IOSR Journal of Business and Management (IOSR-JBM)
e-ISSN:2278-487X, p-ISSN: 2319-7668. Volume 27, Issue 12. Ser. 6 (December. 2025), PP 01-11
www.iosrjournals.org

Coordination Capabilities and Performance of the Mobile Telecommunication Firms in Kenya

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Abstract:
Present day business firms experience unprecedented global integration, innovation and changing technology. This has challenged them to look into strategies that can improve their performance. Sources of sustained competitive advantage that enable a firm to sustain its performance above its competitors are of utmost importance. Most Mobile Telecommunication Firms (MTFs) in Kenya face challenges in the sustainability of their competitive advantage and performance. The need for better performance in mobile telecommunication firms in Kenya has challenged the management of these firms to find out how and which dynamic capabilities can actually ensure improved performance among them as they operate and compete in the same industry. The question of whether, when, which and how dynamic capabilities affect firm performance represent a clear research gap. The purpose of this study is to investigate the influence of dynamic capabilities on the performance of mobile telecommunication firms in Kenya. The type of performance addressed was non-financial performance. The specific objectives to this study were: to establish whether coordination capability influence performance and whether organizational inertia had any mediating impact on the relationship between dynamic capabilities and performance of mobile telecommunication firms in Kenya. In addition, the study investigated how dynamic capabilities work by examining the mediation effect of organizational inertia. However, the financial performance was also addressed using secondary data. Secondary data was used to augment the primary data collected using the question. This data was obtained from various website sources of the mobile telecommunication firms. The target population consisted of 320 top, middle and lower-level management officers. A sample size of 175 respondents was used in this study. The study used survey design in the collection of data. Both open and closed ended questionnaires were used for data collection. The data collected was analyzed using descriptive and inferential statistics. This study clarified the relationship between dynamic capabilities and firm performance and will therefore guide policy formulation for improved performance of mobile telecommunication firms in Kenya.
Findings of Coordination capabilities by MTFs and their influence on performance - the study found that respondents felt that coordination capabilities influenced performance of MTFs. This was supported by a Pearson's Correlation Coefficient value 0.265 (P = 0.001) and a coefficient of determination of 0.070 (P = 0.001) at a 1df thereby showing a significant association between MTFs coordinating within their organizations and their performance. Moreover, coordinating various activities in these MTFs presented a F- test value of 11.104 (1,147) thereby showing a significant association between coordination capability and performance of MTFs. Based on the findings on whether dynamic capabilities influence the performance of MTFs in Kenya, there are factors that contribute highly to the performance of MTFs in Kenya. Therefore the following recommendations were made for the improvement of the performance of MTFs in connection with value creation, growth, effectiveness and efficiency of those firms: The study recommends that a thorough evaluation of coordination capabilities among MTFs be carried out; and that their staffs should also be evaluated in an effort to ensure redundancies are eliminated and also that products designed are properly communicated to target populations.

Keywords: *Dynamic Capabilities, Performance, Mobile Telecommunication Firms, Kenya*

Date of Submission: 13-12-2025 Date of Acceptance: 23-12-2025

DOI: 10.9790/487X-2712060111

I. Introduction

The dynamic capability view focuses on how an organization, while facing a rapidly changing environment, can create new resources and renew or alter its resource mix to better its performance (Martín Sánchez & Schuch, 2020). In fact some firms adapt to changes in the environment in an ad-hoc problem solving or fire- fighting mode and so may not necessarily be applying dynamic capabilities (Singh, Charan & Chattopadhyay, 2022). Although extensive research has been carried out into the capabilities that allow for sustainable competitive advantage of firms, a number of mobile telecommunication firms (MTFs) in Kenya have failed to adopt successfully as their environments change. Competition in most of the world's mobile telecommunication firms (MTFs) is becoming intense (Tözer, 2023; Mourtzis, Angelopoulos, & Panopoulos, 2021; Chen, Liu & Wang, 2020). Advances in information technology (IT) in networking, and telecommunication have seen activities of firms penetrate their country borders to reach other countries on the globe (Luo, 2022). The performance of firms pursuing international strategies is more superior to those of similar firms operating only in domestic markets (Aharoni, 2024). Development of new resources in such firms needs to be an ongoing process for an organization where dynamic capabilities are important in dealing with new market demands ensuring that a firm is able to sustain, grow and develop in a globally dynamic business environment (Burke, 2022).

The US has a well-established telecommunication industry globally. According to Luo (2022), government restrictions on MTFs around the world have been lifted and so firms in the US explore new global business alternatives. With governments lifting restrictions there is serious competition and firms can only wade through the competition through adoption of good competitive strategies. Many formerly regulated MTFs in the US have been exploring business opportunities in less regulated segments of the telecommunications market and through this explorative knowledge, these firms have moved to exhibit their exploitative knowledge by grabbing global business opportunities for expansion (Tözer, 2023; Burke, 2022). According to Jyoti and Efpraxia, (2023), firms are now interested in business outside their boundaries and are taking advantage of information communication technology (ICT) through the use of the internet, extranets and strategic alliances that can help improve their performance. Telecommunication firms in the US, like any other existing firms, employ international strategies like strategic alliances (Nippa & Reuer, 2019) in order to enjoy economies of scope. Although firms in the US compete to exploit the same local as well as international opportunities, some have had an upper hand as they develop new resources and dynamic capabilities to deal with new market demands thus enabling them to sustain, grow and develop in a globally dynamic business environment (Tözer, 2023; Iwan, Werda & Augutina, 2020). These resources and capabilities include special technology, unique marketing skills, uniquely differentiated products, scale economies and superior managerial skills and talent. Hitt, Ireland & Hoskisson (2019) have identified some of the global MTFs as Ameritech, Bell Atlantic, Pacific Telesis, Telecom, Vodafone, Air-Touch Cellular, US West, and Mannesman.

Britain has many Mobile Telecommunication Firms that have formed mergers or alliances in order to gain resource and knowledge capabilities (Nippa & Reuer, 2019).Some of these firms have merged with other firms globally, for instance Vodafone bought Air Touch Cellular (a U.S firm) for $60.29 billion and formed a strategic alliance with US West (a US firm), it also purchased Mannesman (a German firm) for $127.76 billion and increased its ownership interest in several smaller telecommunications companies around the world (Hitt, Ireland & Hoskisson, 2019). Substantial economies of scope, improvements in technological infrastructure, communication, technical and accounting standards are some of the main reasons why international strategies have become popular in the British telecommunications industry (Hitt, Ireland & Hoskisson, 2019; Luo, 2022). Korea has had high levels of economic development as a result of mobile telecommunications (Kim, Park & Komarek, 2021). This has come up as a result of engaging in research and development (R&D) in the information and communication industry making Korea a super power in communication service technology development and provision of smart phones. Besides Korea, Hajar, Ibrahim, Darun and Al-Sharafi (2020) ascertains that Malaysia's telecommunication industry has grown tremendously in the recent years and this is because of coming up with highly innovative products which are seen to have a high degree of newness (Olga, 2019). The use of broadband services has been on the rise since 2004 (Tchamyou, Asongu & Odhiambo, 2019). The number of subscribers has increased to over 20 million and continues to grow at a rate of 25 percent (De Neufville, 2020). There has been rapid development of the internet and information technology (IT) which has pushed Malaysia's telecommunication companies into the era of competitive business. The increasing globalization of businesses has meant that Malaysia develops a more efficient and effective operation of the telecommunication companies' knowledge assets thus converting the country to a knowledge-based economy.

China's telecommunication industry is among the most important business sectors in the country. China has moved away from a centralized telecommunications monopoly and is now embracing a relatively open and free competitive market (Huang, 2019). This open and free competitive market has seen China's

telecommunication industry immensely grow for the past twenty years making China the focus globally (Morrison, 2019). China's development of economic and technological competences has made the country become more attractive for foreign investment in production as well as R&D (Wei, Yuan & Zhao, 2020). A number of multinational corporations (MNCs) have built R&D institutions in China to access engineers and Scientists to provide platforms for localization (Ervits, 2021). China's telecommunication companies have engaged in international R&D alliances. These alliances have been driven by China's huge market potential, the maturing globalization of R&D and the improving quality of the country's scientists and engineers (Scherngell, Rohde, & Neuländtner, 2020; Cai, 2023). The Swedish telecommunication sector is an important part of its economy. It has been the major driver of growth in the R&D component of the Swedish innovation system (Taalbi, 2021). In 2004, Ericsson was the largest actor in the ICT sector. Its mobile communications grew making it a major growth area in Sweden. Competition in Sweden started with international computing firms entering the data communications market and local firms entering mobile telephony. In global strategy, industries assume more standardized products across the country markets to make them more competitive (Alon, Jaffe, Prange & Vianelli, 2020). According to Strange, Chen and Fleury, (2022), global strategy has lower risks but it may cause the firm to forgo growth opportunities in the local markets as these markets are unlikely to be identified as opportunities. Since global strategy is less responsive to local markets, it becomes difficult to manage because these strategies and operating decisions need to be considered across countries. Research carried out by Hill, Smith and Vanhoonacker (2023) suggests that performance of global strategy is enhanced in areas where regional integration and coordination has taken root, such as the European Union.

Companies are now competing on a global scale, so they need to find ways to save money while still making unique and top-notch products. This is why many companies are using the transnational strategy. Hitt and his team in 2011 describe transnational strategy as a way for companies to tackle two important goals: being efficient globally and responsive to local markets. However, this can be challenging to achieve. The Dynamic capability theory explains how firms can achieve and sustain competitive advantage by appropriately adapting, integrating and reconfiguring internal and external organizational skills, resources and functional capabilities (Quansah, Hartz, & Salipante, 2022; Mugambi & Kinyua, 2020; Obeidat & Hadidi, 2017). From the dynamic capability point of view, Wang, Xue & Yang, (2022) agrees that dynamic capabilities are the abilities of a firm to integrate, build, and reconfigure competences (both internal and external) in order to deal with rapidly changing environments. Differences in the performance of firms in an industry come as a result of individual firm configuration of its dynamic capabilities which shape its competitiveness in the market environment (Zhou et al. 2019; Iwan, Werda & Augustina, 2020).

The dynamic capabilities framework argues that competitive advantage is tied to coordination capability which has distinctive ways of coordinating resources and operational capabilities (Rashidirad & Salimian, 2020). Co- ordination helps improve firm performance through successful reconfiguration of the various tasks and resources and synchronization of different activities (Ferreira & Coelho, 2020). Through co-ordination, activities are connected and interfaced. Proper co-ordination can be realized with proper communication, scheduling, task assignment and other related activities (Ahmadi & Reza, 2018). Coordination capability refers to ways in which an enterprise maintains the relationship between customers and suppliers and how it adapts to the demand of the competitive environment. Firms should consider coordinating their internal functional departments when managing operations because those with high internal integration are better equipped to disseminate, interpret, utilize and evaluate information and knowledge acquired from external stakeholders (Nguyen et al, 2018; Du et al, 2018). Without proper co-ordination and combination of resources and tasks, slight technological changes may overwhelmingly affect incumbent firms' competitive advantage in the market (Michaelis et al., 2021) and hence performance. Hernández-Linares, Kellermanns & López-Fernández (2021) consider coordination capability as one of the dynamic capabilities that can be used to renew a firm's operational capabilities to enhance firm performance. Performance of an organization is the level of achievement targeted by a firm in accordance to the objectives set in regard not only to the present but also to the future. Kornelius, Bernarto, Widjaja & Purwanto (2020) have defined firm performance as the achievement of a firm's strategic objectives through reconfiguration of its organizational resources, capabilities and systems. Werdhiastutie, Suhariadi & Partiwi (2020) has pointed out that performance is, besides previous achievements, about the potential ability to achieve a firm's goals successfully. Differences in the performance of firms in an industry come as a result of individual firm configuration of its dynamic capabilities which shapes the firm's competitiveness in its market environment (Zhou et al., 2019). To achieve desired performance levels, a firm's dynamic capabilities and resources must interact positively with the requirements on the market (Spyropoulou et al., 2018). The mobile telecommunication industry in Kenya has experienced an unprecedented growth for the past 20 years. The mobile handset that was previously a preserve of the highly placed people is now a mass consumer product now going for as low as Kshs 1,000 as compared to Kshs 200,000 it went for 20 years ago (Ndung'u, 2019). The telecommunication industry is one of the cornerstones Kenya is using to achieve its vision 2030. Ndung'u (2019) points out that, according to the Communication Commission of Kenya (CCK),

mobile penetration in the country stood at 45.9 percent as at June 2009 and this is as a result of the affordability of mobile telephony services to a majority of consumers in the low-income bracket.

The Kenya's telecommunication sector liberalization in 1998 ended the monopoly enjoyed by Telkom Kenya. This paved way for the entry of other mobile telephony companies. Today Kenya has four major mobile phone companies: Safaricom, Airtel, Orange (now reverted back to Telkom) and Equitel (CCK, 2015). Some of the world's best known telecommunication providers (Vodafone, France Telecom and Essar Communications) have become major players in the Kenyan market through their investment in Safaricom, Telkom Kenya, and Econet (Mayaka & Oloko, 2018). From these MTFs, some have gained popularity and established themselves in the market having a greater market share. Leading mobile telecommunication firms have attained their superior performance by deploying proper dynamic capabilities that suit their situations in the existing volatile environment, and therefore survived the competition (Laaksonen & Peltoniemi, 2018) It is through these dynamic capabilities that has seen these Mobile telecommunication Firms develop and grow financially over the years. For example, in the financial year 2020/2021,Airtel company had an increase in revenue growth of 17.6% in mobile services in constant currency and 35.5% revenue growth in mobile money services. Overall revenue grew by 14.2% in that particular financial year (Airtel Africa plc Annual Report and Accounts, 2021). However, in Safaricom, Service revenue declined 0.3% Year-over-Year(YoY) in Financial Year 2020/2021(FY21), with a 4.0% growth in Second Half(2H) FY21 and a decline of 4.8% YoY in the first half(1H) FY21. Recovery in 2H was driven by the return to charging on zero-rated M-PESA transactions in the fourth quarter (Q4), double-digit growth in mobile data, fixed data growth alongside growth in customers and usage (Safaricom Plc Results Booklet, 2021). However according to the company's financial statements as at 11th May, 2023, the revenue has grown by 5.2% to 295.69bn Year-over-Year, backed by M-PESA, mobile data and Fixed Data Growth (FY23 Results Booklet). Equitel's transaction value grew by 100% to Shs 1,870.0 billion up from Shs 934.2 billion and the transaction volumes increased to 328.8 million from 274.0 million (Equity Group Holdings Plc Intergrated Report, 2021).

II. Literature Review

Coordination capability has been defined as the assigning of resources to tasks, appointing the right person to the right task, identifying complementarities and synergies among the tasks and resources and orchestrating collective activities (Martín Sánchez & Schuch, 2020). An organization is a pattern of relationships through which people, under the direction of management, pursue common goals. Managers set up mechanisms for coordinating organization activities into a coherent whole. Without coordination capability people would lose sight of their jobs within the total organization and be tempted to pursue independent sectional interests at the expense of organizational goals. Co-ordination helps improve firm performance through successful reconfiguration of the various tasks and resources and synchronization of different activities (Ferreira & Coelho, 2020). The dynamic capabilities framework argues that competitive advantage is tied to distinctive ways of coordinating resources and capabilities (Rashidirad & Salimian, 2020; Okwemba, 2018). Through co-ordination, activities are connected and interfaced. Proper co-ordination can be realized with proper communication, scheduling, task assignment and other related activities (Ahmadi & Reza, 2018). Without proper co-ordination and combination of resources and tasks, slight technological changes may overwhelmingly affect incumbent firms' competitive advantage in the market and hence performance. Hernández-Linares, Kellermanns & López-Fernández (2021) considered coordination capability as one of the dynamic capabilities that can be used to renew a firm's operational capabilities to enhance firm performance. Okwemba (2018) is in agreement. Coordination ensures that processes such as teamwork and job rotation facilitate distribution and sharing of knowledge, making combination of new knowledge and existing skills and experience possible (Ahmadi & Reza, 2018).

Coordination and integration of tacit and codified knowledge enables firms to be more cost effective in delivering their products to customers and also in acquiring more information concerning customers' needs (Markovich, Efrat & Raban, 2021). Incumbent firms may be knocked out of market by new competitors, who come in with new industry standards, (Okwemba, 2019) for lack of co-ordination capability. Cyfert et al. (2021) feel that dynamic capabilities have all to do with processes like coordination and integration, learning and reconfiguration which are shaped by positions and paths. Wang, Xue & Yang, (2022) stresses that the responsibility of searching for opportunities in the market lies with the top management as he explains: "A key strategic function of management is to find new value enhancing combinations inside the enterprise, and between and amongst enterprises, and with supporting institutions external to the enterprise. Because many of the most valuable assets inside the firm are knowledge related and hence non-tradable, the coordination and integration of such assets create value that cannot be replicated in a market." Reconfiguration of functional competences of a firm lies in the effective coordination of the various tasks and resources and how different activities are synchronized to bring about the dynamic capabilities that bring out the desired results (Ferreira &

Coelho, 2020). With proper coordination and combination of different resources and tasks, a firm may maintain its competitive advantage and improve its performance.

Hsian-Ming Liu (2021) in his study confirmed that a firm must put more effort into maintaining its inter- departmental organization quality and then figuring out its impact with its inside coordination and agility activities in order to overcome the restriction of asset and improvement, surmount advertise changes and client needs, and make a distinctive competitive advantage to encourage further development in a dynamic business environment. Working together between different departments was found to be important in explaining how well insurance companies in Kenya perform. This means that everyone in the organization can help create more value for the people who buy from us, no matter what their job is dedicated to meeting customer needs, and consistently strive to enhance their overall operations. This means that the company puts the customers first and wants to make sure they have access to all the information they need. They also make sure that all parts of the company work together to meet the needs of the customers they are trying to reach (Esther, 2018). A company's strategy focuses on making sure all different departments work together and share lots of information. Business activities like promoting products, making sales, etc. This means that the company combines its resources to meet the needs of its customers and different departments often use the same resources. All workers need to work together to reach the company's goals. This shows that different departments can coordinate well and this has improved relationships with customers and made decisions that affect customer relations easier (Emily,2018).

III. Methodology

Descriptive research provides a detailed account of the characteristics or attributes of a phenomenon, individual, or organization (Smith, 2012). This study adopted positivism as its guiding research philosophy. Research philosophy refers to the underlying approach that determines how data about a phenomenon should be collected, analyzed, and interpreted (Dudovskiy, 2015). Positivism is grounded in existing theory that is refined through structured empirical testing (Winter, 2003). It aligns closely with natural science and applied research because it assumes that facts and values are separate, and that scientific knowledge consists primarily of observable and measurable facts. Consequently, positivism supports the use of quantitative approaches such as surveys, experiments, and statistical analysis for generalization (Lee & Baskerville, 2003; Dudovskiy, 2015). Guided by this philosophy, the study conducted a survey in four mobile telecommunication firms in Kenya; Safaricom, Airtel, Telkom, and Equitel using self-administered questionnaires. The purpose of the survey was to examine the relationship between coordination capability (independent variables) and organizational performance (dependent variable), and to generate new insights relevant to the research problem. Respondents included top, middle, and lower-level management staff who were knowledgeable about strategic and operational processes, ensuring diverse and relevant perspectives. A quantitative survey was chosen because it is efficient, cost-effective, and suitable for capturing information from a broad geographical area (Saunders, Lewis & Thornhill, 2009). Since the study covered the entire country, the survey method was appropriate for reaching the wide research population. The target population comprised management employees—senior executives or CEOs, corporate managers, and operations managers—from the four mobile telecommunication firms (CCK, 2016). A sampling frame was developed to identify eligible participants from the various management levels (Cooper & Schindler, 2005; Saunders, Thornhill & Lewis, 2009). Data collection was done using a structured questionnaire. Both descriptive and inferential statistical techniques were applied in data analysis, and the results were presented in tables.

IV. Results

This section presents the results on how coordination capabilities influence performance. It includes the descriptive and inferential findings together with their discussions. In addition, it outlines the study's response rate and the frequency distributions for respondents' period in the mobile telecommunication firms (MTFs) and their positions across the different management levels.

Response Rate

The response rate is presented in Table 1:

Table 1: Response Rate

Name of MTF	Number of Employees	Targeted	Return rate
Safaricom Kenya Ltd	110	60	51
Airtel Kenya Ltd	52	28	24
Telcom Kenya (Orange)	58	32	27
Equitel	100	55	48
Total	320	175	149

A total of 175 questionnaires were distributed over a two-month period using the drop-and-pick method. Out of these, 149 completed questionnaires were returned and included in the analysis. After coding the responses according to the respective questionnaire items, the data was entered, tabulated, and analyzed using the Statistical Package for Social Sciences (SPSS). This resulted in a response rate of 85.14%.The returned questionnaires formed the basis of the data analysis and reporting for the study, while secondary data was used to validate the primary findings. Mugenda and Mugenda (2003) note that a response rate of 50% is adequate for analysis, 60% is good, and 70% or more is considered excellent. Therefore, the achieved response rate qualifies as excellent. Bartik et al. (2020) similarly recommend following up with a portion of non-respondents when fewer than 80% of distributed questionnaires are returned, a threshold exceeded in this case.

Table 2. Frequency distribution of respondents' period working with MTF

Position	Periods					Total
Top-Level Management	Period org	1	Count	3	0	3
		% within Period Org		100.0%	0.0%	100.0%
		2	Count	47	1	48
		% within Period Org		97.9%	2.1%	100.0%
		3	Count	10	0	10
		% within Period Org		100.0%	0.0%	100.0%
Middle-Level Management	Period org	1	Count	3	0	3
		% within Period Org		100.0%	0.0%	100.0%
		2	Count	38	1	39
		% within Period Org		97.4%	2.6%	100.0%
		3	Count	6	0	6
		% within Period Org		100.0%	0.0%	100.0%
Low-Level Management	Period org	1	Count	3	0	3
		% within Period Org		100.0%	0.0%	100.0%
		2	Count	33	0	33
		% within Period Org		100.0%	0.0%	100.0%
		3	Count	3	1	4
		% within Period Org		75.0%	25.0%	100.0%
	Total		Count	146	3	149
		% within Period Org		98.0%	2.0%	100.0%

KEY:

i. **Period Org** – Period of years worked in the same organization represented by the following labels:
1= < 5Years of service
2= 6-10 Years of service
3= >10Years of service

ii. **Period S** – Period of years worked in the same Position represented by the following labels:
1 = <5Years of service
2= >5Years of service

Table 2 shows that 98% of employees across the four MTFs had served in their current positions for less than five years, while only 2% had held their positions for more than five years. Notably, most employees with over ten years of overall service had still occupied their present roles for less than five years. This pattern suggests frequent role transitions or promotions within the firms. Such movement provides opportunities for employees to acquire new skills, supporting professional development and contributing to the growth of the MTFs.

Table 3: Frequency distribution of the position served in terms of levels of management

	Frequency	Percent
Top-Level Management	61	40.9
Middle-Level Management	48	32.2
Low-Level Management	40	26.8
Total	**149**	**100.0**

Table 3 indicates that respondents were distributed across all management levels within the MTFs. The largest group was Top-Level Management, accounting for 41.6% of participants and comprising directors, managers, regional managers, and territory sales executives. Low-Level Management formed 32.9% of the respondents and included shop managers, service executives, and customer service staff. Middle-Level Management represented 25.5% of the sample, consisting of sectional heads, service executives, relationship managers, office managers, experience managers, and customer service executives.

Descriptive Statistical Results

Descriptive analysis was conducted to examine how coordination capabilities influence the performance of telecommunication companies.

Table 4: Effect of Coordination Capabilities on Performance

Statement	SA	A	N	D	SA	Mean	SD
Employees always attend business forums to learn about new business strategies	54.4%	45.6%	0%	0%	0%	4.54	0.500
Learning about competitors has enabled the firm to sense and act upon trends in the market.	46.3%	51%	2.7%	0%	0%	4.44	0.549
Learning through training and development practices has made it difficult for competitors to imitate.	35.6%	61.7%	2.7%	0%	0%	4. 30	0.612
Exploitation of new knowledge has enabled the firm to engage in activities that have unlocked a wider range of business opportunities.	40.9%	59.1%	0%	0%	0%	4.41	0.493
Management frequently learns about competitors and market trends from external sources	36.9%	52.3%	2.7%	2.7%	5.4%	4.13	0.988
Management changes the firm's development practices when customer feedback gives them a reason to change	42.3%	43.6%	8.7%	8.7%	8.7%	4.20	0.908

Key: 5=Strongly Agreed (SA), 4=Agreed (A), 3=Neutral (N), 2=Disagreed (D), 1=Strongly Disagreed (SD)

According to the data collected and analyzed, positive feedback was given by the sampled respondents. i.e a mean of above 4.0 and Standard deviations of less than 1. This is evident as majority strongly agreed that proper communication has enabled the firm to coordinate its activities. (54.4%). Thus, there is a stronger coordination among levels of management and employees in these firms and that is why most of the firms are extensively growing. However, 29.5% of the firms coordinate their business activities through physical meetings while 65.8% do it through physical and electronic means while 3.7% coordinate through electronic means only. More studies revealed that 22.1% introduced mobile services as synergies that enabled the firms attain cost savings, 8.1% created mass awareness, 53.7% conducted research and development, 13.4% merged position and departments as their means of attaining cost saving and finally 2.7 % created both mass awareness and mobile service introduction.

Inferential Statistical Results

The hypothesis was stated as: Ho1: Coordination capability has no significant influence on performance of Mobile Telecommunication firms in Kenya. Regression analysis was used to establish the influence of coordination capability on the performance of MTFs in Kenya. The null hypothesis that coordination capability has no significant influence on the performance of MTFs in Kenya was tested at 5% level of significance. Regression analysis was done to determine the influence of coordination capability on the performance of Mobile Telecommunication Firms. The results are as shown in Table 5:

Table 5: Model Summary

					Change Statistics			
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.65[a]	.70	.64	.4524	70	.104	7		.01

a. Predictors: (Constant), LC

b. Dependent Variable: FP

From Table 5, the correlation (R) value is 0.265, P=0.001 implying that the relationship between coordination capability and performance of MTF is moderate and positive. Therefore, improvement in coordination capability would results to increase in performance of MTFs. The R square shows that up to 7% of variation in performance of MTFs is significantly accounted for by coordination capability (R^2=0.070, P=0.001). This indicates that coordination capability have significant influence of the performance of MTF. The F test gave a value of (1, 147) = 11.104, P<0.01, which supports the goodness of fit of the model in explaining the variation in the MTF performance. It also suggests that coordination capability are a useful predictor of MTF performance.

Table 6: Regression Coefficient for Coordination Capability							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	.169	.034		5.020	.000		
CC	.154	.046	.265	3.332	.001	1.000	1.000
Dependent Variable: P							

From Table 6, the unstandardized regression coefficient (β) value of coordination capability was 0.154 and significance level of p< .001. This indicated that a unit change in coordination capability would result to change in performance of MTFs by 0.154. The regression equation to estimate the performance of MTFs in Kenya as a result of coordination capability was hence stated as:

Performance = 0.169+0.154 Coordination Capability

The study found a statistically significant relationship between coordination capability and performance of mobile telecommunication firms in Kenya. The coordination capacity of mobile telecommunications companies assumes a fundamental role in shaping their overall performance. The successful coordination and alignment of internal resources, activities, and strategies among firms results in enhanced operational efficiency and heightened customer satisfaction. The coordination capability exhibited by mobile telecommunication companies has a profound impact on their operational efficiency, customer satisfaction, innovative capacity and market competitiveness. Through the implementation of effective coordination strategies across both internal and external functions, corporations operating within the telecommunications industry have the opportunity to bolster their overall performance, stimulate growth, and fortify their standing within the fiercely competitive market landscape. Therefore, coordination capability have significant positive influence on the performance of mobile telecommunication firms.

The results are in agreement with Zhou, Zhou, Feng, and Jiang (2019) who found that the establishment of efficient coordination mechanisms promotes collaboration among individuals or groups. The ability of individuals to synchronize their conduct and synchronize their aims can enhance their collective operational proficiency, facilitate the exchange of information, and facilitate the successful consolidation of resources. As a result, there is a subsequent elevation in efficiency and enhanced achievements in designated undertakings or initiatives.

Mikalef and Gupta (2021) also ascertained that successful execution of intricate tasks or projects frequently necessitates efficient collaboration amongst multiple individuals or teams. The presence of coordination capability facilitates the ability to partition complex objectives into more manageable sub-tasks, while simultaneously delegating associated responsibilities. The aforementioned inclination amplifies the likelihood of attaining overarching aims in a successful manner. Notably, the contribution of coordination capability in combination with others yielded a negative coefficient. The ability to coordinate enables individuals or groups to exhibit greater flexibility and responsiveness when operating within dynamic environments. The robustness of coordination facilitates prompt adaptation to alterations, strategic adjustments, and efficient reallocation of resources, thereby empowering individuals to respond expediently. This practice enables individuals or entities to be proactive in navigating challenges, capitalize on favorable circumstances, and sustain their competitive advantage (Hong, Zhang & Ding, 2018).

Organizational Inertia was later introduced as moderating variable and it was conceptualized into practices, board composition and principles, accountability. Through hierarchical regression analysis, the findings of the moderating influence of organizational Inertia on the relationship between coordination capabilities and performance was recorded and this was achieved through controlling organizational Inertia constructs. To determine the influence of organizational Inertia on the relationship between dynamic capabilities and Performance, dynamic capabilities was first regressed on Performance and the standardized regression coefficients (beta) examined to determine the size and direction of the relationship and whether it was statistically significant. If this relationship is not statistically significant, there can be no moderating effect. The equation used to measure the moderating influence was:

$Y=\beta 0+ \beta 1\ X1\ Z +\beta 2X2\ Z +\beta 3X3\ Z + \varepsilon$

Where X = Independent variables (Dynamic capabilities) Z = Moderating variable (Organizational Inertia)
Y = Performance

Finally, a regression analysis was performed and the betas examined for the strength, direction and significance of the relationship. In step one; all the dynamic capabilities variables (coordination capability) were entered into the model. In step two, the moderator variable in this case organizational Inertia was entered while in step three the interaction term between the moderator variable and dynamic capabilities variables were

entered. This is the cross-product of OI and DC constructs. In each step the change in R square, F and significance level was noted. The relevant results are summarized in Table 7:

Table 7: Model Summary for Moderating Variable of Organizational Inertia Change Statistics

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.265[a]	.370	.064	.04524	.370	11.104	1	147	.001
2	.347[b]	.398	.108	.04416	.050	8.314	1	146	.005
3	.374[c]	.592	.102	.04431	.015	.020	1	145	.887

a. Predictors: (Constant), CC
b. Predictors: (Constant), CC, OI
c. Predictors: (Constant), CC, OI, CC*OI
d. Dependent Variable: FP

In the results above, in step 1, coordination capabilities explain 37% of the variation in performance (R2 =.370, P=0.001). At step 2, Organizational Inertia, adds significantly to performance as the variation increased from 37% (r^2=0.370) to 39.8% (r^2=0.398) indicating that R square changed by 5% (R^2 change= .050, P< .000). The results reveal that the variance explained by organizational Inertia is significant (F (1, 146) = 8.314, p-value<.001). In step 3, it is clear that in model 3 with the interaction between organizational Inertia (OI) and coordination capabilities accounted for significantly more variance than just OI and joint CC level by themselves, (R2 change = .015, p = .887), indicating that there is potentially significant moderation of OI on the relationship between CC and performance (PF). The regression coefficients and their significance level change with the moderating effect of organizational Inertia. The results also revealed that the regression coefficients and their respective significance level for Organizational Inertia constructs decreases when organizational Inertia was added to the regression model suggesting that organizational Inertia may be exerting a partial moderating effect on the relationship. Therefore, the results confirmed that organizational Inertia had a significant moderating influence on the relationship between coordination capabilities and the performance.

Table 8: Regression Coefficients for Moderating Variable of Organizational Inertia

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.169	.034		5.020	.000
	CC	.154	.046	.265	3.332	.001
2	(Constant)	.108	.039		2.779	.006
	CC	.121	.047	.208	2.590	.011
	OI	.132	.046	.231	2.883	.005
3	(Constant)	.157	.342		.458	.648
	CC	.056	.455	.097	.124	.902
	OI	.057	.535	.099	.106	.916
	CC*OI	.101	.707	.193	.142	.887
a. Dependent Variable: FP						

The results in Table 8 indicate coefficient result for the moderation effect of OI on the relationship between CC and PF. In step 1, after entering the CC constructs, all the constructs were found to have positive and significant predicative power (P<0.05). In step 2, when OI was entered in the model, it also had a positive and significant effect on performance (β=0.132, P=0.005). This implies that if organizational Inertia changes by one unit, the PF levels significantly changes by 0.132 units in same direction.

In step three, upon the introduction of the interaction term (cross-product between OI and CC constructs), OI is still significant and its predictive power increases (B=0.057). All of Coordination capabilities values were found to be significant. They all have p-values less than 0.05 implying significant influence. The results of model 3 therefore shows that organizational Inertia has a significant moderating effect on the relationship between the coordination capabilities and MTF performance. These findings were also represented in the model equation as shown in below

PF=0.157+0.056X+0.057Z +0.101XZ

Where PF is the performance (Dependent Variable)

X is the coordination capability (Independent Variable)

Z is the organizational Inertia (Moderating Variable)

Clearly from the model, in regard to unmoderated Beta coefficient of 0.154 (P=0.001), the interaction of organizational Inertia with coordination capability produced a beta coefficient of 0.101 (P=0.887). This implies organizational Inertia has significant moderating effect on the relationship between coordination capability and performance of Mobile Telecommunication Firms since the beta coefficient increased.

V. Conclusion

Mobile telecommunication firms in the past decade have experienced an explosive dynamic growth in phases that have seen the sector attracting significant attention due to its challenging emanating issues. These networks of communication are complex distribution systems that consist of wireless mobile or static nodes that can freely and dynamically self-organize. Their typologies in business have encountered a lot of adaptation to consumer needs and therefore allowing for outstanding spontaneous developments spanning on how the firms coordinate well their approaches in service delivery to the demand in the market and the influence that inertia in these firms can affect their overall performance.

We sought to find out whether the coordination capabilities of firms influenced the performance of MTFs in Kenya and within the five sub-thematic factors, the findings revealed that firms carry out proper scheduling which has enabled firms to coordinate their activities well and intergroup relations and cross functional teams have been established to coordinate the activities of the firms towards improving their performance. However, lack of job rotation has made combination of knowledge, existing skills and experience impossible and teamwork has not facilitated the distribution and sharing of knowledge. In addition, the firms have not identified complementarities and synergies among tasks assigned to make cost savings. Therefore, there is a significant relationship between coordination capabilities and performance of MTFs in Kenya ($\beta = 0.154$, $p = 0.001$). Therefore, the study established that coordination capabilities play a significant role in the overall performance of MTFs in Kenya. The findings generally revealed that there is significant relationship between coordination capabilities and performance of MTFs in Kenya.

Coordination capabilities presented slightly significant figures where inter-group relations and cross functional teams have been established in order to coordinate the activities of the firm towards improving performance. Otherwise, most of the sub theme factors tested were not significant as in; firms identifying complementarities and synergies among tasks assigned in order to make cost savings; teamwork facilitating the distribution and sharing of knowledge; proper communication enabling the firm to coordinate its activities and; job rotation enabling combination of new knowledge, existing skills and experience possible.

VI. Recommendations

The study also recommends a thorough evaluation of coordination capabilities among MTFs and their staffs in an effort to ensure redundancies are eliminated and that products designed are properly communicated to target populations as in the case of Airtel. This firm boasted of innovative development and design tools yet its uptake among the population in Kenya is wanting. Therefore the study recommends that deliberate efforts be put in place to enhance penetrability of their products coupled with advertisements of these essential products to ensure a competitive edge is established. There should be effective coordination of assignment of tasks and resources among workers to maintain MTFs competitive advantage and to attain this, MTFs should practice power redistribution to have a balanced work force.

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