EFFECT OF STRATEGIC MANAGEMENT PRACTICES ON ORGANIZATIOAL PERFORMANCE IN TELECOM COMPANIES IN SOMALIA

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ABSTRACT

The general objective of this study was to investigate the effects of strategic management practices on organizational performance in companies in Mogadishu. Specifically, this study was investigated the effects of strategic resource management, organizational innovation, core competency and quality management practices on telecom companies in Mogadishu. Strategic management practices decisions rank among the most critical types of managerial decisions made in a company and can have major long-term implications, both positive and negative. Telecom companies were only succeeding if their strategic management practices decisions are made well. In order to ensure the importance of strategic management practices decisions for telecom companies and its effects on organizational performance play the effectiveness and efficiency in telecom companies. The objective of this study is to investigate the effect of strategic management practices on organizational performance and the specific objectives of this study are strategic resource management, organizational innovation, core competency and quality management practices. The sampling procedure of this study is used non-probability sampling procedure particularly purposive sampling or judgmental sampling. The sample size of this study is 50 and was selected from the target population 100 by using Solven's formula. This research was employed quantitative data collection method whereby data was gathered by the use of closed ended questionnaires which are self-administered. The data collected was analyzed using the software called Statistical Package for the Social Sciences (SPSS) version 20 and results was shown in terms of frequency distribution and percentages. A regression model was applied to determine the relationship between strategic resource management, organizational innovation, core competency and quality management practices as the independent variables and organizational performance for telecom companies as the dependent variable. The results reveal that strategic resource management, organizational innovation, core competency and quality management practices have significant and positive effects on organizational performance in telecom companies in Mogadishu. Based on the findings of this study, the following conclusions were drawn. The results reveal that strategic resource management, organizational innovation, core competency and quality management practices have significant and positive effects on organizational performance in the selected telecom companies in Mogadishu Somalia. Multiple regression analysis was conducted for hypotheses testing. The study recommended that to become market leaders, top managers of telecom companies in Mogadishu should exploit its core competences and to develop technical innovation that generate competitive advantage to enhance of the organization.

1. INTRODUCTION

1.1 Background

Business environment is volatile and ever changing; and organizations need to look for fresh ways to keep growing profit. Heppelmann (2014) found Consumer preferences and demands are also continuously evolving and increasing respectively to remain dynamic environment like U S A, firms continually innovate to stay ahead strategic management practices and this enable them to gain higher profit because of using their unique resources. Charles (2008) indicated that to maximize shareholder value and increase performance managers must formulate and implement strategies that enable their companies to outperform its rivals—that give it a strategic management practices. A company is said to have a good strategic management practices over its rivals when its performance is greater than the average performance and profit growth of other companies competing for the same set of customers. Todorov (2009) reveal that the higher its performance relative to rivals, the greater its competitive advantage was.

Dalela (2010) discover a company has a strategic management practices when its strategies enable it to maintain above average performance for a number of years. If a company has a strategic management practices, it is likely to gain market share from its rivals and thus grow its profits more rapidly than those of rivals. In turn, strategic management practices will also lead to higher profit growth than that shown by rivals. According to Gershon (2013) Vertical integration has given U S A, firms a strategic management practices, as firms has more control of its value chain and, more importantly, its component costs and the company achieves higher profit. In recent years in EU strategic management practices has become temporary because competition within industries changes continually. According to Strandber (2009) firms make tremendous efforts to implement strategic management practices and protect their future growth options from duplication efforts by rivals.

In Africa As the strategic management practices becomes more turbulent, Tseng (2007) found that the most important issue the companies face is to use its strategic resources management that facilitate them to achieve strategic management practices and this contribute long-term profit to organizations. Strategic management practices considered to be a critical requirement for the growth and performance of organizations in Africa. Tidd (2011) specified that the capability to use strategic resources is ever more viewed as the single most vital factor in developing and supporting strategic management practices to increase firm's performance in Africa. According to Davila (2009) strategic management practices is a necessary ingredient for sustained success and is an integral part of the African businesses performance. Redknee (2015) specified that to support its growth and performance, African firms develop strategic management practices that enable service providers to generate higher revenue streams.

In Somalia, after the fall of the autocratic regime of Siad Barre in 1991, Somali firms had an opportunity to penetrate the market. Warsame (2015) indicated that the absence of taxes, lack of laws, and inexistence of license providers and collapse of foreign exchange controls made things easier in many respects. According to Ali (2014) the organizations in Somalia exploit their strategic resources management to determine the most important strategic resources management that enable them gaining strategic management practices to achieve higher profit, dominate and lead the market.

Orrmacs (2013) found that strategic management practices occur when an organization acquires or develops an attribute or combination of attributes that allows it to increase its performance and outperform its competitors. These attributes can include access to natural resources, access to highly trained and skilled personnel human resources, new technologies such as information technology either to be included as a part of the product, or to assist making it. Information technology has become a prominent part of the modern businesses of Somalia that contribute to strategic management practices and Somali firms invest heavily its projects to increase its performance and dominate the market.

1.2 Statement of the Problem

The telecommunications sector has flourished in a completely deregulated environment since the collapse of central government in 1991. Several privately owned telecommunication companies have developed and they provide extensive landline and mobile coverage throughout the country – and beyond, although reliable statistics on mobile phone ownership in Somalia do not exist, the International Telecommunications Union (ITU) estimated that there were 648,000 mobile phones in Somalia in 2010, giving a mobile penetration rate of just 7%, but other estimates put the true figure of mobile ownership much higher – at up to 39%, nevertheless access to mobile phones is restricted amongst the very poor, especially displaced people and the inhabitants of remote rural areas Ahmed (2012).

Strategic management practices might be achieved if a competitor possesses a unique or rare capability. And it could take the form of unique resources. Some organizations have patented products or services that give them advantage – resources that may need to be defended by a willingness to bring litigation against illegal imitators. For service organizations unique resources may be intellectual capital – particularly talented individuals. Roche (2011) found that if an organization seeks to build strategic management practices it must have capabilities that are of value to its customers to achieve higher performance. In fact having capabilities that are different from other organizations is a basis of strategic management practices.

Top managers know well that the firm's strategic resource management create strategic management practices in general, in recent years Telecommunication companies in Mogadishu, Somalia faced lower profits and intensive competition between them and they attempting to use its strategic management practices to enhance its performance, so it is necessary that top managers understand how the strategic resource management, organizational innovation, core competencies & quality management practice generates strategic management practices and its effects on organizational performance. A review of current studies indicates that there are very few studies that have been conducted on the effect of strategic management practices on organizational performance in telecom companies globally but in Somalia there is no researcher who studied how strategic management practices effects on organizational performance in telecom companies. Background of the study Todorov (2009) indicated that the unique, rare & in-imitable resources can be a source of strategic management practices that enhances organizational performance.

Top managers of telecommunication companies ignore in most cases that strategic management practices influence organizational performance. Therefore, this study investigates the effect of strategic management practices on organizational performance in telecommunication companies in Mogadishu, Somalia.

1.3 Objectives

1.3.1 General Objective

The general objective of this study is to assess the effect of strategic management practices on organizational performance in telecommunication companies in Mogadishu, Somalia

1.3.2 Specific Objectives

1. To analyze the effect of strategic resource management on organizational performance of telecom companies in Mogadishu.
2. To investigate the effect of organizational innovation on organizational performance of telecom companies in Mogadishu.
3. To evaluate the role of core competence on organizational performance of telecom companies in Mogadishu.
4. To examine the influence of quality management practice on organizational performance of telecom companies in Mogadishu.

2. LITERETURE REVIEW

2.1 Introduction

This chapter presents a review of the literature related to the purpose of the study. The chapter addresses the theoretical review, conceptual Framework, review of variables,

2.2 Theoretical Framework

The following section presents the related theories of competitive advantage. This study is anchored on three major theories namely, resource based theory of competitive advantage, dynamic theory of profits& Porters diamond theory

2.2.1 The Resource Based Theory of Competitive Advantage

The term competitive advantage was first introduced by Porter (1985) in his competitive strategies analysis. According to Hesterly (2012) competitive advantage stems from the company's ability to create value for its buyers that will exceed the cost of its creation.

Value is what buyers are willing to pay, and superior value stems from offering lower prices than competitors for similar benefits or unique benefits at a higher price. According to Barney (2012), company has a competitive advantage when it is implementing a value creating strategy different from the strategies of its competitors.

According to Orr (2011) the resource-based view (RBV), as one of the most widely accepted theories of competitive advantage, focuses on relationships between company's internal characteristics and competitive advantage. Barney (2013) found that companies within an industry are heterogeneous in terms of resources they control. Since resources may not be perfectly mobile, heterogeneity can be long lasting. According to Barney (1992, 1995) resources and capabilities include financial, physical, human and organizational assets that a company uses to develop, manufacture and deliver products and services to customers like financial resources including debt, equity, retained earnings, etc. physical resources including machines, manufacturing plants and buildings, human resources relate to the skills, knowledge, and ability to make judgments, risk-taking propensity and wisdom of individuals associated with the company all that resources enable an organization gain strategic management practices to increase its performance & dominate its market and industry. Organizational resources are history, connections, confidence, organizational structure, formal reporting structure, management control systems and compensation policies enable an organization to achieve strategic management practices as organization use these resources to deliver superior customer value to achieve profitable goals.

2.2.2 The Market-Based View (MBV)

According to Enders (2013) the Market-Based View (MBV) of strategy argues that industry factors and external market orientation are the primary determinants of firm performance. The sources of value for the firm are embedded in the competitive situation characterizing its end-product strategic position**.** The strategic position is a firm's unique set of activities that are different from their rivals. Alternatively, the strategic position of a firm is defined by how it performs similar activities to other firms, but in very different ways. In this perspective, a firm's performance or performance are determined solely by the structure and competitive dynamics of the industry within which it operates (Greve, 2010).

In formulating strategy, firms commonly make an overall assessment of their own strategic management practices via an assessment of the external environment based on the five forces model (Nyaga, 2011). The five forces under consideration consist of the following: barriers to entry, threat of substitutes, bargaining power of suppliers, bargaining power of buyers and rivalry among competitors (Peterson, 2013). In this perspective, a firm's sources of market power explain its relative performance.

2.3 Conceptual Framework

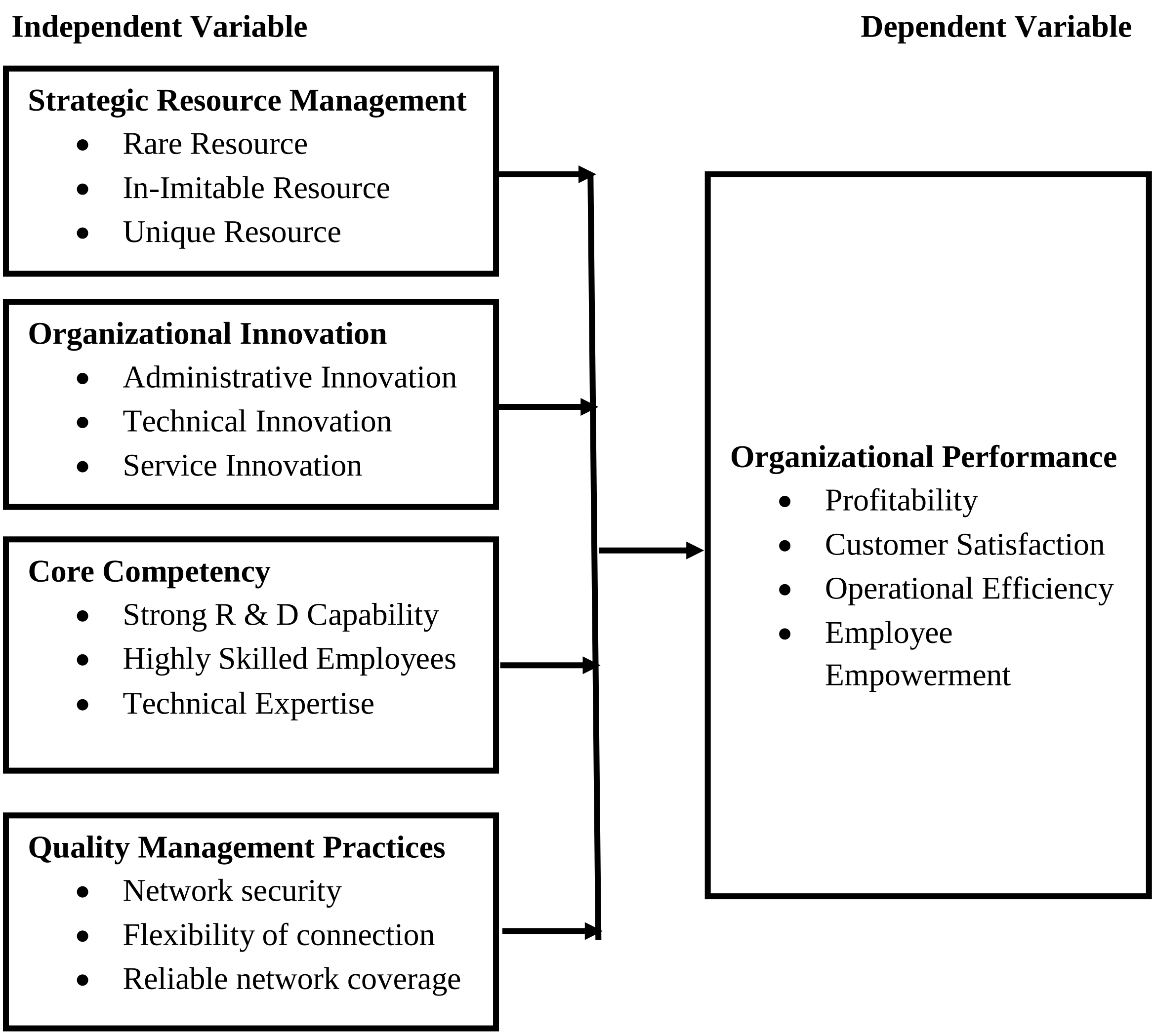

Figure 2.2 Conceptual Framework

2.4.1 Strategic Resource Management

Barney (1991) develops the so-called VRIN framework which defines characteristics resources need to possess in order to enable strategic management practices to be achieved. According to VRIN framework, valuable, rare, imperfectly imitable and not substitutable resources have the potential for creating sustainable competitive advantage to allow companies enhance its performance Wu (2010). According to Talaja (2012) the value of resources lies in their ability to neutralize threats and enable company to exploit opportunities that arise in a business environment, i.e. resources are valuable if they enable a company to design and implement strategies that improve its efficiency and effectiveness and it is important to emphasize that the value of resources has to be estimated in the context of corporate strategy and the specific environment in which the company operates to determine the most important resource that generate competitive advantage and increase firms' profit.

If there is no other resource that could be used as an adequate and worthy replacement for the existing resource, existing resources are not substitutable. Clark (2007) specified that the value and rarity of resources are necessary conditions for achieving strategic management practices to increase firm' performance and for achieving sustainable competitive advantage, resources also have to be imperfectly imitable and not substitutable.

2.4.2 Organizational Innovation

Terziovski (2009) defined organizational innovation as the application of new ideas to the product, process or any other aspect of a firm's activities. By economic innovation, we refer to novel ideas that have been implemented, producing more profit &financial value than has been invested in creating them. The importance of organizational innovation can be realized on a number of stages. According to mobs (2010), organizational innovation is important on a number of levels. It is important for nation and region, for economic growth, and for firms for survival and growth profit and for nations and regions, innovation is an important driver of economic growth and improvement of firm' performance. According to Steffen (2008) there are a number of reasons, including survival, growth, and shareholder return and increase firms' performance, however the more the organization bring the market new product and service, the more the organization gets major part of the customers, market share and higher profit. Walker (2009) found that innovation has a considerable impact on corporate performance by producing an improved market position that conveys the strategic management practices and higher performance. One of the most important elements of organizational innovation is administrative innovation.

Reschke (2009) found that organizational innovation represents firms' new products and services for surviving and sustaining in the uncertain business environment and it becomes a significant tool in helping firms achieve the strategic management practices, higher profits and performance. According to Gallear (2007) firms with greater technical innovation seem to have more advantage that is competitive in the changing environments. Ghobadian (2008) indicated that service innovation is a service that promotes the development and implementation of new products and services. Regan (2009) indicated that the origin of creativity and innovation lies in a shared vision and mission which are focused on the future.

Furthermore, the vision and mission of creative and innovation organization are also customer and market oriented; focusing on solving customers' problems and delivering superior customer value that that meets customer demands and this creates the strategic management practices that increase the performance.

2.4.3 Core Competencies

The term was popularized by Prahalad, back in 1990 in the Harvard Business Review. Drucker was one of the first to mention it in 1964 when he focused on 'strength analysis'. Simply put, they said that a core competency is something that the firm does really well. According to Besle (2012) core competence provides customers with major benefits. It's not easy for competitors to copy or adopt. It is a set of skills and abilities that can be leveraged to other products and market. Sezerel (2011) indicated that core competency is a deep proficiency that enables a company to deliver unique value to customers. It embodies an organization's collective learning, particularly of how to coordinate diverse production skills and integrate multiple technologies: such a Core Competency creates the strategic management practices for a company and helps it to enhance its performance.

If there are heavy restrictions, the firm who innovated should have a higher market value than they previously had, because they are now more profitable. Nwokah (2008) found that when patents expire however, the firm who originally invented the product will need to innovate further in order to remain competitive and keep their market value and higher profit and the need to continuously innovate drives competition in higher innovative sectors of the economy. Huang (2009) indicated that firms attempt to innovate by doing research. The amount of funds that are poured into research should reflect the success of the research projects. For example a research project with 1 million dollar investments may come back with a good product. However, a firm who invests 10 million dollars into their research project should have a good chance at creating a better product than the other firm because it has more resources at its disposal.

Therefore, if acquiring patents increases a firm's market value, and spending more funds on research and development gives firms a better likelihood to innovate, then spending more funds on research and development should increase a firm's performance. However firms are profit-maximisers, they will take account of the costs associated with any improvement in the skills of employees. Improving employee skills may be a laudable goal for society as an end in itself. Plewa (2012) specified that employers are only likely to invest in employees skills where there is a clear business case for doing so. That business case rests on the returns to the firm. For example, a firm's output may be highly dependent on talented senior executives whose performance can affect the strategic direction of the firm and the productivity of workers lower down the chain of command.

It may therefore make sense to invest in their skills if this can be converted into motivation and effort, really if a firm invests in employees' skills, this will translate into greater performance at the level of the workplace or organization. According to Kuo (2011) intense competition between technology companies to offer easy access to information, new ways of communicating, and revolutionary distribution channels and digital technologies can lead to achieve profitable goals. Integrating front-end customer service processes for product and technical support with middle-office and back-end service fulfillment operations can provide actionable insights across the entire customer journey.

By operationalizing these insights, companies can create proactive, effortless, and seamless customer interactions that delight customers with immediate transactions and increase demand for their products and services and this enhance the performance of the organization.

2.4.4 Quality Management Practices

In today's dynamic environment, Firm' performance levels have been compressed due to increased competition and spread reductions. Mahapatra (2009) found that firms once relied upon products to make their profit margin in a highly regulated industry, and the customers basically were on the sidelines, but today Firms are driven by customers who demand quality management practices. Olaleke (2010) indicated that quality management practices are very important in separating competing businesses in the retail sector as well as other companies. Firms seeking to maximize performance have come to realize that good quality helps a firm obtain and keep customers and poor quality will cause customers to leave a firm.

According to Cuffe (2008) it is well and good to recognize this need for implementing the practice of service by all of its employees, but how to carry out the practice and convince the firm's employees of this need is another matter. Elyor (2009) found that quality management practices were one of the most effective means of establishing a competitive position and improving profit performance. To establish a competitive position, it was noted by Uzhegova (2010) that firms must measure and determine their level of quality management practices, if they desire to keep their customers and satisfy their needs and to achieve higher performance, In addition, it should also be pointed out that the only means through which service can be measured is to ask the service recipients.

2.4.5 Organizational Performance

Organizational Performance is the end result of the organization's activities; it includes the actual outcomes of the strategic management process. The practice of strategic management is justified in terms of its ability to improve the organization's performance Wheelen (2010). Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives) Hunger (2010). According to Bae (2012) profitability is the ability of a business to earn a profit. It is the primary goal of all business ventures and increases organizational performance. Without profitability the business will not survive in the long run. So measuring current and past profitability and projecting future profitability is very important. Sales are an important factor in determining profitability.

According to Suresh (2015) employee empowerment is giving employees a certain degree of autonomy and responsibility for decision-making regarding their specific organizational tasks and it is a management strategy that aims to give employees the tools and resources necessary to make confident decisions in the workplace without supervision to increases organizational performance. However empowered employees are committed, loyal and conscientious. They are eager to share ideas and can serve as strong ambassadors for their organizations.

3. RESEARCH METHODOLOGY

3.2 Research Design

The research design of this study was descriptive design.

The regression model indicated as shown as Follows: $Y=\beta0+\beta1x1+ \beta2x2+ \beta3x3+ \beta4x4+ \epsilon$

Where:-

Y = represents the dependent variable, organizational performance

$\beta0 \ldots \beta4$ are the Regression Coefficient

X1 = strategic resource management

X2 = organizational innovation

X3 = core competency

X4 = quality management practices

ϵ = Stochastic term

4. RESEARCH FINDINGS AND DISCUSSION

4.1 Study Variables Findings

The following presents the findings on the various study variables.

4.1.1 Strategic Resource Management

The research wanted to examine the influence of strategic resource management on organizational performance in telecom companies in Mogadishu Somalia. Table 4.7 summarizes respondents' level of agreement on strategic resource management affects organizational performance. The respondents agreed that having strategic resource management increase organizational performance. As shown by mean of 2.46. The respondents also agreed that having rare resources affects organizational performance either negative or positive. As reported by a mean of 2.62.

The respondents also agreed that In-imitable resource enable an organization to achieve its profitable goals. As shown by mean 2.52. The respondents also agreed that having rare resources doesn't increase the performance of the organization. As shown by mean 2.82. The respondents also agreed that having Unique resources enhance organizational performance. As reported by a mean of 2.46. Strategic resource management is the resources that you can feel, move, smell etc. These are normally resources that are made by man and help us do our daily activities much quicker and easier. Other researchers also do as same as this research strategic resource management can be either rare, unique and in-imitable resource or influence organizational performance Raykov (2008).

Table 4.7 Strategic Resource Management

	N	Mean	Std. Deviation
Having strategic resource management increase organizational performance	50	2.46	1.297
Having rare resources affects organizational performance either negative or positive	50	2.62	1.323
In-imitable resource enable an organization to achieve its profitable goals	50	2.52	1.328
Having rare resources doesn't increase the performance of the organization	50	2.82	1.453
Having Unique resources enhance organizational performance	50	2.46	1.313

4.1.2 Organizational Innovation

The study south to examine the influence of organizational innovation on organizational performance in telecom companies in Mogadishu Somalia, table 4.8 summarizes respondents' level of agreement on organizational innovation affects organizational performance. The respondents agreed that Innovative Organizations achieve profitable goals. As reported by a mean of 2.44. The respondents also agreed that administrative innovation doesn’t increase organizational performance. As shown by mean of 2.36. The respondents also agreed that technical innovation enhances organizational performance. As reported by a mean of 2.44.

The respondents also agreed that developing service innovation increases organizational performance, as shown mean of 2.38. The respondents also agreed that having innovative culture enable an organization to achieve higher performance. As reported by a mean of 2.32. Organizational Innovation is the application of new ideas to the product, process or any other aspect of a firm’s activities. Other researchers found that organizational innovation has a considerable impact on corporate performance by producing an improved market position that conveys strategic management practices and higher performance Walker (2009).

Table 4.8 Organizational Innovation

	N	Mean	Std. Deviation
Innovative Organizations achieve profitable goals	50	2.44	1.327
Administrative innovation doesn’t increase organizational performance	50	2.58	1.444
Technical innovation enhances organizational performance	50	2.36	1.306
Developing service innovation increases organizational performance	50	2.38	1.398
Having innovative culture enable an	50	2.32	1.347

organization to achieve higher performance			
Valid N (listwise)	50		

4.1.3 Core Competency

The study south to examine the influence of core competency on organizational performance in telecom companies in Mogadishu Somalia, table 4.9 summarizes respondents' level of agreement on core competency affects organizational performance. The respondents agreed that having core competency enables an organization to achieve profitable goals, obtaining a mean of 2.64. The respondents also Strong R & D Capability doesn't affect organizational performance, obtaining a mean of 2.44. The respondents also agreed that highly skilled employees enable an organization to increase its performance, obtaining a mean of 2.32.

The respondents also agreed that technical expertise allows the organization to gain higher performance, as shown mean of 2.40. The respondents also agreed that distinctive competency enhances organizational performance, obtaining a mean of 2.14. Core competency is a deep proficiency that enables a company to deliver unique value to customers, and other researchers specified that companies use its core competencies to design competitive positions and strategies that capitalize on corporate strengths to increase its performance Lia (2008).

Table 4.9 Core Competency

	N	Mean	Std. Deviation
Having core competency enable an organization to achieve profitable goals	50	2.64	1.467
Strong R & D Capability doesn't affect organizational performance	50	2.44	1.296
Highly skilled employees enable an organization to increase its performance	50	2.32	1.435

Technical expertise allows the organization to gain higher performance	50	2.40	1.400
Distinctive competency enhances organizational performance	50	2.14	1.262
Valid N (listwise)	50		

4.1.4 Quality Management Practices

The researcher wanted to examine the influence of quality management practices on organizational performance in telecom companies in Mogadishu Somalia. Table 4.10 summarizes respondents' level of agreement on quality management practices affects organizational performance. The respondents agreed that quality management practices increase organizational performance, as shown mean of 2.24. The respondents also agreed that network security doesn't affect the organizational performance, as shown mean of 2.30.

The respondents also agreed that flexibility of connection enable an organization to achieve profitable goals, as shown mean of 2.30. The respondents also agreed that reliable network coverage allows an organization to enhance its performance, as shown mean of 2.24. The respondents also agreed that having a good customer care enable an organization to increase its performance, as shown mean of 2.40. Quality management practice is the assessment of how well a delivered service conforms or exceeds to the client's expectations and other researchers indicated that firms must measure and determine their level of service quality, if they desire to keep their customers and satisfy their needs and to achieve higher performance Uzhegova (2010.

Table 4.10 Quality Management Practices

	N	Mean	Std. Deviation
Quality Management Practices increase organizational performance	50	2.24	1.318

Network security doesn't affect the organizational performance	50	2.30	1.374
Flexibility of connection enable an organization to achieve profitable goals	50	2.30	1.374
Reliable network coverage allows an organization to enhance its performance	50	2.24	1.408
Having a good customer care enable an organization to increase its performance	50	2.40	1.414
Valid N (listwise)	50		

4.1.5 Organizational Performance

A number of questions were asked to assess how strategic management practices affects organizational performance in telecom companies in Mogadishu Somalia. Table 4.11 respondents agreed that Performance affects organizational performance, as shown mean of 2.24. The respondents also agreed that customer satisfaction doesn't affect the organizational performance, as shown mean of 2.28. The respondents also agreed that operational efficiency enhance organizational performance, as shown mean of 2.26.

The respondents also agreed that employee empowerment affects organizational performance, as shown mean of 2.20. The respondents also agreed that Critical success factors enable an organization to increase to its performance, as shown mean of 2.18. Organizational Performance is the end result of the Organization's activities and other researchers found that companies practice of strategic management to improve the organization's performance Wheelen (2010).

Table 4.11 Organizational Performance

	N	Mean	Std. Deviation
Performance affects organizational performance	50	2.24	1.349

Customer satisfaction doesn't affect the organizational performance	50	2.28	1.356
Operational efficiency enhance organizational performance	50	2.26	1.367
Employee empowerment affects organizational performance	50	2.20	1.414
Critical success factors enable an organization to increase to its performance	50	2.18	1.366
Valid N (listwise)	50		

4.2 Multiple Regression Analysis

Multiple regressions are an extension of simple linear regression. It is used when we want to predict the value of a variable based on the value of two or more other variables. The variable we want to predict is called the dependent variable (or sometimes, the outcome, target or criterion variable). The variables we are using to predict the value of the dependent variable are called the independent variables (or sometimes, the predictor, explanatory or regress or variables).

For example, you could use multiple regressions to understand whether exam performance can be predicted based on revision time, test anxiety, lecture attendance and gender. Alternately, you could use multiple regressions to understand whether daily cigarette consumption can be predicted based on smoking duration, age when smoking, smoker type, income and gender started. Multiple regressions also allow you to determine the overall fit (variance explained) of the model and the relative contribution of each of the predictors to the total variance explained.

For example, you might want to know how much of the variation in exam performance can be explained by revision time, test anxiety, lecture attendance and gender "as a whole", but also the "relative contribution" of each independent variable in explaining the variance. This "quick start" guide shows you how to carry out multiple regressions using SPSS Statistics, as well as interpret and report the results from this test. However, before we introduce you to this procedure, you need to understand the different assumptions that your data must meet in order for multiple regression to give you a valid result.

4.2.1 Model Summary

Model summary is a summery that describes how far the in dependent variables explain the dependent variables that mean the greater R value has the great number the greater independent variables explain with dependent variable. In order to test the research hypotheses, a standard multiple regression analysis was conducted using organizational performance the dependent variable, and the four investigations affecting organizational performance in telecom companies in Mogadishu- Somalia, strategic resource management, organizational innovation, core competency and quality management practices as the predicting variables.

Tables 4.12 and 4.13 present the regression results. From the model summary in table 4.12, it is clear that the adjusted R2 was .937 indicating that a combination of strategic resource management, organizational innovation, core competency and quality management practices explained of the variation in the organizational performance at telecom companies in Mogadishu Somalia.

Table 4.12 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.937[a]	.878	.867	.42707

4.6.5 Correlation Analysis

Pearson Bivariate correlation coefficient was used to compute the correlation between the independent variable the effect of competitive advantage and the dependent variables strategic management practices. According to Sekaran (2008), this relationship is assumed to be linear and the correlation coefficient ranges from -1.0 (perfect negative correlation) to +1.0 (perfect positive relationship).

The correlation coefficient was calculated to determine the strength of the relationship between dependent and independent variables (Kothari, 2013). From table 4.15, the results generally indicate that independent variables (strategic resource management, organizational innovation, and core competence and quality management practices) were found to have positive significant correlations on organizational performance at 5% level of significance. The results imply that strategic resource management, organizational innovation, core competence and quality management practices significantly influenced organizational performance in Telecom Company in Mogadishu Somalia.

Table 4.15 Correlations

		S.R.M.	O. In.	C.C.	Q.M.P.	O.P.
S.R.M.	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	50				
O. In.	Pearson Correlation	.852**	1			
	Sig. (2-tailed)	.000				
	N	50	50			
C.C.	Pearson Correlation	.898**	.853**	1		
	Sig. (2-tailed)	.000	.000			
	N	50	50	50		
Q.M.P.	Pearson Correlation	.851**	.892**	.907**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	50	50	50	50	
O.P.	Pearson Correlation	.880**	.842**	.909**	.909**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	50	50	50	50	50

**. Correlation is significant at the 0.01 level (2-tailed).

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter accordingly summarizes the findings in line with the objectives, draws conclusions and makes the necessary recommendations. Areas of further study that may enrich the study area are also suggested.

5.2 Summary of Findings

The general objective of this study was to investigate the effect of strategic management practices on organizational performance in telecom companies in Mogadishu. Specifically this study investigated the effects of strategic resource management, organizational innovation, core competence and quality management practices on organizational performance in telecom companies in Mogadishu. The study employed a descriptive research design in data collection. This research employed quantitative data collection method whereby data was gathered by the use of closed ended questionnaires which were self-administered. Factor analysis was used to assess the validity and Cronbach alpha to assess reliability of the questionnaire. Multiple regression analysis was performed to assess the relationship between the dependent variable (organizational performance) and the independent variables (strategic resource management, organizational innovation, core competence and quality management practices) and to test the research hypotheses on the effect of strategic management practices on organizational performance in telecom companies in Mogadishu.

Standard multiple regression analysis was conducted for hypotheses testing (Cooper, 2013) in order to establish the best combination of independent (predictor) variables would be to predict the dependent (predicted) variable and to establish the best model of the study (Schindler, 2013). Results confirm the varying importance of the effect of strategic management practices on organizational performance in telecom companies in Mogadishu. Finally the results reveal that strategic resource management, organizational innovation, core competence and quality management practices have significant and positive effects on organizational performance in telecom companies in Mogadishu.

5.3 Conclusions

Based on the findings of this study, the following conclusions were drawn. The results reveal that strategic resource management, organizational innovation, core competence and quality management practices have significant and positive effects on organizational performance in telecom companies in Mogadishu. Standard multiple regression analysis was conducted for hypotheses testing (Cooper, 2013) in order to establish the best combination of independent (predictor) variables would be to predict the dependent (predicted) variable and to establish the best model of the study (Schindler, 2013).

5.4 Recommendations

Based on the findings of this study and the conclusions drawn, the following recommendations were made:

1. To obtain and sustain strategic management practices, top managers of telecom companies should try to increase organizational performance by managing each dimension of its core competence i.e. shared vision; cooperation and empowerment in the context of telecom industry.
2. Top managers should find out how strategic resource management generates strategic management practices to increase organizational performance in telecom companies in Mogadishu.
3. To become market leader top managers of telecom companies in Mogadishu should exploit its administrative and technical innovation that generates strategic management practices to enhance the performance of the organization.
4. To achieve strategic management practices and dominate its industry, top managers of telecom companies in Mogadishu should implement linking pay to performance policy by exploiting technical expertise of its highly skilled employees to provide network security service, flexible connection and reliable network coverage.

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