

INFLUENCE OF STRATEGIC DIRECTION AND HUMAN CAPITAL ON COMPETITIVE ADVANTAGE IN THE TELECOMMUNICATIONS INDUSTRY IN KENYA: A CASE OF SAFARICOM LIMITED

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ABSTRACT

This study's overall aim was to identify the influence of strategic direction on competitive advantage in the telecommunications industry in Kenya: A Case of Safaricom Limited. Strategic direction is one of the important factors in the promotion of organizations' performance across the globe. Intense competition in the global telecommunications field has resulted in heavy investments in innovative strategies to remain competitive. The competitive increase in Kenya's telecommunication industry has created a necessity for each organization to adopt a unique leadership direction in order to gain an outstanding position amidst rivals. This study, therefore, sought to assess the influence of strategic direction, and the development of human capital on competitive advantage in the telecommunications industry. A descriptive research design was used in this investigation. The target respondents were 3,500 staff working at Safaricom Limited in Nairobi. The sample size for this study was 10 percent of the overall workforce, which summed up to 350 employees. The study adopted primary data, which was collected using questionnaires. In order to evaluate and understand the obtained data, quantitative data was examined using SPSS version 24 software. For the study, Pearson correlation was used in order to determine the degree of association between study variables. According to the study, strategic direction and human capital development have a significant impact on competitive advantage. The findings revealed that strategic direction has a significant impact on Safaricom Limited's competitive advantage. According to the study, Safaricom Limited's competitive advantage increased as a result of the increased development of human capital.

Keywords: *Strategic direction, Development of human capital, Competitive advantage*

1.0 Introduction

The Government of Kenya has identified the telecommunications industry as crucial to the country's rapid economic growth, and this industry is currently riding a wave of digital advancement that is expected to have a significant impact on the telecommunications, digital services, and cybersecurity markets. The growth of Kenya's economy is widely acknowledged to depend on the establishment of a reliable and low-cost telecommunications network across the nation. The Communications Authority of Kenya (CA) is the government agency in charge of regulating the country's telecommunications industry. CA provides for the continuance and encourages the growth of effective competition among Kenya's various commercial providers of telecommunications services. This guarantees that services that boost Research & Development (R&D) in the industry are provided in an economical and efficient manner. Additionally, the Communications Authority of Kenya conducts ongoing evaluations of the sector to promote competition and prevent anti-competitive behavior on the part of licensed businesses (Chesula & Kiriinya, 2018).

Strategic leadership is a practice that has been mentioned as an important strategy for leading 21st century firms (Ireland & Hitt, 2019). It is considered a critical strategy in the modern, unpredictable environments that most organizations, including alumni associations, are forced to work in. Scholars have argued that the practice of strategic leadership helps promote the performance of organizations. This is because strategic leaders are able to plan for the future after the prediction of various challenges in the world (Samuel, et al., 2017). Belias, et al., (2017) also argued that strategic leaders influence their followers or employees and are futuristic, which means that they value both long-term and short-term organizational goals at the same time. According to Borkovskaya (2018), strategic leaders have vital traits that include cognitive ability, future orientation, interpersonal relations, the ability to focus on the big picture, proactive and risk-taking propensity. As a result, strategic leadership is one of the important factors in the promotion of the performance of organizations across the globe. This is because strategic leadership entails exploring and maintaining unique core competencies, determining strategic direction, emphasizing ethical practices, and planning for the company's future needs.

Strategic planning and evaluation are essential in today's corporate environment since it is becoming increasingly complicated, unpredictable, and chaotic. According to the authors, strategy execution necessitates managers being on the lookout for potential issues in their organizations, identifying roadblocks to good execution, and clearing the way for progress. Managers' goal and priority should always be to produce better results as quickly as possible and as productively as possible. Leading the implementation and/or execution of strategies and personally driving the pace of success is the responsibility of the senior executives (Doll, 2020). The managers are required to be out in the field, gathering information and assessing progress.

In order to survive in tumultuous settings, strategic leaders in the telecommunications sector must possess certain qualities, and therefore further study is needed to determine how strategic leaders adapt to dynamic circumstances, making it possible for a company to function better if it has strong strategic leadership. This study seeks to examine the role of strategic leadership practices on competitive advantage in the telecommunications industry: A case of Safaricom Limited. The concept of strategic leadership is of great importance in enhancing the competitive advantage of an organization

1.1 Statement of the Problem

The concept of strategic leadership has been described as one of the key factors in driving organizational change. This is because strategic leadership is associated with the ability to motivate and anticipate changes in the environment. According to a study done by Özer and Tınaztepe (2018) in the UK to determine the effects of strategic leadership on performance using a case method, it was found that companies that have adopted strategic leadership have experienced high performance in their operations. This is because strategic leaders have the ability to manage, solve problems, and adapt based on the new changes in the environment. Additionally, the concept of strategic leadership is also associated with effective decision-making and strategic collaboration. Olaka, Lewa, and Kiriri (2017) contended that strategic leadership provides global firms with the ability to collaborate with other firms as well as the opportunity to improve their performance. Thus, it can be argued that strategic leadership helps firms promote their productivity and performance levels.

The telecommunications industry in Kenya has been confronted with a number of difficulties that have hampered its expansion and competitiveness. A major driving force for this research project is that Kenya's communications sector operates in a highly unpredictable business environment that is prone to difficulties, such as political anxiety, competition from new entrants, and social reform. Because of competition, marketing professionals always look for ways to get a competitive edge that will lead to greater financial success. As a result of these problems, the Kenyan telecommunications sector must employ a variety of methods to remain competitive in the global marketplace. As a result, this study focuses on exposing the different strategic leadership approaches that may be used to obtain a competitive edge in the market.

Building an edge over rivals in a specific sector is crucial for survival. Safaricom seems to have had this edge over competitors like Airtel Networks Kenya Limited, Telkom Kenya Limited (Orange), Essar Telecom Kenya Limited (YU), and the Equitel money platform of Equity Bank Limited, for some time now. Safaricom has shown this over the previous five years by consistently outperforming its rivals. For instance, Safaricom had a net profit of Kshs. 38.104 billion in 2016. (Safaricom Limited Annual report, 2016). Safaricom limited has a variety of openings it may use to get an edge in the market. Opportunities for internet marketing, increased creativity, and the creation of brand-new services, technologies, markets, products, and business models are just a few examples. Safaricom is in a position to do so because of a number of factors, including its advanced technology, capable management, large client base, and high level of consumer loyalty (Kinuthia, 2014). By capitalizing on these advantages, Safaricom will ensure its continued success and stay ahead of the competition.

Various studies have been done to find out the effects of strategic leadership on the performance of different organizations worldwide. For example, in the United States of America, Borkovskaya (2018) also confirmed that strategic leadership plays a critical role in the success of any company. Strategic leadership is the epicenter of organizational operational success because it helps harmonize the different strategies because the plans are derived from various issues in the firm. The study concluded that effective strategic leadership leads to enhanced firm performance. In the UK, Akhtar, Kaur, and Punjaisri (2017) evaluated the value chain systems that promote strategic leadership effectiveness in organizations and noted that strategic leadership is associated with effective decision making, problem solving, and the ability to motivate others. The study also found that strategic leaders have the ability to anticipate changes in the external environment, and this is important in managing the performance of the organization.

The study also suggested the need for global firms to adopt strategic leadership frameworks in their operations. In Indonesia, Samuel, Siagian, and Octavia (2017) noted that strategic leadership should be based on modern innovation to promote the market share and performance of the firm. Additionally, in Lebanon, Omer, Sadq, and Ahmed (2017) found that strategic leadership practices are important in coordinating the future performance of the organization. The study was done using the case of Korek Telecom Company, and its findings confirmed that strategic leaders have strategic thinking skills and the ability to anticipate future problems. In Pakistan, Carter and Greer (2017) noted in their study to determine key plans and firm productivity that strategic leadership is critical to effective strategy implementation, thus promoting firm performance. The study adopted a cross-sectional design and noted that the increased rate of failure in organizational operations had become an issue of serious concern in companies.

In Kenya, Kahiga (2017) looked at the National Bank of Kenya to assess the impact of strategic leadership actions on competitive advantage. The study noted that a strategic plan is a hallmark of achieving success in firms. It noted that firms should adopt strategic leadership in managing their organizations. Notably, Nyong'a and Maina (2019) conducted a study to evaluate the factors that impact strategic leadership success in companies. The study used A case of the Kenya Revenue Authority and noted that adoption of collaborative management and change anticipation were core values within the strategic leadership framework. Additionally, a study by Olaka, Lewa and Kiriri (2017) found that strategic leadership influences the performance of banks in the country in a positive way. Accordingly, Kabetu and Iravo (2018) investigated how strategic leadership impacts the performance of NGOs in Kenya and noted that strategic leadership is a key element for the success and performance of NGOs in the country and the performance of International NGOs in the country. In their analysis of strategic leadership, Kitonga, Bichanga and Muema (2016) contended that strategic leadership influences positively the performance of County governments in the country. The study used a case of Nairobi County in Kenya. Kising'u (2017) also studied Kenyan public and private universities to evaluate how strategic factors and issues can promote the quality of services delivered by telecommunication companies. The inquiry reaffirmed the view that strategic parameters help achieve high quality in all telecommunication firms in the country. However, some of these studies were done outside the country, while others were done using a cross-sectional design and were done in the past. Therefore, this study aimed to fill the existing information gap in the telecommunication sector in Kenya with reference to Safaricom Ltd as a study and specifically to establish the influence of strategic direction on competitive advantage in the telecommunications industry in Kenya: A case of Safaricom Limited.

1.2 Specific Objective of the Study

- i. To determine the influence of strategic direction on competitive advantage in the telecommunications industry in Kenya: A Case of Safaricom Limited
- ii. To determine the influence of developing human capital on competitive advantage in the telecommunications industry in Kenya: A Case of Safaricom Limited

1.3 Scope of the Study

This study focused on influence, strategic direction, and competitive advantage in the telecommunications industry: A Case of Safaricom Limited. Specifically, this study sought to determine the influence of strategic direction and developing human capital on competitive

advantage in the telecommunications industry: a case of Safaricom Limited. The research was confined to Safaricom Limited branches in Nairobi City Centre. The study targeted senior management, middle-level managers, and non-management staff to provide answers to the questionnaires that were provided in the survey that provided the much-needed information for the research. The target population was 3,500 staff working with Safaricom Limited in Nairobi. This study was carried out between 2015 to 2021 because this is the period when competitiveness in the telecommunication sector in Kenya has intensified.

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2.0 Literature Review

2.1 Theoretical Framework

This paper was anchored on upper echelon theory, transformational leadership theory, and contingency theory of leadership.

2.1.1 Upper Echelon Theory

The theory is based on the work of Hambrick and Mason (1984). The model explains the behaviors of the top leadership in organizations. The Upper Echelon Theory holds that a company is a replication of the intellect and characteristics of its top leadership. This implies that the personal principles and beliefs of top leadership in a company affect the company's view of the environment as well as the decisions and choices they make with regard to strategy and its implementation. Hambrick (2007) further noted that managerial and leadership powers determine how an organization can solve its main problems.

The assumption of the theory is that top management of organizations influences major decisions in the firm and they must have skills that impact positive attitudes in the organization. Therefore, managers with more discretion are expected to have more influence on the employees. The Upper Echelon Theory explains that the demographic features are, to a greater extent, interwoven with the cognitive and psychological traits of the top leaders of an organization (Ting, *et al.*, 2018).

In this study, the theory will help to determine how strategic leadership at Safaricom Limited in Kenya can adopt effective leadership skills to promote their performance. This will enable the leadership to adopt moral and ethical statutes in the business industry. The operations of a company are more often the reflection of the actions and beliefs of the organization's top management and Safaricom Limited top leadership will use the model to improve their performance and success in various programs.

2.1.2 Transformational Leadership Theory

This theory is associated with the works of Bass (2005). The founder of the theory noted that postulates that managers and top leaders of the firms should be motivators of their workers in order for the workers to perform beyond expectation. Increased employee performance would thus improve the performance of the company to effectively compete in the dynamic markets.

The increased market competition and increased customer expectations have led to the development of new ideas about leadership and one such example of these new ideas is packed under the concept of transformational leadership theory (Borkovskaya, 2018). The proponents of the theory argue that transformational leaders inspire new employees' concepts and do not publicly

criticize them for their mistakes. Transformational leaders concentrate on solving problems rather than blaming workers for their failures, leading to success and teamwork in the firm (Kahiga, 2017).

According to Carter and Greer, (2017), the key proposition of the theory is that it supports the view that there exists a significant effect of leaders on other employees of any organization. This is because such transformational leaders offer alternative solutions to emerging problems thus influencing workers to perform beyond expectation. It has been noted that significant transformational leadership actions lead to lower levels of worker frustration thus increasing performance levels and this is why transformational leadership should be encouraged in all sections and departments in organizations (Kabetu & Iravo, 2018). Some of the critical characteristics of transformational leaders that directly impact their firms include having a vision, being inspiring, possessing managerial leadership qualities, and being daring and risk takers. Since transformational leaders encourage new ideas by promoting innovativeness and creativity, their efforts result in the high performance of the organization (Kising'u, 2017).

The theory is suitable and relevant to this study since it will encourage strategic leadership within Safaricom Limited to adopt transformational leadership and motivate workers in the organization to always look out for effective ways of carrying out business processes that maximize the use of resources of the company while reducing wastage. It will also push the association to think of new ideas and adopt teamwork, which is important for the promotion of high performance in the association. A transformational leadership model can also help to promote problem-solving and quick decision-making within the organization.

2.1.3 Contingency Theory of leadership

The Contingency Theory of Leadership underpins the Strategic Leadership Concept. A leader's efficacy, according to Fiedler (1967), is determined by a leader's style, personality traits, task arrangement, and leadership strength. The environment of a firm will determine the leadership style of a management team. Determining how to repair an issue depends on the variables causing it (Kriger & Seng, 2018).

Contingency solutions outside of organizational theory and leadership theory are still a work in progress, despite the fact that the contingency approach is meant to apply to all aspects of management, not only organization and management. Fiedler's Leadership Contingency Theory was found to be ineffective, leading to the development of a theory of leadership based on features (Kriger & Seng, 2018). Leading styles are discovered to be influenced by several situations. Fiedler argues that the management situation is mostly determined by the executive's reliance, organizational structure, and hierarchy of power.

The theory is suitable and relevant to this study since a leader's productivity in the high hierarchy of the firm is dependent on his ability to adapt or change his style. This is an issue in organizations where managers are satisfied with their current achievements and hence do not bear in mind their ability to achieve the same level of excellence in the future. The ability of the firm's leaders to articulate a vision and path that allows a firm to change and innovate is essential in encouraging an inspired reaction to new challenges.

The contingency theory is criticized as it does not explain the reasons why some styles of leadership are effective in specific situations only. The theory is also criticized that the LPC scale used does not relate well with the other leadership gauges. (Northouse, 2018).

2.2 Empirical Studies

2.1.2 Strategic Direction

Small and medium companies in Lagos, Nigeria, were studied by Makinde (2015) to determine the relationship between strategic planning and performance. SME performance was shown to be significantly and positively affected by strategic planning factors, according to his research. When small and medium companies in Lagos began to employ strategic planning, their performance improved. To attain targeted targets, managers should have the correct attitude in planning and at work owing to proactivity and ingenuity.

Poku (2017) in Ghana established that strategic planning was an instrument that was essential for planning and forecasting for corporate bodies that was articulated to the departments and employees within the bank through strategic planning and performance at the Agricultural Development Bank. The performance of the bank was affected positively by the adoption of the strategic planning put in place by the employees. To achieve the bank's strategic planning policy, an in-depth program evaluation was conducted.

They found that organizational, environmental, and management variables affected the intensity of strategic planning, which in turn led to improved organizational performance. Akinyele and Fasogbon (2007) similarly found that strategic planning increased organizational performance. As a result of their findings, they found that strategic planning does increase performance and organizational survival. According to the results of the study, strategic planning improved organizational performance, which also indicated that there was a relationship between strategic planning and an organization's longevity. Organizations should give importance to aspects of strategic planning, such as a written mission statement, a future vision for the company, and core values on norms of behavior, realistic goals, action plans, long-term targets, and execution and follow-up. Both internal and external environmental analyses were conducted by organizations. This was done by analyzing the strengths, weaknesses, opportunities, and dangers that were identified by the organization.

It was determined by Grace (2015) that strategic planning has a significant impact on the success of Nairobi's small and medium-sized companies in the information, communication, and technology sectors. The findings through regression analysis revealed that the actions and processes in strategic planning were significant in the ICT small and medium enterprises' performance, improving competitive advantage, learning and growth by 17% and 24%, respectively. The study concluded that strategic planning actions and processes significantly influenced the performance of the small and medium enterprises in the ICT sector in Nairobi. Environmental factors were found to have a positive but insignificant effect on the performance outcomes of strategic planning. Organizational characteristics had positive and moderate influences on the performance outcomes of strategic planning. She recommended that managers

and entrepreneurs of ICT small and medium enterprises concentrate on building their capabilities to implement and develop effective activities in strategic planning.

Strategic planning and performance were examined by Adan (2018) in Kenya, focusing on the National Bank of Kenya. Based on the study's findings, many banks were forced to repackage their services and employ alternative tactics in order to increase their market share and maintain it. As part of his recommendations, he suggested using strategic planning techniques that take into account the future implications of present actions and that the executive director and board offer assistance in establishing the strategic planning process and implementing the plan.

Manguru (2011) studied the relationship between strategic management techniques and Naivas Limited's performance, but did not address strategic planning in any manner. She concluded that strategic management played a big role in the success of Naivas Limited and that they received feedback from their customers that they were satisfied with the services the company offered. This led to the attraction of new customers to Naivas and the retention of existing ones.

2.2.2 Developing Human Capital

Shaheen, (2016) used employee performance as the mediator in an empirical study. In this specific study, the researchers aimed to establish the relationship between employees' training and both individual and organizational performance, and whether individual performance played any sort of mediating function between employee training and organizational performance. The research suggests that education and training might increase instructors' performance. Data was gathered using both quantitative and qualitative methods, with 220 questionnaires distributed to instructors, 197 of which were returned, representing a 90% response rate. Based on the results, SPSS was utilized to analyze the data and make decisions about training efficacy and employee performance based on the results. With the help of SPSS, correlation and regression were carried out with the aim of obtaining findings. Overall, the results showed a strong and favorable relationship between training and organizational effectiveness. Employee performance also had a part in resolving the situation. In general, both conceptually and statistically, the model was strongly supported.

A Study on Human Capital Investments and Employee Performance: An Analysis of the IT Services Industry was conducted by Ravi, *et al.*, in 2016. When it comes to employee performance, does human capital investment (HCI) that is geared toward employee training work? A panel data set was employed in order to determine the relationship between formal training and performance at the individual employee level. A study found a considerable favorable influence of training on employee performance using dynamic panel modeling. Employee performance improves by 2.14 percent for every additional unit of training, according to the study, employee's performance is also improved by general training outside of the target businesses.

The relationship between knowledge management and organizational performance was studied by Jelena, *et al.*, (2017). Organizations may improve their performance by generating, gathering, organizing, and applying knowledge. Structural equation modeling was used to assess the influence of knowledge management strategies on performance. Slovenia and Croatia were represented by 329 firms with more than 50 workers. Organizational performance is favorably

impacted by knowledge management techniques, as assessed by information technology, organizations, and knowledge.

Content analysis was used to investigate the link between human capital and organizational effectiveness by Josan (2016a). Competitiveness, innovation, and excellence are the hallmarks of organizational effectiveness. Competence and human capital investment are essential for competitiveness. Investments in education, health, and training make up the bulk of a person's human capital. According to the author, human capital factors like education and training play an important part in globalization. Training boosts productivity by 16 percent, according to available studies, but also profitability. Materials grew by more than twice as much as wages as a result of training. Human capital strategy is also a crucial component of \the strategic triangle of business strategy, human capital strategy, and human resource strategy.

2.3 Conceptual Framework

A conceptual framework is a diagrammatic representation showing the hypothesized association between variables of the study. In this study, it illustrates the interaction between strategic direction and developing human capital as independent variables and the competitive advantage of Safaricom Ltd. as the dependent variable as shown in Figure 1.

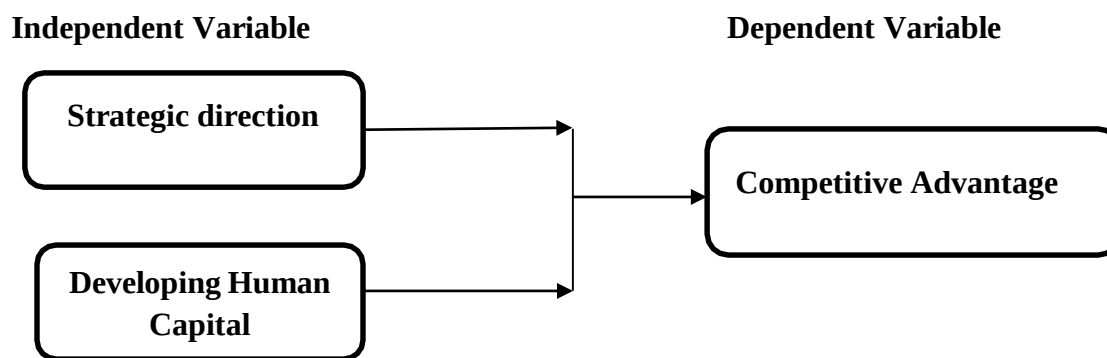


Figure 1: Conceptual Framework

3.0 Research Methodology

3.1 Research Design

According to Kothari and Garg (2018), a research design is an arrangement of circumstances for data collection and analysis designed to combine relevance to the study objective with the economy of the process (Kothari & Garg, 2018). This study adopted a descriptive research design. According to the Kenya Institute of Management (2009), this type of research design is focused on defining the characteristics of a person or a group of individuals. Describing natural phenomena through descriptive research can help researchers see and document intriguing natural phenomena (Kenya Institute of Management, 2009). In this study, a case was employed.

3.2 Target Population

According to Babbie, (2005), the target population is the complete collection of specimens from which the researcher hopes to draw conclusions. A theoretical population may or may not be as accurate as a real-life population. In this study, the target respondents were the 3,500 employees of Safaricom Limited who work at all levels of management in Nairobi's central business area.

3.3 Sample Population

Kothari and Garg (2018) define sampling as the act of selecting a subset of a population or universe to be considered representative. As a result of this, Kothari and Garg (2018), In this investigation, stratified random sampling will be employed. A sample item was produced by each of the three groups of participants in this study (Kenya Institute of Management, 2009). Taherdoost (2016) recommends a sample size of 10 percent or more. As recommended by Taherdoost (2016), the sample size of this study was comprised of 10% of the total target population, adding up to 350 respondents.

3.4 Data Collection Instruments

This study used primary data that was collected by way of a questionnaire. A questionnaire simply consists of written questions that respondents are required to provide an answer in the space provided. Questionnaires are preferred over other gathering methods because of their accuracy and privacy protection. The questionnaires were prepared in Likert style because of their capacity to produce data with equal intervals. A 5-point Likert scale was used to ask respondents to assess whether they believe a given statement describes the organization's force. Because questionnaires are devoid of bias and researcher interference, reliable and valid data may be acquired, according to Kothari (2003).

3.5 Data Analysis and Presentation

The study employed SPSS software version 27.0 to analyze the data. Tables and charts were used to explain the findings since they simplify results in a more understandable form. All diagrams bore tags so that the users could swiftly grasp the information being relayed. Various forms of measure of central tendency and dispersion were used to express descriptive statistics. The specific measurement used included mean, standard deviation, and frequency tables.

In order to derive inferential statistics, the research adopted multivariate regression analysis to find out the association among variables under consideration. The study statistical model involved two independent variables and one dependent variable.

The model assumed the expression:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon_i$$

Where: Y = Competitive advantage, X_1 = Strategic direction, X_2 = Developing human capital

β_0 = the intercept (value of Y when $X = 0$), ϵ_i = error term

4.0 Research Findings and Discussion

4.1 Response Rate

A total of 350 questionnaires were issued to the respondents, and the results were as follows: 82.3% of the questionnaires were fully filled out, while 17.7% were not fully filled out, so they

were not considered for the study analysis. This response rate was favorable and, according to Kothari (2009), a 50% response rate is considered adequate, 60% good, and anything above 70% is rated very well. This indicates that the response rate was adequate to be used in the research analysis.

Table 1: Return Rate

Response	Frequency	Per cent
Response	288	82.3
No response	62	17.7
Total	350	100.0

4.2 Reliability Results

The items of every study variable in the questionnaire were put through Cronbach's test and the Cronbach's alpha coefficient of the items under inquiry were way above the recommended benchmark of 0.7. The outcome of the pilot test revealed that strategic direction exhibited a Cronbach alpha coefficient of 0.874 and developing human capital had a Cronbach alpha of 0.881. From the study, results proved that all the items of the variables exhibited an alpha value higher than the acceptable threshold of 0.70.

Table 2: Reliability Analysis Results

Scale	No. of Respondents	No. of Items	Cronbach's Alpha	Decision
Resource Allocation	6	7	0.874	Accepted
Innovation	6	7	0.881	Accepted

4.3 Gender of the Respondents

The responses from the filed data show that 56.9% of the respondents who participated in the research study were male compared to 43.1% who were female, as shown in Figure 2. This suggests that gender representation was slightly un-propositional (in favor of the male)

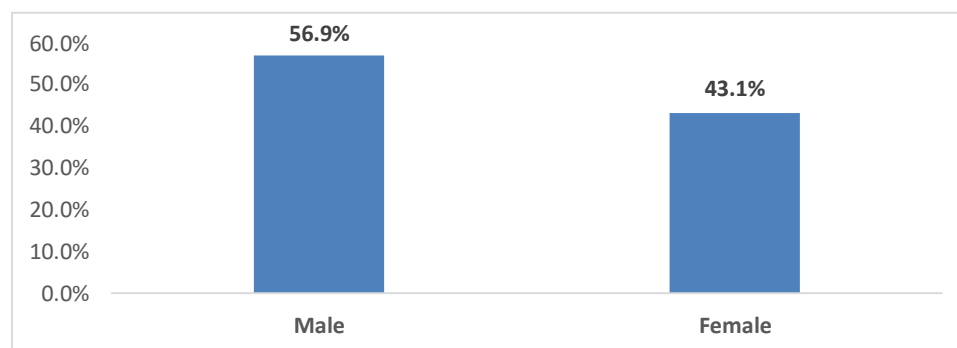


Figure 2: Gender of the Respondents

4.4 Descriptive Analysis

4.4.1 Strategic Direction on the Competitive Advantage of Safaricom

As per the study findings, the majority of the respondents strongly agreed that the organizational culture is clearly defined ($M = 4.229$, $SD = 1.067$), the leadership team is always aware of changes in organizational strategy that may affect performance ($M = 4.188$, $SD = 0.667$), the organization defines the strategy clearly ($M = 4.167$, $SD = 1.069$), the leadership team identifies the mission that enhances reaching out to their goals ($M = 4.146$, $SD = 0.980$) and that the generation of new ideas is done in line with the organization's vision and mission ($M = 4.104$, $SD = 0.771$). In addition, respondents agreed that leadership ensures that core values are emphasized in strategic implementation of plans ($M = 3.979$, $SD = 0.879$) and that leadership ensures the development of a long-term vision for the organization ($M = 3.958$, $SD = 1.259$).

Similar to the study findings, Makinde (2015) found SME performance to be significantly and positively affected by strategic planning factors, according to his research. When small and medium companies in Lagos began to employ strategic planning, their performance improved. To attain targeted targets, managers should have the correct attitude in planning and at work, owing to proactivity and ingenuity. Akinyele and Fasogbon (2007) similarly found that strategic planning increased organizational performance. As a result of their findings, they found that strategic planning does increase performance and organizational survival.

Table 3: Strategic Direction on the Competitive Advantage of Safaricom

	N	Min	Max	Mean	Std. Deviation
The organization defines the strategy clearly	288	1	5	4.167	1.069
The organization culture is clearly defined	288	1	5	4.229	1.067
The leadership team is always aware of changes in organization strategy that may affect performance.	288	3	5	4.188	0.667
The leadership team identifies the mission that enhances reaching out to your goals.	288	1	5	4.146	0.980
The generation of new ideas is done in line with the organization's vision and mission	288	3	5	4.104	0.771
The leadership ensures the development of the long-term vision of the organization.	288	1	5	3.958	1.259

The leadership ensures that core values are emphasized in strategic implementation of plans	288	2	5	3.979	0.879
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4.4.2 Developing Human Capital and Competitive advantage of Safaricom

The summarized findings showed that a significant number of respondents strongly agreed that performance appraisals are undertaken to identify their developmental needs and to help them attain their career goals ($M = 4.542$, $SD = 0.817$), that there are clear communication channels and guidelines between managers and subordinates ($M = 4.292$, $SD = 0.677$), and that the performance appraisal system aims at improving our performance and strengthening our skills ($M = 4.292$, $SD = 0.645$). Further, respondents agreed that they feel their performance appraisal system is fair and objective ($M = 4.083$, $SD = 0.933$), they receive proper feedback on their performance ($M = 3.979$, $SD = 0.948$), their boss encourages them to inform him/her when things are going wrong on the job ($M = 3.979$, $SD = 1.317$) and that management clearly communicates performance standards to employees ($M = 3.854$, $SD = 1.309$).

The outcomes of the study are in line with Shaheen, (2016), who established a strong and favorable relationship between training and organizational effectiveness. Employee performance also had a part in resolving the situation. In general, both conceptually and statistically, the model was strongly supported. Using dynamic panel modeling, Ravi et al. (2016) also found a considerable favorable influence of training on employee performance. Employee performance improves by 2.14 percent for every additional unit of training. Furthermore, Jelena, *et al.*, (2017) established that organizational performance is favorably impacted by knowledge management techniques, as assessed by information technology, organizations, and knowledge.

Table 4: The Influence of developing human capital on competitive advantage of Safaricom

	N	Min	Max	Mean	Std. Deviation
The management clearly communicates performance standards to employees	288	1	5	3.854	1.309
Performance appraisals are undertaken to identify our developmental needs and to help us attain our career goals.	288	1	5	4.542	0.817
There are clear communication channels and guidelines between managers and subordinates.	288	2	5	4.292	0.677
I receive proper feedback on my performance	288	1	5	3.979	0.948

I feel our performance appraisal system is fair and objective.	288	1	5	4.083	0.933
Performance appraisal system aims at improving our performance and strengthening our skills.	288	3	5	4.292	0.645
My boss encourages me to inform him/her when things are going wrong on the job.	288	1	5	3.979	1.317

4.5 Inferential Analysis

A multiple regression analysis was performed to test the association among predictor variables.

Table 5: Model Summary

Model	R	R Squared	Adjusted R Squared	Std. Error of the Estimate
1	0.889 ^a	0.790	0.753	0.896

Adjusted R squared can be attributed to independent variable changes which cause the variance in the dependent variable. From the table above, the adjusted R squared value was 0.753, which implied 75.3% variation in the competitive advantage of Safaricom Ltd. due to changes in strategic direction, development human capital, ethical leadership practices, and strategic control at 95% confidence interval. The remaining portion of 24.7% of the unexplained changes is accounted for by factors that were not considered in this study. The study findings show a strong positive association among the study variables at an R-value of 889.

Table 6: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.92	2	19.460	21.015	0.00000
	Residual	263.91	285	0.926		
	Total	302.83	287			

a. Dependent Variable: Competitive advantage of Safaricom Ltd.

b. Predictors: Strategic direction, and Developing human capital

The ANOVA statistics in the table above show a significance level of 0.00000 which indicates that the model and the data thereof can be relied upon to make conclusive inferences. The critical value

(2.3719 from F-table) was less than the F calculated (21.015) which is an indication that the foregoing independent variables were significantly influencing the competitive advantage of Safaricom Ltd.

The overall regression model was:

$$Y = 3.936 + 0.741X_1 + 0.667X_2$$

Safaricom Limited's strategic direction has a positive and significant influence on its competitive advantage as indicated by a p-value of 0.0032 and coefficient of 0.741. It indicates that any unit increase in the strategic direction will cause the competitive advantage of Safaricom Ltd. Similar to the study findings, Poku (2017) in Ghana established that strategic planning was an instrument that was essential for planning and forecasting for corporate bodies that was communicated to the departments and employees within the bank through strategic planning and performance at the Agricultural Development Bank. The performance of the bank was affected positively by the adoption of the strategic planning put in place by the employees. To achieve the bank's strategic planning policy, an in-depth program evaluation was conducted. They found that organizational, environmental, and management variables affected the intensity of strategic planning, which in turn led to improved organizational performance.

Developing human capital has a positive and significant influence on its competitive advantage as indicated by a p-value of 0.0035 and a coefficient of 0.667. An increase in developing human capital was confirmed to cause an increase in the competitive advantage of Safaricom Ltd. In tandem with the study findings, Josan (2016a) observed that competitiveness, innovation, and excellence are the hallmarks of organizational effectiveness. Competence and human capital investment are essential for competitiveness. Investments in education, health, and training make up the bulk of a person's human capital. According to the author, human capital factors like education and training play an important part in globalization. Training boosts productivity by 16 percent, according to available studies, but also profitability. Materials grew by more than twice as much as wages as a result of training. Human capital strategy is also a crucial component of the strategic triangle of business strategy, human capital strategy, and human resource strategy.

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The regression analysis yielded the following equation:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon_i$$

Where: Y = Competitive advantage of Safaricom; X_1 = Strategic direction; X_2 = Developing human capital

β_0 = The Regression coefficient; ε_i = error term

Thus the equation becomes: $Y = 3.936 + 0.741X_1 + 0.667X_2$

Table 7: Regression Coefficients

Unstandardized Coefficients		Standardized Coefficients		
B	Std. Error	Beta	t	Sig.

(Constant)	3.936	0.765		5.145	0.0000
Strategic direction	0.741	0.236	0.646	3.140	0.0032
Developing human capital	0.667	0.215	0.526	3.102	0.0035

5.0 Summary, Conclusion, and Recommendation

5.1 Summary of the Research Findings

On the aspect of strategic direction, the study established that strategic direction has a significant effect on competitive advantage. In addition, the study established that at Safaricom, organizational culture is clearly defined, the leadership team is always aware of changes in organization strategy that may affect performance, the organization defines the strategy clearly, and the leadership team identifies the mission that enhances reaching out to your goals, and that the generation of new ideas is done in line with the organization's vision and mission.

On the second objective, the study revealed that human capital development has a significant effect on competitive advantage. In addition, the study revealed that at Safaricom, performance appraisals are undertaken to identify employees' developmental needs and to help them attain their career goals. There are clear communication channels and guidelines between managers and subordinates. The performance appraisal system aims at improving employees' performance and strengthening their skills, and employees feel their performance appraisal system is fair and objective.

5.2 Conclusion

On the aspect of strategic direction, the study concluded that strategic direction has a significant effect on competitive advantage. In addition, the study concluded that at Safaricom, organization culture is clearly defined, the leadership team is always aware of changes in organization strategy that may affect performance, the organization defines the strategy clearly, the leadership team identifies the mission that enhances reaching out to your goals and that the generation of new ideas is done in line with the organization's vision and mission. The study concludes that strategic direction has a positive influence on the competitive advantage of Safaricom Ltd. The study concludes that any unit increase in the strategic direction will cause the competitive advantage of Safaricom Ltd.

Regarding the aspect of human capital development, the study concluded that human capital development has a significant effect on competitive advantage. In addition, the study concluded that at Safaricom performance appraisals are undertaken to identify employees' developmental needs and to help them attain their career goals, there are clear communication channels and guidelines between managers and subordinates, performance appraisal system aims to improve employees' performance and strengthening their skills and that employees feel their performance appraisal system is fair and objective. The study also concludes that an increase in developing human capital was confirmed to cause an increase in the competitive advantage of Safaricom Ltd.

5.3 Recommendations

Executives at Safaricom Ltd. should engage in the following high-performance direction: a focus on evaluating the organizational strategic direction examined in this report. This will ensure their organizations' strategic efficiency and results. The main task for strategic leaders, as they are categorized into financial capital, human capital, and social capital, as well as corporate culture, is to handle the corporate asset portfolio efficiently, too. This feature will boost your organization's competitive advantage over your rivals. Safaricom Ltd. needs to assess and adjust strategic management activities. This has been shown in the assessment of organizational management.

It is recommended that for Safaricom Ltd. to be successful, they must determine its organization's strategic mission and vision. Assimilation of the organization's aims with those of the individual employees ensures that leadership and employees are traveling in the same direction. They should also pay attention to how well they manage the available resources. This feature will give the firm an edge over its competitors. Resources at the organization's disposal are being utilized to their full potential.

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