly launched wireless Code Division Multiple Access (CDMA) service will see the firm nearly doubling its total number of lines in the coming year.

1.2 Problem Statement

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

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

1.3 Specific Objectives

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

2.0 LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Market Based Theory

Market-based theory (MBT) of organizations, notably firms, refers to a conceptual paradigm that puts markets center stage in its explanation of the nature, growth, and strategies of firms. The

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

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

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

2.1.2 The Resource-Based Theory

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

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

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

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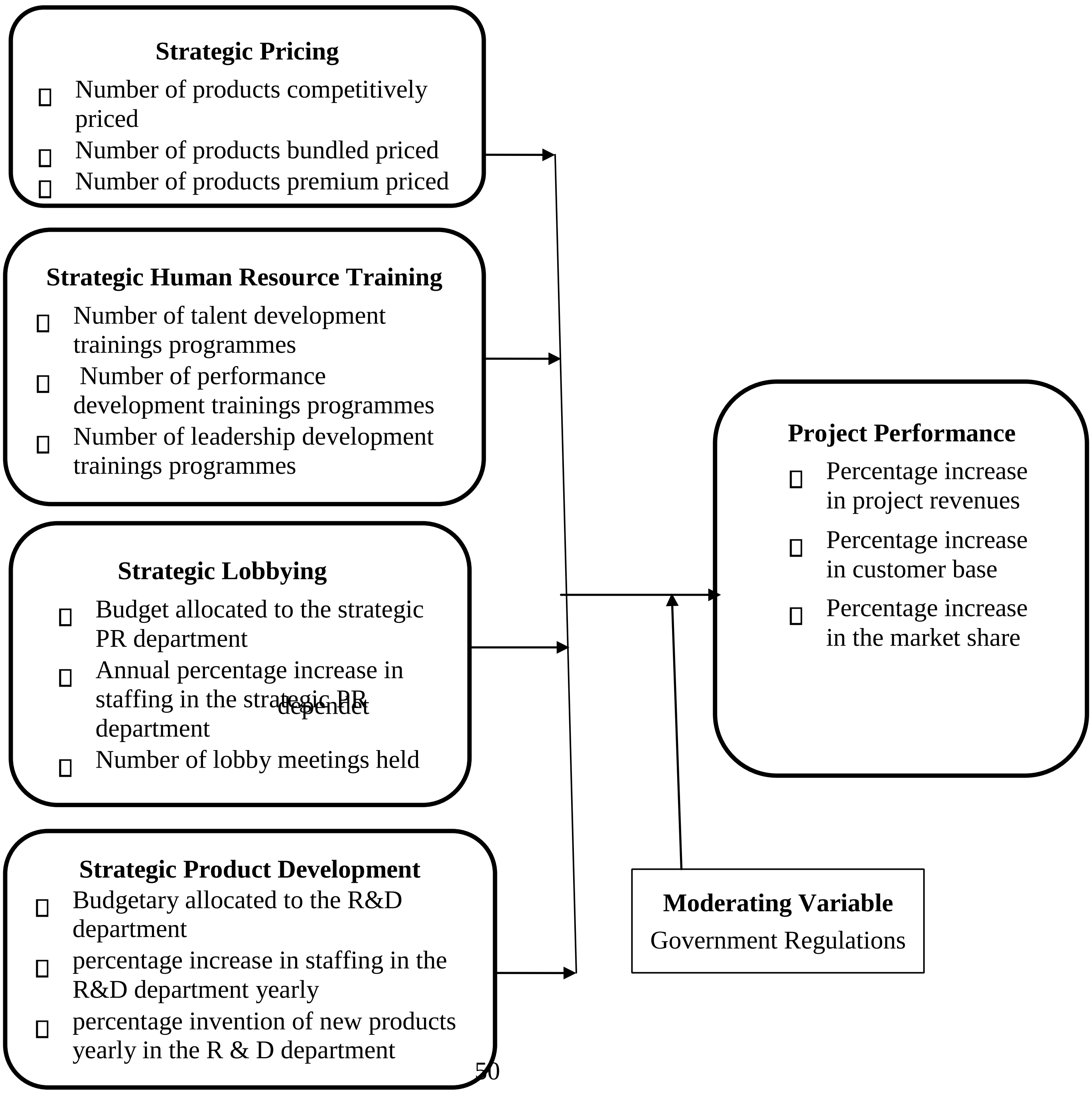
2.2 Conceptual Framework Figure 1: Conceptual Framework

2.3 Empirical Review

Volpe (2011) study draws upon literature from the fields of agricultural economics, industrial organization, and business to study the performance of supermarkets in the United States. The empirical work draws from a rich dataset on the characteristics of supermarkets across the U.S. to



test several hypotheses. The study revealed that supermarkets utilizing everyday low pricing operate more efficiently than those using other strategies. Stores increase their performance by using strategies of their closest competitors.

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

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

Lyon and Maxwell (2013) studied three corporate nonmarket strategies designed to influence the lobbying behavior of other special interest groups. Astroturf in which the firm covertly subsidizes a group with similar views to lobby when it normally would not, the bear hug, in which the firm pays a group to alter its lobbying activities and self-regulation in which the firm voluntarily limits the potential social harm from its activities. All three strategies reduce the in formativeness of lobbying and all reduce the payoff of the public decision maker.

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

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

The purpose of the study by Adiele and Amue (2012) was to access empirically the extent to which new product development influences consumer adoption and innovative behaviour in the high-tech consumer durable electronics companies in Rivers State of Nigeria. The nomothetic methodology was adopted and forty copies of structured questionnaire were our primary data collection instrument which was distributed to five functional and registered high-Tech consumer durable electronics marketing companies in Port Harcourt. Moreso, from the forty copies of questionnaire distributed, thirty five copies were retrieved and qualified for use.
However, the postulated hypotheses were tested by employing the Spearman's Rank Correlation Coefficient Statistical Tool (SRCC) which was facilitated by the Statistical Packages for Social Sciences (SPSS) version 15.0. The study revealed that a significant relationship exists between NPD and CIB and also, that amongst the measures of CIB, that consumer personality and perception impacts more significantly on NPD.

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

3.0 RESEARCH METHODOLOGY

This study was quantitative in nature and employed a descriptive research design. The target population was composed of all employees of TKL as contained in the personnel register as at 31st January 2015. These were a total of 3000 employees but the study only targeted a population of the 300 management staff in Nairobi County. A sample size used was 96 respondents. Stratified random sampling was used to select the managers for each category for the study. The study used a semi structured questionnaire to obtain primary data. A pilot study was conducted in order to establish the validity and reliability of data collection instruments. The questionnaire was pre-tested on a pilot set of 9 respondents for comprehension, logic and relevance.

In order to test and enhance the validity of the questionnaire, the researcher randomly selected respondents and one research supervisor to discuss the validity on the contents of the questionnaire.

Reliability analysis was used to assess the internal consistency among the variables of the study. Nine Questionnaires were distributed to randomly selected Telkom managers within the target sample as a pretest where adjustments were placed on the questions to ensure accuracy and objectivity. The reliability of the study measures what was assessed by computing Cronbach's Alpha coefficient. Data was analyzed using quantitative and qualitative techniques.

A linear regression model was used tolink independent variables against the dependent variable.

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

Y = the value of the dependent variable

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

X_i for;

X_1 = strategic pricing

X_2 = strategic human resource training

X_3 = strategic lobbying

X_4 =strategic product development

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

Y =Project performance in the telecommunication sector

4.0 RESULTS AND DISCUSSIONS

4.1 Response Rate

The number of questionnaires that were administered was 96. A total of 78 questionnaires were received out of a possible 96 questionnaires. This a response rate of 81%. The unsuccessful response rate was 18 questionnaires (19%). The response rate matrix is presented on Table 1.

Table 1: Response Rate

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

4.2 Demographic information

4.2.1 Gender

The respondents were asked to indicate their gender. The majority of respondents were male as supported by 53.2% while the female respondents are 45.6 %. This implies that the leadership of TKL is male dominated. The gender distribution may have had an influence on strategic pricing, strategic product development, strategic lobbying, and strategic public relations on performance. The findings are presented in table 2

Table 4.2: Gender

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

4.2.2 Age

The respondents were asked to indicate their age. According to study findings, 35.4 percent of respondents are aged between 18-35years, 30.4 percent aged between 36-55 years and 32.9 percent aged 56 years and . This implies that the study population is mature and will be able to understand the questionnaire. The age distribution may have had an influence on strategic pricing, strategic product development, strategic lobbying, and strategic public relations on performance. The findings are presented in table 3

Table 3 Age of respondents

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

4.2.3 Years Employed in Current Position

The respondents were asked to indicate how many years they had been employed in their current positions. The majority of respondents at 34 percent had been in the firm for 3-5 years while 23 percent had been in the firm for less than 2 years and 21 percent had worked in the firm for more than 5 years. The finding implies that the respondents are experienced enough to answer the study questions. The years employed may have had an influence on strategic pricing, strategic product development, strategic lobbying, strategic public relations and on performance. The findings are presented in table 4

Table 4 Years employed in current position

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

Total	**100%**

4.2.4 Position Employed

The respondents were asked to indicate what position they hold in the running of TKL.41.03 percent of respondents are in the middle management, 39.74% of the respondents were supervisors while the respondents in the top management were 19.23% implying that the respondents are in a more informed position to reply accurately to the questions. The position employed may have had an influence on strategic pricing, strategic product development, strategic lobbying, and strategic public relations on performance. The findings are presented in figure 5

Table 5 Position of employment

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

4.3 Descriptive statistics

4.3.1 Strategic Pricing and Project Performance

The study sought to establish the impact of strategic pricing on project performance. The results are presented in table 6. The responses indicated that a total of 92.3% of the products were competitively priced, 92.3% bundle priced and 93.6% premium priced. These results imply that strategic pricing responses are well adopted in the firm and have an influence on project performance in particular increase in project revenues, increase in project customer base and increase in organization market share.

Table 6 Strategic pricing and project performance

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

Further, strategic pricing showed a positive and significant relationship with project performance as supported by a positive coefficient of 0.405 in table7.

Table 7: Relationship between Strategic pricing and Project Performance

	Strategic Pricing

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

4.3.2 Strategic Human Resource Training and Project Performance

The study sought to establish the impact of human resource training on project performance. The results are presented in Table 8. The results indicated that a total of 97.4 % trainings on talent development, performance development and leadership development had been carried out in the past 1 year. These results imply that strategic human resource training responses are well adopted in the firm and may have had an influence on project performance in particular increase in project revenues, increase in project customer base and increase in organization market share.

Table 8 Strategic Human resource training and project performance

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

Further, Strategic HR Training showed a positive and significant relationship with project performance as supported by a positive coefficient of 0.305 as in table 9.

Table 9: Relationship between Strategic Human Resource Training and Project Performance

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

4.3.3 Strategic Lobbying and Project Performance

The study sought to establish the impact of strategic lobbying on project performance. The results are presented in Table 10. Results indicated that 98.7% of the respondents' responses indicated that there is allocation of public relations budget, public relation staffing and public relation meetings. Results imply that strategic responses are well adopted in the firm and have an influence on project performance in particular increase in project revenues, increase in project customer base

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and increase in organization market share. **Table 10: Strategic lobbying and Project Performance**

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

Further, results showed that strategic Lobbying showed a positive and significant relationship with project performance as supported by a positive coefficient of 0.378 as in table 11.

Table 11: Relationship between strategic lobbying and Project Performance

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

4.3.4 Strategic Product Development and Project Performance

The study sought to establish the impact of strategic product development on project performance. The study sought to establish the impact of strategic product development on project performance. The results are presented in Table 12. Results indicated that 97.4% of the respondents' responses indicated that there is allocation of R&D budget, R&D staffing and invention of new products. Results imply that strategic responses are well adopted in the firm and have an influence on project performance in particular increase in project revenues, increase in project customer base and increase in organization market share.

Table 12 Strategic product development and Project Performance

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

Further, Strategic Product Development showed a positive and significant relationship as supported by a positive coefficient of 0.240 as in table 13.

Table 13: Relationship between Strategic Product Development and Project Performance.

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

4.3.5 Project Performance

The study sought to establish project performance. The results are presented in Table 14. Results imply that the adoption of strategic pricing, strategic human resource training, strategic lobbying and strategic product development had impacted on the various project performance of Telkom Kenya.

Table 14 Strategic Responses and Project performance

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

4.4 Regression Analy sis

4.4.1 Correlation matrix

Table 15: Correlation Matrix

Responses	Correlation	Strategic pricing	Strategic HR training	Strategic product development	Strategic Lobbying	Project performance
Strategic pricing	Pearson Correlation	1				
	Sig. (2-tailed)					
Strategic HR training	Pearson Correlation					
	Sig. (2-	0.177	1			

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

4.4.2 Model fitness

The results presented in table 16 present the fitness of model used of the regression model in explaining the study phenomena. Strategic pricing, strategic human resource training, strategic lobbying and strategic product development found to be satisfactory variables in explaining profitability of TKL. This is supported by coefficient of determination also known as the R square of 74.6%. This means that strategic pricing, strategic human resource training, strategic lobbying and strategic product development explain 74.6% of the variations in the dependent variable which is project performance. This results further means that the model applied to link the relationship of the variables was satisfactory.

Table 16: Model fitness

Model	R	R Square	Adjusted R Square

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0.864 0.746 0.723

4.4.3 Model significance

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

Table 17: Model Significance

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

4.4.4 Model significance

Regression of coefficients results in table 18 shows that there is a positive and significant relationship between strategic pricing, strategic lobbying, strategic human resource training, strategic product development and project performance as supported by beta coefficients of 0.316, 0.202, 0.175 and 0.101 respectively. These results show that an increase in the unit change of any of the variables would result to an increase in project performance. **Table 18: Regression of Coefficients**

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

The multiple linear regression model is as shown .

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

Y = Project performance

X_1 = strategic pricing

X_2 = strategic human resource training

X_3 = strategic lobbying

X_4 = strategic product development

Thus, the optimal model for the study is;

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

5.0 DISCUSSION CONCLUSIONS AND RECOMMENDATIONS

5.1 Findings

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

The second objective of the study was to identify the effects of strategic human resource training on project performance. Results revealed that strategic human resource training responses had not impacted to project performance in TKL. The results show that talent development training, performance development training and leadership development training are all policies that existed in TKL. The results implied that strategic human resource responses that existed in TKL impacted on project performance. This findings were supported by the results of a Pearson correlation analysis (r=0.305) and regression analysis where the coefficient strategic human resource had a value of 0.175 implying a positive relationship with project performance.

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

5.2 Conclusions

Results of the analysis reveal the existence of a relationship between strategic relationship and firm performance. It was observed that firms that exhibit higher levels of strategic responses perform better in both financial and non-financial indicators compared to those exhibiting low levels of strategic planning. Examining the strategic responses constituent variables and there link to performance, it was evident that no doubt there are correlations between these constituent variables and performance. These findings are also In agreement with those of other studies which observed that indeed there is a relationship between strategic planning and firm performance all of which concluded that there is a link between strategic planning and firm performance. This finding, therefore, is an indication that findings from previous studies, carried out in the developed countries, during different time periods, within businesses and utilizing mainly financial performance measures are in tandem with the ones from the developing countries context i.e. the relationship between strategic responses and firm performance could exist regardless of context (geographical or business sector).

5.3 Recommendations

This study mainly focused on the connection between the strategic responses and firm performance. It would be of interest to investigate the role of intervening variables in translating the strategic responses intentions into reality. Every step in the strategic response process is important. The firm's purpose should be clear enough for the workers to know that they are on the right track. The business environment has to be critically analyzed, for the organization to understand its internal competences or business opportunities from where appropriate strategies are crafted to facilitate a fit and success. In a nutshell the process of strategic responses should be given its deserved attention in terms of all the prescribed steps within the existing literature.

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

5.4 Suggestions for Further Studies

The study suggestions relate to what areas that the current study did not address. These include studies in the telecommunication sector and also in the conceptual area of strategic responses and project performance. The suggestions also relate to application of the topic to other sectors. The specific recommendations for further study include; impact of strategic responses on project performance by focusing on other sectors other than the telecommunication industry in order to depict reliable information in order to depict reliable information that illustrates real situations in across all sectors.

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