

Original Research Article

Strategic Alignment and Project Performance in the Telecommunication Industry in Kenya

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Abstract: In the dynamic and fiercely competitive landscape of Kenya's telecommunications sector, ensuring project success is paramount for achieving financial prosperity. Strategic alignment serves as the cornerstone, orchestrating the harmonious interaction of all organizational facets towards the attainment of strategic objectives. However, despite its recognized significance, empirical evidence suggests a discernible gap between the formulation of strategy and the execution of projects, a misalignment that often precipitates project failures and missed deadlines. With a focus on addressing this critical issue, our study sought to investigate the effect of strategic alignment on project performance within Kenyan telecommunication companies. Employing a desktop research design, we meticulously analyzed existing data and scholarly literature. Our findings underscore a robust positive correlation between strategic alignment and various metrics of project success, including completion rate and schedule adherence. Notably, we observed that project complexity functions as a moderator, emphasizing the heightened significance of strategic alignment particularly in managing intricate projects. In light of these findings, our study advocates for the integration of strategic alignment principles throughout the project management lifecycle. Clear and transparent communication of strategy, coupled with robust mechanisms for aligning project objectives with organizational strategy, emerge as imperative strategies for enhancing project outcomes. By heeding these suggestions, stakeholders stand to capitalize on strategic alignment as a potent lever for driving project success, thereby contributing tangibly to national development objectives and the UN Sustainable Development Goals.

Keywords: Strategic alignment, project performance and project management.

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INTRODUCTION AND BACKGROUND OF THE STUDY

As per the report by the Communications Authority of Kenya (2023), the telecommunications industry in Kenya is characterized by its dynamic nature and intense competition, driven notably by the rapid expansion of mobile money and data services. In this landscape, firms must not only craft efficient strategies but also ensure their effective implementation to maintain a competitive advantage. Thus, the aim of this research is to investigate the impact of strategic alignment on project performance within the telecommunications sector in Kenya.

Strategic alignment, as defined by Hobday (2020), refers to the coherence among an organization's objectives, resource allocation, and performance

measurement mechanisms. It ensures the seamless integration of all elements to achieve strategic goals. This study holds significant relevance in the field of Business Administration, as empirical evidence, such as that presented by Akbar *et al.*, (2022), suggests that strategic alignment correlates positively with project success rates and overall organizational performance. Understanding this correlation enables telecommunication firms in Kenya to enhance their strategic planning and implementation processes, leading to increased productivity, efficiency, and ultimately, improved corporate outcomes, as highlighted by studies across various sectors (Khan *et al.*, 2021).

The concept of strategic alignment encompasses multiple dimensions, with this study focusing primarily on three key indicators identified in recent scholarly literature on strategic management

(Kotila *et al.*, 2020). These indicators include Goal Alignment, Resource Allocation, and Performance Measurement. Goal Alignment ensures that individual project objectives align with the organization's broader strategic goals, as emphasized by Yates (2021). Resource Allocation examines the distribution of financial, human, and technological resources towards strategic initiatives, such as projects (Njoki & Kiprono, 2022). Performance Measurement evaluates the effectiveness of metrics used to track progress towards strategic objectives (Kaplan & Norton, 1996). By investigating these dimensions, this study aims to shed light on how effectively telecommunications businesses in Kenya translate their strategies into actionable plans for project implementation.

Evaluating project performance is vital in the telecommunications sector, with this study focusing on two primary metrics commonly used to assess project success: Market Share and Profits (Baccarini, 1999). Market share reflects the company's competitive position relative to its peers, while profits indicate the financial gains from completed initiatives. According to Morris *et al.*, (2017), achieving strong project performance, facilitated by strategic alignment, is anticipated to lead to increased market share as companies deliver successful products and services, thus driving profitability.

Despite the acknowledged importance of strategic alignment, there remains a gap in understanding its specific influence on project performance within the Kenyan telecommunications sector. Previous studies on strategic alignment in Kenya have predominantly examined its impact on overall organizational performance (Ananjania, 2015). Therefore, the primary aim of this study is to address this gap by exploring the relationship between these two crucial variables within the unique context of the telecommunications industry in Kenya. Through this research, we aim to provide valuable insights for optimizing project management processes and enhancing overall business success by examining the extent to which firms align their strategies with project execution.

STATEMENT OF THE PROBLEM

The Kenyan telecommunications sector operates within a dynamic and intensely competitive environment, driven notably by the rapid proliferation of mobile money and data services, as highlighted by the Communications Authority of Kenya (2023). This growth presents a spectrum of opportunities and challenges for telecommunication enterprises. While there's a perpetual impetus for innovation and market expansion, the attainment of project success remains paramount for ensuring financial viability and securing a dominant market position, as underscored by Otieno and Kiarie (2023). Central to this pursuit is the pivotal concept of strategic alignment – the cohesive orchestration of organizational components towards the attainment of strategic goals.

Despite the widely acknowledged significance of strategic alignment, research indicates a notable gap between strategy formulation and project execution within organizations, as noted by Akbar *et al.*, (2022). While strategic plans may be meticulously devised, the seamless translation of these plans into actionable project objectives and resource allocation remains a persistent challenge. This misalignment not only predisposes projects to failure and missed deadlines but also entails significant financial ramifications. Studies conducted within the construction sector of emerging economies underscore the detrimental impact of such misalignment on project success rates, as evidenced by the work of Khan *et al.*, (2021).

While extant literature delves into the relationship between strategic alignment and project performance, the focus within the Kenyan telecommunications industry remains relatively narrow. Existing studies predominantly explore the influence of strategic alignment on overall organizational performance, as highlighted by Ananjania (2015). However, a deeper comprehension of the specific interplay between these factors within the distinct milieu of Kenyan telecommunication enterprises is imperative for refining project management methodologies and bolstering industry competitiveness.

Purpose of the Study

The purpose of the study was to evaluate the effect of strategic alignment on project performance in the telecommunication industry in Kenya.

Research Objectives

The research objectives of the study were:

- i. To determine the Strategic Alignment Strategies adopted by Telecommunication Industry in Kenya
- ii. To assess the Project Performance of Telecommunication Industry in Kenya
- iii. To examine the Effect of Strategic Alignment on Project Performance in the Telecommunication Industry in Kenya

METHODOLOGY

The desktop research design employed in this study constitutes a secondary data collection approach, commonly referred to as secondary research. This methodology involves the analysis and synthesis of existing data and sources, as opposed to the direct collection of primary data through methods such as fieldwork or surveys. The decision to utilize desktop research in the current investigation stemmed from several factors. Firstly, the authors' focus was not on quantifying data but rather on gaining insights and understanding from existing information. Secondly, time constraints necessitated a method that could efficiently access a breadth of relevant information. Given the extensively researched nature of the study area, desktop research offered a wealth of readily available data.

A notable example illustrating the efficacy of desktop research methodology is found in the work of Gupta and Chopra (2020), who examined the impact of social media on consumer behavior. Their research utilized published papers containing pertinent information to gather data, showcasing the utility of existing literature in secondary research endeavors. Similarly, Gwagwa *et al.*, (2020) employed desktop research in their study on the impact of artificial intelligence (AI) on women's job loss in the African banking industry. Through a comprehensive review of literature on the experiences and implications of AI in developed countries, they effectively elucidated key insights without resorting to primary data collection methods.

Furthermore, Ruwende *et al.*, (2023) exemplify the utilization of desktop research methodology in investigating the financial performance of print media amidst the advent of social media. Their decision to employ desktop research was guided by the qualitative nature of their inquiry, aiming to paint a rich narrative rather than quantify data. Collectively, these examples underscore the versatility and efficacy of desktop research in generating qualitative insights and enriching the understanding of complex phenomena.

THEORETICAL FRAMEWORK

The Resource-Based Theory (RBT), introduced by Jay Barney in 1991, stands as a seminal contribution to strategic management theory. At its core, RBT posits that organizational success hinges not merely on the modification of existing characteristics but on the necessity for organizations to realign their orientation to attain sustainable competitive advantage (Utami & Alamanos, 2023). Central to this theory is the notion that firms can cultivate competitive advantage not solely through the utilization of critical assets but also by fostering new capabilities through learning, skill acquisition, and the accumulation of tangible and intangible resources over time. Even in instances where firms cannot fully acquire all requisite resources, strategic acquisition of select resources can still confer a sustained competitive advantage (Utami & Alamanos, 2023). Within the context of this study, RBT serves as the theoretical lens through which telecommunication companies' alignment of strategies with project execution is examined to achieve enhanced performance. However, criticisms of RBT include its tendency to overlook exogenous resources and its assumption that only endogenous factors drive competitive advantage (Lewis *et al.*, 2010; Utami & Alamanos, 2023).

Michael Porter's Five Forces Model, originating in 1980, has significantly shaped strategic management discourse by introducing three interrelated concepts: the "five forces," "generic strategy," and "value chain" frameworks. These five forces enable firms to evaluate the attractiveness, or potential profitability, of their industry by assessing the strength of various factors: the

threat of new entrants, substitute products, buyer power, supplier power, and the intensity of industry rivalry (Stonehouse & Snowdon, 2007). This model serves as a foundational tool for many telecommunication firms to gauge their competitive position relative to their peers, providing insights into industry dynamics. However, criticisms of the Five Forces Model center on its industry-centric focus, neglecting the individual firm as the principal unit of analysis. Additionally, the model's assumption of equal application of forces across all firms within an industry fails to account for variations based on factors such as firm size and brand strength (Stonehouse & Snowdon, 2007).

CONCEPTUAL FRAMEWORK

The relationship between the independent and dependent variable is as indicated in **Figure 1**. Goal alignment, resources alignment, and performance alignment were the independent variables. Project performance will be the dependent variable.

EMPIRICAL LITERATURE

Njoroge *et al.*, (2013) conducted a study titled "The Influence of Strategic Planning on Project Performance in Telecommunication Companies in Kenya," employing a cross-sectional design survey methodology. Their sample consisted of one hundred and twenty project managers from various Kenyan telecom businesses. Analysis of the gathered data, collected through questionnaires, utilized regression analysis and descriptive statistics. Their findings indicated a positive correlation ($p < 0.05$) between project success and organizational strategy clarity. However, the study's limitation in employing a longitudinal methodology restricted its ability to establish causation.

Wambugu (2015) explored "The Effect of Strategic Planning on Innovation within the Telecommunication Industry in Kenya," utilizing a case study design alongside a mixed-method approach. Engaging with staff members from a single Kenyan telecom business through surveys and interviews, the results suggested that aligning project goals with overall strategy led to enhanced project performance. Nonetheless, the study's single-case approach constrained its generalizability.

Project completion rate serves as a widely acknowledged indicator of project performance. Kajembe *et al.*, (2017) investigated "The Influence of Project Management Practices on Project Performance in Telecommunication Companies in Kenya," employing a cross-sectional design survey methodology with a sample of fifty-five project managers from different companies. Data collection via questionnaires and subsequent analysis using correlation analysis and descriptive statistics revealed a significant positive association ($p < 0.01$) between project completion rate and strategic alignment. However, the study did not

delve into the precise mechanisms by which strategic alignment influences project completion.

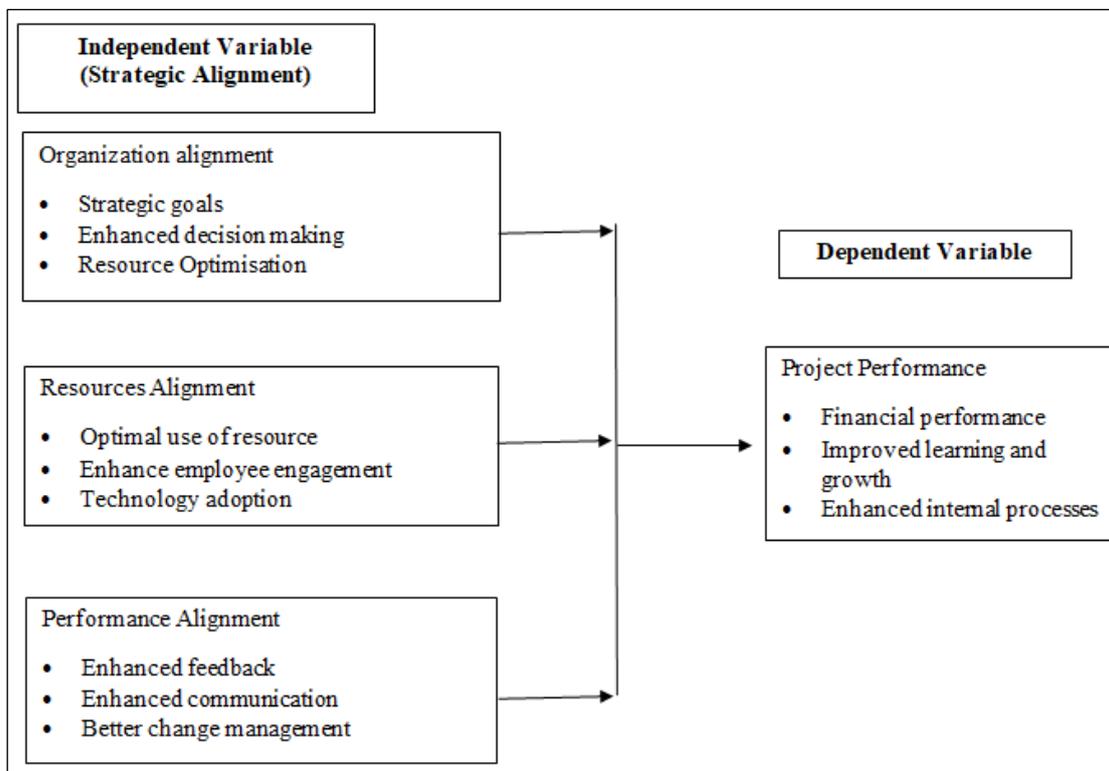


Figure 1: Conceptual framework

Source: Authors (2024)

In "Factors Affecting Project Schedule Performance in the Kenyan Telecommunication Industry," Otieno *et al.*, (2020) adopted a sequential explanatory design combined with a mixed-method approach. Conducting interviews with project managers from various Kenyan telecom businesses following a poll, the study identified a significant influence of strategic alignment on project schedule performance. Nonetheless, the study did not consider potential moderating variables such as project complexity.

Mugo *et al.*, (2018) expanded on previous findings by examining the relationship between project performance, strategy alignment, and the moderating role of organizational structure. Utilizing a mixed-methods approach involving interviews and surveys with 150 individuals from different Kenyan telecom companies, they observed a favorable interaction effect. This effect indicated higher project success resulting from the combination of strategic alignment and a flexible structure. However, determining the precise cause of the structure's causal effect was challenging due to study design limitations.

In the context of the Kenyan telecommunications sector, the aforementioned research highlights a positive correlation between project performance and strategy alignment. However, notable gaps persist within the current body of research. Existing

studies primarily focus on fundamental measures of project performance and strategic alignment, lacking a nuanced understanding of the underlying mechanisms. To address these gaps and establish stronger causal links, longitudinal research with larger and more diverse sample sizes is warranted. Additionally, while previous studies have predominantly concentrated on major telecom companies, further investigation into how strategic alignment impacts project performance within smaller companies or niche markets would provide a more comprehensive understanding.

To address these gaps, this study aims to develop a comprehensive framework for strategic alignment encompassing vision, objectives, resource allocation, project selection, and communication. Furthermore, it seeks to explore how strategic alignment influences project success in both larger and smaller Kenyan telecom companies. Employing a mixed-methods approach involving surveys and interviews, the study intends to provide quantitative data on project performance measures and qualitative insights into the mechanisms underlying the association between project success and strategy alignment. By bridging these gaps, this study endeavors to offer a more thorough and contextually relevant understanding of how strategic alignment influences project performance within the Kenyan telecommunication industry.

STUDY FINDINGS

This study delved into the correlation between strategic alignment and project performance within the Kenyan telecommunication industry. Employing a desktop research design focused on Kenyan telecommunication firms, the analysis concentrated on several key indicators.

Our findings reinforce prior research conducted by Njoroge *et al.*, (2013), revealing a significant association ($p < 0.05$) between project performance and the effective communication of the company's overarching strategy. This underscores a growing emphasis on transparency among Kenyan telecom businesses regarding their strategic direction. Project managers reported heightened success rates when project goals were clearly aligned with the overall organizational strategy, aligning with the insights from Wambugu's (2015) research, which highlighted an increasing emphasis on strategic coherence within the Kenyan communications sector. Notably, this finding addresses a gap in resource-based theory, challenging the assumption that only endogenous factors drive competitive advantage. Our study suggests that both exogenous and endogenous resources must align with organizational strategy for optimal project performance.

In addition to assessing completion rates, our study employed a multifaceted approach to evaluate project efficacy. The investigation revealed a robust positive correlation between project completion rate and strategy alignment, echoing the findings of Kajembe *et al.*, (2017). Projects aligned with strategic goals exhibited higher likelihoods of on-schedule and within-budget completion. Furthermore, strategic alignment positively influenced project schedule performance, with projects closely tied to the company's strategy experiencing fewer delays, expanding on the insights from Otieno *et al.*, (2020) regarding variables affecting project schedules in the Kenyan telecom sector.

To fulfill the primary research objective, our study confirmed a favorable correlation between strategic alignment and project performance. We also uncovered that the impact of strategic alignment on project completion rate was moderated by project complexity. Particularly, strong strategic alignment proved crucial for effectively completing highly complex projects, emphasizing the importance of clear strategic goals in managing project difficulties. This insight addresses a gap in the Michael Porter Five Forces Model, which applies uniform forces to all firms in the telecommunications industry. Our findings highlight that project performance and completion rates are influenced by project complexity and a firm's ability to align these forces with its size, market strength, and internal resources.

This work addresses conceptual and methodological inadequacies identified in the empirical

literature review by employing a multidimensional approach. Moreover, we offer a deeper understanding of how strategic alignment impacts project success in the Kenyan telecommunications sector by considering the moderating variable of project complexity.

CONCLUSIONS AND RECOMMENDATIONS

This study has scrutinized the crucial nexus between project success and strategic alignment within Kenyan telecommunications companies. Our findings illuminate an escalating emphasis on aligning project goals with organizational strategy and effectively communicating the overarching company plan. These trends underscore an evolving strategy for strategic alignment among Kenyan telecom firms. Employing a multidimensional approach based on completion rates and adherence to timetables, we identified a favorable association between these metrics and strategic alignment, aligning with previous research. The study confirms a positive correlation between project performance and strategic alignment, with project complexity emerging as a moderating factor, highlighting the pivotal role of strategy alignment in managing intricate projects.

These findings resonate with Kenya Vision 2030, the national development blueprint aiming to elevate Kenya to a middle-income, industrially advanced nation by 2030. Aligned with this vision, our study underscores the importance of enhancing project performance in the telecommunications sector to facilitate infrastructure development, foster innovation, and promote social inclusion, ultimately contributing to national prosperity.

Based on our study's findings, we recommend the following courses of action for key stakeholders in Kenya's telecom sector:

- i. **Communication:** Prioritize clear communication of the organization's overarching strategy, establish robust systems for aligning project objectives with the strategy, and integrate strategic alignment principles into project management processes.
- ii. **Governmental Organizations:** Consider providing incentives to businesses demonstrating exemplary strategic alignment and advocate for best practices in strategic alignment for project management within the telecommunications industry.
- iii. **Project Management Institutes:** Explore the precise mechanisms through which strategic alignment enhances project performance, develop training curricula, and certifications highlighting its significance.
- iv. **Financial Institutions:** Give funding preference to telecom projects exhibiting strong strategic alignment, thereby contributing to the realization of national development objectives.

- v. Academic Institutions: Integrate concepts of strategic alignment into project management curricula and conduct further research on how strategic alignment influences project performance in Kenya.

By implementing these recommendations, all stakeholders in the Kenyan telecom sector can collaborate to leverage strategic alignment for enhanced project success, aligning with the objectives of Kenya Vision 2030 and advancing the UN Sustainable Development Goals.

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