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STRATEGIC LEADERSHIP AND PERFORMANCE OF TELECOMMUNICATIONS FIRMS IN NAIROBI CITY COUNTY, KENYA.

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ABSTRACT

This Study sought to establish the influence of strategic leadership on the performance of telecommunication firms in Nairobi City County. The study was guided by the following specific objectives; to assess the extent to which proactive strategy implementation influence the performance of telecommunication Firms in Nairobi City County, to assess the extent to which human capital development influence the Performance of telecommunication firms in Nairobi City County. The theoretical review was on; Dynamic capabilities theory, and Human capital theory. The study adopted a descriptive research design to measure the influence of strategic leadership on the performance of telecommunication firms in Nairobi City County. The target population was eleven telecommunication Firms registered by the Communications Authority of Kenya. The respondents were derived from executives and managers involved in decision-making processes. Taro Yamane was used to determine the sample size of 132, a purposive sampling strategy was used to select the respondents. Primary Data was collected using structured questionnaires with a 5-point Likert scale.SPSS version 27 was used to analyze data. Descriptive and Inferential statistics were used to analyze the data. A pilot study was done using 10% of the sample size to determine the reliability and validity of the study. The study results show that human capital development, and proactive implementation have a positive and significant influence on the performance of telecommunication firms. The results imply that an increase in one unit of the variables leads to an increase in the performance levels of telecommunication firms. The study recommends that improving strategic leadership practices significantly influences the performance of telecommunication companies in Nairobi.

Key Words: Strategic Leadership, Proactive Strategy Implementation, Human Capital Development, Performance of Telecommunication Firms

Background of the study

The telecommunications sector has transformed remarkably, becoming a fundamental global pillar of contemporary societies. This metamorphosis is primarily driven by technological innovations, such as the proliferation of mobile telephony, the internet, and numerous digital platforms, drastically changing individuals' and businesses' communication and information access (CISCO, 2020). The surge in technological applications has augmented global connectivity, enabling instantaneous communication, thereby transcending geographical limitations. In parallel with these technological evolutions, globalization processes have woven diverse economies and markets together. This interconnectedness has amplified the demand for efficient and reliable telecommunication services, underscoring the importance of the telecommunications sector (International Telecommunication Union, 2020). Consequently, the resultant environment is characterized by intense competition, propelled by rapidly evolving technologies, changing consumer preferences, and disruptive market forces.

Strategic leadership is a prerequisite for organizations in the telecommunications sector to thrive in these dynamic changes. Effective strategic leadership, characterized by visionary decision-making, intellectual stimulation, and individualized consideration, drives organizational performance. Furthermore, it fosters an innovative culture within organizations, which is essential for remaining competitive in the ever-evolving telecommunications landscape. Additionally, the sector's global competitive nature requires strategic leadership for organizations to carve out and gain sustainable competitive advantage. Therefore, leaders who display clear vision, proactive decision-making, and the ability to navigate industry trends adeptly are fundamental for driving performance and ensuring the long-term viability of their organizations (Hitt et al., 2019). In sum, the telecommunications sector's significant growth and global transformation have been fueled by both technological advancements and globalization. The industry's competitiveness necessitates effective strategic leadership to navigate these challenges and capitalize on emerging opportunities.

Statement of the Problem

Kenya’s telecommunication sector is critical in influencing its economic development, given its role in fostering connectivity, enabling commerce, and facilitating information access. The sector's exponential growth trajectory, reflected in its contribution to Kenya's GDP, which increased by 11% in the past five years (KNBS, 2022), underscores its significance. However, despite the sector's rapid growth, several significant challenges impede the performance and overall economic impact of the telecommunication sector.

According to Research ICT Africa (2019), telecommunication services such as internet, telephone networks, and cellular networks are unaffordable to 58% of consumers and concentrated in urban areas, with poor network and internet connectivity in the majority of the country. According to the World Bank (2019), the majority of Kenyan consumers cannot afford internet services, and access is concentrated in the capital town and limited in minor towns, leaving most rural areas without both network and internet bandwidth. According to the Finance Act, signed (September 2018), tax on telephone and internet data increased from 10% to 15%. In response to the tax, ISPs raised prices for both mobile data bundles and fixed-line home internet connections.

Similarly, the telecommunications industry in Kenya is experiencing a relative decline in Average Revenue per User resulting in overreliance on voice, short message services and internet services as major source of revenue. Mutuiri, (2019). This is supported by Safaricom’s (2018-2019) financial year report showing a surge in Internet data revenue and a decline in messaging and voice services revenue. For the first time, M-Pesa, experienced a 2.1% revenue drop. Monthly voice customers went from KSh 287.16 to KSh 257.72. The Average Revenue Per User (ARPU) for their monthly active messaging customers reduced from KSh 60.77 to Ksh52.7.

This situation reveals that income from conventional voice services will not be enough for the mobile telecom service providers to survive. (Mutuiri, 2019). According to research conducted by the Kenya Communication Authority in 2015, the profitability of the Kenyan telecommunications business has been declining, with voice traffic falling from 1.8 billion to 1.7 billion in the final quarter. Nonetheless, market share dropped by 4%. (Ngugi 2022).

In an empirical analysis of the determinates on non-profitability margins at Telkom Kenya carried out by Kinyua (2020), the study concluded that the effect of strong competition experienced from the regional mobile industry resulted to loss of subscribers to other mobile operators. The company therefore experienced low revenues which had a direct bearing on the profitability margins. Further, YU mobile, a telecommunication company that was owned by Indian Essar Telkom exited the Kenyan mobile phone market in 2014 due of stiff competition from other providers. (Hassan,2021)

Given the aforementioned issues, the purpose of this study was to investigate how strategic leadership might influence the performance of telecommunications organizations.By doing this, it hopes to give industry players insightful information that will support long-term growth and strengthen Kenya's position as a leader in telecommunications on the African continent and around the world.

Objectives of the study

General Objective

To assess the Effect of strategic leadership on performance of telecommunication firms in Nairobi City County.

Specific Objectives

i. To establish the effect of Human Capital Development on the performance of telecommunication firms in Nairobi City County.
ii. To examine the effect of proactive implementation on the performance of telecommunication firms in Nairobi City County.

LITERATURE REVIEW

Theoretical Review

Human Capital Theory

Becker (1964) developed human capital theory, but later collaborated with Jacob Mincer and Theodore Schultz to refine it. The human capital idea fundamentally states that training in any institution improves the talents of employees. Employees receive specific training that gives them with supporting and appropriate abilities for carrying out their organizations' daily activities (Na, 2012). The human capital theory's major components include advancement possibilities, attractive working circumstances, and investment in training. Becker emphasized how both particular and broad training influences employees' inclinations to leave or stay with a firm. Furthermore, the human capital theory emphasizes the importance of personnel expenses in determining an organization's profitability. The study used human capital theory to explain the influence of developing core competencies on performance. Human capital, a valuable resource in any firm, represents individuals' skills, capabilities, and knowledge. Human capital, when combined with structural capital, comprises a firm's overall intellectual capital. A person's experience, recognizable talents, and education indicate their human capital. The hypothesis is concerned with the study's human capital development variable.

Dynamic Capabilities Theory

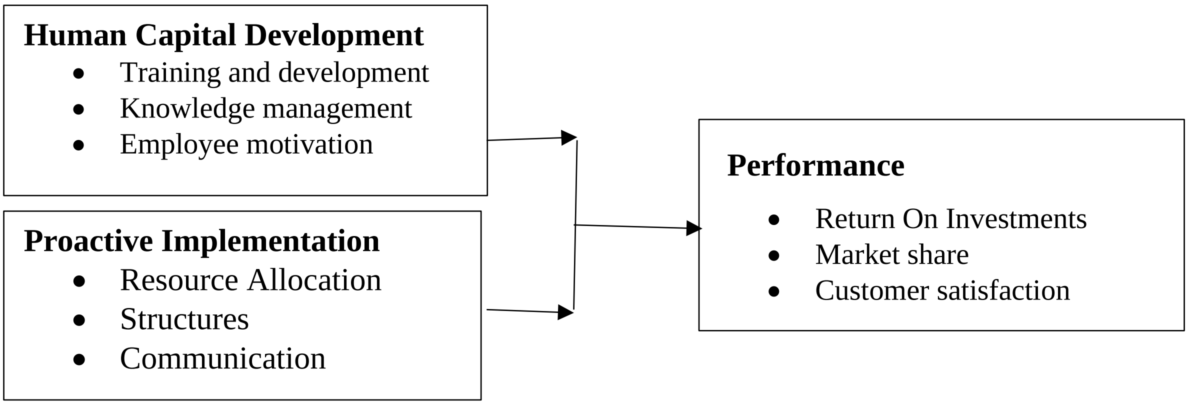
Teece, Pisano, & Shuen (1997) According to the principle of dynamic capabilities theory, a company must be able to integrate, develop, and reconfigure internal and external competences to respond to circumstances that change quickly. The idea was both an expansion of and a response to the resource-based view's (RBV) inability to explain how resources and capabilities are developed and redeveloped to respond to quickly changing situations. It is considered a source of competitive advantage as it goes beyond the notion that a firm's acquisition of valuable, uncommon, unique, and non-substitutable resources will give it a sustainable competitive edge. It is concerned with how successfully and effectively an entity integrates, develops, and reconfigures internal and external competencies to withstand quickly changing settings (Helfat &Peteraf, 2009). Sapienza,et al, (2006)contends that acquiring and maintaining a firm's competitive edge is what the dynamic capabilities are all about.

Dynamic capabilities are the capacity of an entity to continuously generate, extend, or adapt their resource base to gain long-term competitive advantage. Operational capabilities are about the current organizational processes (Helfat & Peteraf, 2009). As a result, the strategy focuses on turning a short-term competitive disadvantage into a long-term competitive advantage. The theory promotes continuous market input to direct product and service enhancement through process improvements. Firms that can build and maintain a competitive advantage in the tumultuous environment will survive in this new era of globalization and internationalization, especially those who effectively utilize their dynamic capabilities. Because dynamic capacities are focused on the development of future resources, they are frequently susceptible to short-term pressures to reduce costs. (Gathungu & Mwangi 2012)

Dynamic capability is the capability of an organization to adapt adequately to changes that impact its operations. (Teece et al 2014). The current business environment is hyper-competitive and is characterized by intense and violent competition, therefore in order for businesses to beat the competition, they must continually reconfigure internal resources and capabilities for adapting a turbulent business environment. (Noah, 2015). Because of Dynamic capabilities, Organizations are able to integrate, organize, and rearrange their resources and skills in order to adjust to a swiftly changing environment. Dynamic capabilities, therefore, are processes that enable an organization to reconfigure its strategy and resources to achieve sustainable competitive advantages and superior performance in rapidly changing environments.

Conceptual Framework

According to Saunders, Lewis & Thornhill (2019), conceptual framework is defined as written or visual relationship between various variables mostly obtained from one or more theories and traces the input-process-output paradigm of the study. (Kinyua 2018), refers to conceptual framework as a structure from a set of broad ideas and theories that help researcher to identify a problem, frame their questions and find suitable answer. It as well provides a broad and abstract understanding of a particular phenomenon. Variables has been defined as anything that can take the differing or varying values, which can differ at various times for the same person, objects, or differ in time for different objects or persons (Omondi,2023). Variables have been classified into different groups depending with their location in a causal relationship, that is: independent variable or the cause variable, it is used to identify forces or conditions that act on something else, or have an impact on the on other variables (Neuman, 2006). According to Omondi (2023), described independent variable as one that has an influence to the dependent variable in either a positive or a negative way, and it can lead to an increase or decrease in the dependent variable. The dependent variable is of primary interest to the researcher, because it lends itself for investigation as a viable and main factor and through its analysis it provides answers or solutions to the problem at hand (Omondi,2023).



Independent Variables. **Dependent Variable.**

Human Capital Development

Human capital development is the accumulation of abilities, knowledge, capabilities, experience, talent and qualities that are essential to the employees (Mutia, 2015). Employee development improve the productivity and competitive advantage of the organizations. Strategic leaders continuously train, motivate and increase the levels of knowledge, skills, abilities, values, satisfaction and overall performance of employees. Strategic leaders attract and retain capable personnel with appropriate knowledge, attitudes, and skills. According to McIsaac, Park, and Toupin (2013), developing human capital variable is measured by Likert scale on staff training and development.

Human capital development practices once identified and implemented would always produce improved organizational performance. According to Collins and Clark (2003), human capital development strategies alter employees' abilities, attitudes, and behavior in order to operate more effectively and achieve better results. Wakhisi (2021) contended that human capital is the total knowledge and skills of a company's workers.

According to the researcher, strategic leaders are those who recognize an organization's employees as a critical internal resource on which many essential abilities are built, resulting in successful organizational competitiveness. Globally, significant economic investments are required to ensure that the firm reaps the full competitive benefits of its workforce. These investments are critical for good long-term growth in modern economies that value knowledge, skills, and information (Nel &Beudeker,2009).

According to the study, developing people creates a motivated and competent workforce with the capacity to perform exceptionally effectively. The comparatively unstable market conditions caused by innovations, competitor diversity, and a slew of revolutionary technological changes occurring within the new competitive landscape have resulted in core competencies becoming the foundation upon which organizations establish their long-term strategies (Porter, 1985). Core competencies allow the organization to adapt to dynamic conditions during a competitive environment and generate more efficient and effective performance (Wendy Layer, 2012).

Proactive implementation

Strategy implementation is done through action plans detailing the tactics and actions that will be taken in each functional activity. The organization has to get work of the business done efficiently and effectively so as to make the strategy work. Successful strategy implementation depends upon skills of working through others (delegation), organization, and motivation, culture, building and creating strong fits between strategy and how the organization does things (Muendo 2015).

Strategy implementation entails identification of measurable, mutually determined annual objectives which convert long-term objectives into specific, short-term goals. It also includes the development of specific functional strategies which translate grand strategies at business level into current action plans for sub units of the company. Thus execution must be controlled and evaluated if the strategy is to be successfully implemented and adjusted to changing conditions. However, during implementation, various challenges are encountered and need to be addressed if the strategy is to be realized. (Odhiambo, 2006).

Organization Performance

Organizational performance, a complex concept, is the measure of how effectively an organization accomplishes its objectives and conducts its routine operations. It involves a thorough comparison of a firm's actual outcomes or outputs with its anticipated results or outputs (George et al., 2019). Organizational performance generally includes financial performance, operational performance, and shareholder return performance. Financial performance encompasses elements such as profits, liquidity, cash flow, and returns on assets and investments, much like the financial objectives defined in the strategy making process as elaborated by (Kurdi & Alshurideh, 2020). Operational performance, conversely, involves metrics such as sales volume, market share strength, product quality, marketing effectiveness, competitive advantage, and customer satisfaction. Shareholder return performance pertains to the total shareholder return, which is the growth amount of an investor's investments or shares in the company (Varyash et al., 2020).

Numerous theoretical models have been proposed to elucidate and forecast organizational performance. These models often concentrate on different facets of the organization, such as its structure, culture, strategy, or external environment. For instance, the Resource-Based View (RBV) suggests that an organization's unique resources and capabilities are the primary determinants of its performance (Barney, 1991), much like the importance of consensus on the identity of the firm among key leaders as discussed by Miller (2019). Conversely, the Dynamic Capabilities Theory underscores the role of an organization's ability to adapt and innovate in response to changing market conditions (Teece, Pisano, & Shuen, 1997), akin to the chief executive officer's role in leading the strategy making process as described by Teece (2014). The Balanced Scorecard, another influential model, proposes that organizational performance should be assessed from four perspectives: financial, customer, internal process, and learning and growth (Kaplan, 2009), much like the process of setting up objectives in strategy making.

In the service industry, performance is gauged using four metrics: customer satisfaction, financial performance, market share, and stakeholder value. In the telecommunications industry, performance measurement focuses on revenue, operational efficiency, market share, and service quality (Eldor, 2020).

Empirical Review

Human Capital Development and Organizational Performance

Mohammad (2016) conducted research on human capital development, selecting fifteen associations from Jordanian pharmaceutical enterprises. Individuals from these firms, including managers, all employees, and department leaders, made up the sampling unit. The study used a descriptive approach to data analysis, and data was collected by questionnaires. The findings demonstrated a significant link between human capital (learning, knowledge, and skills) and organizational performance.

Abduland and Abdulrahman (2016) used a descriptive survey approach to investigate the impact of investing in human capital as a critical component of organizational performance in Jordanian telecommunications companies. Data was collected through questionnaires from forty employees from all three Jordanian telecommunications companies. Hypothesis testing was done using Simple and multiple regressions, the outcome indicated that human capital development was crucial in that it contributed towards achieving a company’s mission and vision.

Waseef, Saif and Iqbal (2011) divulged the connection amidst human capital and organizational performance in Pakistan. Survey design from sixteen companies in Pakistan was done. A sample of three hundred and sixteen workforces and sixteen top managers were used as respondents on HCM and organizational performance constructs. Hypothesis testing was done employing pearson correlation and a linear regression. The study established that HCM considerably impacted on performance of this organization. The reviewed study was conducted outside Kenya their findings did not reflect the effect of strategic leadership in Kenya. The reviewed studies failed to focus on other variables like knowledge and experience transfer and all staff were not involved in their study. Therefore, the study aimed to bridge the gap by incorporating all staff in the organization because the objective of strategic leadership is for everyone in the organization to understand the strategy and specifically how and what they are doing will contribute to overall delivery, the study included all variables in their study. The research scope was to find out how human capital development impact performance in Kenya focusing on charitable ambulance service sector.

In India, Salman, Ganie, and Saleem (2020) investigated the impact of staff competency development on organizational performance. Furthermore, the researcher used a sample size of 325 managerial and non-managerial employees from private and public sector banks. Furthermore, data was gathered using a structured questionnaire and convenience sampling in a cross-sectional study design. Aside from self-competence, which had a small negative effect, the findings revealed a positive and considerable influence of staff competency growth on organizational success. In Tanzania, Samwel (2018) investigated the effect of competency development on drilling company performance in the Geita, Mara, and Shinyanga regions. A total of 219 participants were picked utilizing both purposive and simple random sampling approaches. The respondents were asked to complete a questionnaire that was used to collect data. Furthermore, descriptive statistics were used to analyse the data, and the results were presented in tables. The report's findings indicate that competency development has a major impact on the success of drilling companies.

Proactive Implementation and organizational performance

Gabow (2019) did a study on strategic management practices and performance of Commercial Banks in Nairobi City County measured strategy implementation using operationalization and institutionalization. A stratified sampling technique was used on 71 respondents to collect both primary and secondary data using questionnaire and document review respectively. The study adopted both descriptive and inferential statistic to analyze data. The findings revealed that strategy implementation strongly and significantly affect performance.

According to Mailu, Ntale and Ngui (2018), a descriptive study on the pharmaceutical industry in Kenya measured strategy implementation was using organizational structure and resources. A Census technique was used to collect primary data on 64 respondents by administering questionnaire. The study adopted use of both descriptive statistic and multiple regression model to analyze data. The findings demonstrated that strategy implementation had a considerable impact on organizational performance. The study concluded that deficiency in any form of resource has an impact on strategic implementation.

Amstrong and Baron (2010) conducted a study on strategy execution and organizational performance in Kenya's pharmaceutical business. The study specifically attempted to examine the effects of organizational structure, resources, and culture on strategy implementation in Kenya's pharmaceutical business. A questionnaire was utilized to collect data, which was then evaluated with descriptive statistics. Data were given as tables and graphs for additional analysis and comparison. Multiple regression was utilized to assess the impact of strategy execution on organizational performance. According to the study, strategy implementation has a substantial impact on organizational performance.

The study found that organizational structure, resources, and culture all have a substantial impact on pharmaceutical sector performance. According to the report, pharmaceutical company executives should empower employees and provide them with the flexibility they need to flourish. Furthermore, pharmaceutical corporations should change asset assignment and allocate greater reserves to strategy execution divisions.

Mbaka and Mugambi (2014) conducted a study on strategy implementation in the Water Sector in Kenya through descriptive design. The study studied various secondary data reports on how various water projects were implemented. The findings show that strategy implementation in the water sector was affected to a large extent by the level of management support, inadequacy of resources and technical expertise among staff. The findings further indicated that strategy implementation was affected by the type of management leadership and the communication effectiveness.

RESEARCH METHODOLOGY

The investigation followed a descriptive research design. The study's target population was eleven telecommunication Firms registered by Communications Authority of Kenya. The respondents were derived from strategic executives and managers involved in decision-making processes.Sampling is the process of choosing a limited number of items (a sample) from a larger population in order to determine the relative importance of a piece of unknowable data or a result to the broader population. A sample is a representative fraction of the population that the researcher is interested in, according to Kumar (2005). The sample frame was drawn from the strategic executives and managers involved in decision-making processes.

Table 3.1: Sample frame

Personnel		Unit of observation
	11	
Directors	11 × 1	11
Managers	11× 7	77
Supervisors	11× 10	110
TOTAL		**197**

Taro Yamane Formula was used to determine the sample size since it provides a simplified method of calculating the sample size of 132. The study applied stratified and purposive sampling technique to select the relevant personnel to participate in the study. Stratified and purposive technique is suitable because it is flexible and adequately helps in achieving the study objectives. The study used a semi-structured questionnaire to collect primary data due to the technical nature of the material and the requirement to assure the validity of responses from the intended respondents within a realistic time and budgetary constraint.

Data processing involves data gathering, sorting, and alignment for descriptive statistics analysis. Following tabulation, the findings were displayed using graphs and pie charts. The study also employed regression analysis to determine the link between the independent and dependent variables. Descriptive statistics, which typically include measures of central tendency, dependability, frequency, and variability, were used to summarize it. Data was analyzed using descriptive statistics including mean, standard deviation, and frequency distribution. Regression and correlation analysis, and inferential statistics techniques, were utilized to determine how strategic leadership affects the performance of mobile telecommunication firms in Nairobi County.

RESEARCH FINDINGS AND DISCUSSION

For the final study, 119 questionnaires were used to collect data. Of those, 104 were completely filled out and returned, yielding an 87.5% response rate. Mugenda and Mugenda (2018) recommended that a 50% response rate is enough to produce viable results, 60% is good, and 70% and above is a very good response rate, so 87.5% was excellent for analysis and producing credible data for the study.

Descriptive Statistics of study variable

To explain the distribution of measures of questions addressing each variable, the researcher utilized descriptive statistics in the study. The study's descriptive statistics were means and standard deviations. The researcher first formulated the items addressing each variable in the questionnaire and requested that respondents rate the statements on a scale of 1 to 5, denoting within a range of Strongly Disagree (SD) to Strongly Agree (SA).The researcher then calculated each statement's mean response and standard deviation. The overall level of agreement with all variables was the calculated by averaging the averages and standard deviations.

Human Capital Development

The first objective of the study was to establish the influence of Human capital development on the performance of telecommunication firms in Nairobi City County. The respondents were presented with 5 items. A Likert scale was used where the responses were coded as follows: 1=Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5 = Strongly Agree.

Table 4.1; Descriptive statistics on Human Capital development

Item	N	Mean	SD
Training is provided regularly to staff to improve skills capacity	104	4.44	0.138
There is regular Skills and knowledge transfer on new products and services	104	4.05	0.329
There is room for staff to build and transfer job experience to others.	104	4.11	0.218
There is a knowledge management program in the organization	104	3.99	0.646
New recruits are taken through formal induction, and process designed to help them understand the organization	104	4.15	0.206
Average	**104**	**4.15**	**0.307**

The results of Human capital development outlined in the table above shows that respondents were in agreement with the statements that Training is provided regularly to staff to improve skills capacity (mean= 4.44), that There is regular Skills and knowledge transfer on new products and services (mean= 4.05), that There is room for staff to build and transfer job experience to others(mean= 4.11), that There is a knowledge management program in the organization(mean= 3.99), that New recruits are taken through formal induction, and process designed to help them understand the organization(mean= 4.15). All respondents on average agreed with the statements on human capital development as shown by the average response mean of 4.15 and a standard deviation of 0.307 confirming that Human Capital development is crucial for the performance of telecommunication firms, providing regular training, knowledge management and skill transfer are crucial for employees as show by the results. The average response mean of 4.15 and a standard deviation of 0.307 meant that the responses were closely spread towards the mean and that majority of the respondents had consistent and similar responses. This is supported by a smaller standard deviation.

The findings concur with Mohammed (2016) who revealed a substantial relationship between human capital which included learning, knowledge, skills and organizational performance. Abduland and Abdulrahman (2016) indicated that human capital development was crucial in that it contributed towards achieving a company's mission and vision.

Proactive Implementation

The second objective of the study was to establish the influence of proactive implementation on the performance of telecommunication firms in Nairobi City County. The respondents were presented with 5 items. A Likert scale was used where the responses were coded as follows: 1=Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5 = Strongly Agree.

Table 4.2; Descriptive statistics on Proactive Implementation

Item	N	Mean	SD
The organization undertakes evaluation and control of strategies.	104	3.69	0.914
The organization allocates appropriate resources for the implementation process	104	3.76	0.997
The organization maintains an appropriate system of communication between departments	104	4.47	0.151
The management is actively involved in every process of implementation	104	3.85	0.646
The implementation team are adequately trained and equipped for their tasks	104	3.73	0.702
Average	**104**	**3.90**	**0.682**

The results of proactive implementation outlined in the table above shows that respondents were in agreement with the statements that the organization undertakes evaluation and control of strategies (mean= 3.69), that The organization allocates appropriate resources for the implementation process (mean= 3.76),that The organization maintains an appropriate system of communication between departments (mean= 4.47),that The management is actively involved in every process of implementation (mean= 3.85),that The implementation team are adequately trained and equipped for their tasks (mean= 3.73). All respondents on average agreed with the statements on proactive implementation as shown by the average response mean of 3.90 and a standard deviation of 0.682. The standard deviation of 0.682 indicated that the responses were closely spread around the mean, indicating a high level of agreement from the respondents to the statements of proactive implementation.

The results concur with the findings of Baron (2010) who found that there is a significant influence of strategy implementation on organizational performance, he further stated that senior management ought to enable workers and grant them the flexibility, ought to adjust asset assignment and indeed distribute more reserves to strategy execution divisions. Mbaka and Mugambi (2014) indicated that strategy implementation was affected by the type of management leadership and the communication effectiveness, they further stated that level of management support, inadequacy of resources and technical expertise among staff are some crucial elements for effective implementation.

Organization Performance

Table 4.3; Descriptive statistics on Organization Performance

Item	N	Mean	SD
The firm has recorded an increase in ROI	104	4.11	0.226
The firm experiences an increase in market share	104	4.01	0.546
The firm has managed to maintain existing clients	104	3.91	0.324
The firm has recorded an increase in the number of clients	104	3.85	0.669
The firm has experienced low staff turnover rates	104	4.14	0.208
Average	**104**	**4.004**	**0.395**

The descriptive results outlined in the table above shows that respondents were in agreement with the statements that The firm has recorded an increase in ROI (mean= 4.11), that The firm experiences an increase in market share (mean= 4.01), that The firm has managed to maintain existing clients (mean= 3.91), The firm has recorded an increase in the number of clients (mean= 3.85), that The firm has experienced low staff turnover rates (mean= 4.14). All respondents on average agreed with the statements on Organization Performance as shown by the average response mean of 4.004 and a standard deviation of 0.395. The standard deviation of 0.395 indicated that the responses were closely spread around the mean, indicating a high level of agreement from the respondents to the statements of organization performance.

Correlation Analysis

The correlation analysis results outlined show that there exists a positive significant correlation between human development capacities, proactive implementation, and organization performance of telecommunication firms in Nairobi City County. The findings presented in table 4.4 indicate that there is a significant positive linear relationship between Human capacity development and the performance of telecommunication firms in Kenya (with r= 0.720), this implies that enhancing human capacity development improves the performance of telecommunication firms in Kenya. The results agree with the study of Abdul and Abdulrahman (2016) indicated that human capital development was crucial in that it contributed to achieving a company's mission and vision. Salman, et.al, (2020) also noted that staff competencies development had a positive significant influence of employee competency growth on organizational success.

Proactive implementation and performance of telecommunication firms in Kenya (with r= 0.892), at $P < 0.01$ significance level. This implies that enhancing Proactive implementation improves the performance of telecommunication firms in Kenya. The results agree with the study of Mailu et al,(2018)who noted that there was a significant influence of strategy implementation on organizational performance and that inadequacy in any form of resources affect strategy implementation. Mugambi (2014), on the other hand argues that strategy implementation was affected by the type of management leadership and the communication effectiveness. The researcher further argued that strategy implementation was also affected to a great extent by support from management level, inadequacy of resources and technical expertise among staff. All the independent variables were found to be linearly related to the dependent variable.

Table 4.4 Correlation Results

Variables	Measure	Performance	Human Capacity Development	Proactive Implementation
Performance	Pearson Correlation	1		
	Sig.(2-tailed)			
Human Capacity Development	Pearson Correlation	0.720	1	
	Sig. (2-tailed)	0.000		
Proactive Implementation	Pearson Correlation	0.596	0.568	1
	Sig. (2-tailed)	0.000	0.000	

Regression Analysis

The regression coefficient results outlined shows that human capacity development bears a positive significant influence on organizational performance of telecommunication firms in Kenya (beta= 0591,sig= 0.000<0.05). The findings suggest that increasing human capacity development to the telecommunication firms in Kenya, with one unit causes an increase in organizational performance of telecommunication firms in Kenya by 0.591. The results concur with Mohammed (2016) who revealed a substantial relationship between human capital which included learning, knowledge, skills, and organizational performance. Abduland and Abdulrahman (2016) indicated that human capital development was crucial in that it contributed to achieving a company's mission and vision.

The study found that proactive implementation improves the organizational performance of Kenyan telecommunications enterprises (beta= 0.516,sig= 0.000<0.05). According to the data, expanding proactive implementation to telecommunication enterprises in Kenya by one unit results in a 0.516 increase in organizational performance.The findings concur with Mbaka and Mugambi (2014)who indicated that strategy implementation was affected by the type of management leadership and communication effectiveness, they further stated that the level of management support, inadequacy of resources, and technical expertise among staff are some crucial elements for effective implementation.

Table 4.5: Regression Model Coefficients

Coefficients[a]	Unstandardized		Standardized		Sig.
	B	Std. Error	Beta	t	
(Constant)	0.116	0.175		0.663	0.022
Human Capacity development	0.591	.156	.0.527	3.788	0.000
Proactive Implementation	0.516	.218	0.453	2.307	0.000

The optimal Regression Model becomes;

Organization Performance = 0.116 + 0.591(Human Capacity Development) + 0.516 (Proactive Implementation)

Conclusions

The study's findings demonstrated that human capacity development is a critical component of strategic leadership for telecommunications firms to function effectively. Human capacity development has a favourable and significant impact on the functioning of telecommunications firms in Nairobi. The study concluded that human capital development practices such as providing regular trainings, facilitating skill and knowledge transfer, implementing proper knowledge management systems, and properly orienting and inducting new employees all contribute to improved telecommunication company performance.

The findings of the study further established that Proactive implementation positively and significantly influences the performance of telecommunication companies in Nairobi. Proactive implementation practices such as evaluation and control of strategies, appropriate resource allocation, and maintaining an appropriate system of communication between departments all contribute to effective strategic leadership that helps in improving performance.

Recommendations for the Study

From the study conclusions, recommendations are provided to the management of the telecommunication companies. The study recommends improving on human capacity development through providing regular trainings, enabling skills and knowledge transfer, proper knowledge management systems and performing proper orientation and induction of new employee

The study recommends improving on proactive implementation practices such as evaluation and control of strategies, appropriate resource allocation, and maintaining an appropriate system of communication between departments. Managers should be able to see the implementation process from the beginning to the end to be able enact changes as soon as they arise.

Areas for further research

Further research can be carried out to determine the types of innovative practices that are more appropriate for telecommunication firms to practice. Further research can be done to establish the challenges faced by leaders during strategy implementation and how they can be addressed.

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