

# **Impact Of Strategic Management On The Growth Of Telecommunication Companies In Kingdom Of Bahrain**

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**ABSTRACT:** *The purpose of the research is to create an understanding of the growing importance of strategic management for the telecommunication companies of Bahrain to tackle the challenges created by the rapidly transforming demand in the industry. Three-telecommunication companies of Bahrain (Zain, Batelco and Viva) were selected to evaluate the influence of the strategic management factors on the growth of the organizations. Some previous journal articles were studied to collect the secondary data for the research to create an understanding about the strategic management's impact on the growth of the organization. Furthermore, for the collection of the primary data, a survey was organized in which 30 participants were selected as a sample from the three-telecommunication companies to respond to the questionnaire survey that included 18 close-ended questions. Interviews were also organized in which three directors, one from every selected telecommunication was asked to share their knowledge about the impact of strategic management on the growth of telecommunication companies of Bahrain. From the research, it is found that organizations with rare and imitate competitive advantage are growing faster than others are and the strategic management practices are effective in building rare and imitate competitive advantage. Moreover, the organizational growth is associated with uniqueness that is associated with innovativeness and creativity and strategic management, which can influence the growth of the telecommunication companies. The only solution of the problem of telecommunication companies of Bahrain is to timely identify and recognise business opportunities using strategic management. Therefore, strategic management enables the telecommunication companies to timely respond to the transforming demand of the industry that result in the growth of telecommunication companies. Overall, it is concluded that with the effective use of strategic management, the telecommunication companies can; timely recognise the market's demand, bring innovativeness, build competitive advantage and then telecommunication companies can grow their businesses.*

**KEY WORD:** *Telecommunication industry, Strategic Management*

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## **I. CHAPTER 1 :INTRODUCTION, BACKGROUND & FRAMEWORK**

### **Introduction**

Strategic management is regarded as the backbone for any business as the role of strategic management starts before the business comes to its operational shape. Strategic management plays a role on every instance and directly influences the growth of the company. Strategic management starts from planning to work as an on-going process that manages the system, controls, evaluates, makes necessary changes, and improves the overall operational system of the companies. The importance of strategic management has been growing in the modern business world whereas competition is increasing and the need of efficient strategic management practices are also growing for the companies to ensure the effectiveness and proficiency of the business. The organizations are required to develop appropriate strategies in the dynamic business environment to effectively respond to the upcoming challenges and remain competitive (Dunning, 2014).

By considering the growing importance of strategic management, this research is focusing on discussing how strategic management is linked with the growth of the telecommunication companies. To discuss the selected topic in details, this research is categorised in five chapters. The first chapter is about the introduction of the research topic with an aim to help the readers to get an idea about the core focus of this research. The first chapter assists the readers to understand the problem that drives this research. The first chapter also consists of the theoretical and contextual frameworks of the research that give a brief insight of the purpose of the research.

The second chapter is designed for the literature reviews where related studies are discussed to support the argument of the research by evidence of previous research works. In the literature review, various journals, books, websites and related studies are accessed to dig out the relevant and useful data to support the research work.

Likewise, the third chapter in this research is designed to talk about the research methods that were used for this research. The third chapter is designed in a way to give reflection of the data collection methods, research population, research sampling and also it has discussed the data analysis methods and tools.

The fourth chapter is an important one as it is designed on the results of the data collected from the primary research process. This chapter has presented the point of view of the research participants about the selected topic.

Following this, the fifth chapter is the crux of this chapter, as it has discussed the results compiled from the entire research process. The fifth chapter is also the last chapter of this research therefore it helps the reader to understand the relationship between the strategic management and growth of the telecommunication companies in Bahrain.

## **Background**

The telecommunication industry has a significant importance in the development of global economy (Sharif, 2016). During the recent past, the industry has played a considerable role in the economic development fostering the economic growth of the different countries across the globe and Bahrain is one of them. The telecom industry has experienced continuous growth characterized by the ongoing technological advancements occurring on a constant basis.

The telecommunication industry is connecting people from all over the world and it enables them to stay in touch quickly by using different means of communication. Telecommunication services have become a necessity for humans all over the world not only for professional purposes but for the domestic and personal purposes as well. Following this needs, the number of telecom users is increasing with the passage of time so as the scope and revenues of the industry (Adler, 2017).

### **Statement of the Problem**

One of the biggest challenges facing telecommunication companies is to be or remain competitive in the market (Borges & Reginaldo, 2010). Now, there are more competitors in the market and if a company does not actively work and integrate its business practices then it cannot move on with the flow and results would be in failure. It becomes hard to survive in such intensifying competition and every step that is taken by the management influences the growth process of the company. To ensure the growth of the business there is needs to timely integrate the business to maintain its competitive advantage. The telecommunication companies in Bahrain are also facing a critical situation as the demand of the customers are changing, the business competition is increasing, it becomes hard to retain the competitive advantage that has challenged the growth of the telecommunication companies in Bahrain. In the telecommunication sector of Oman, the demands are changing rapidly therefore, it becomes challenging for telecom companies to respond rapidly to such transforming demands of the customers. Now, the companies are investigating and looking for ways that help the telecommunication companies to survive and grow even in an intensifying competition.

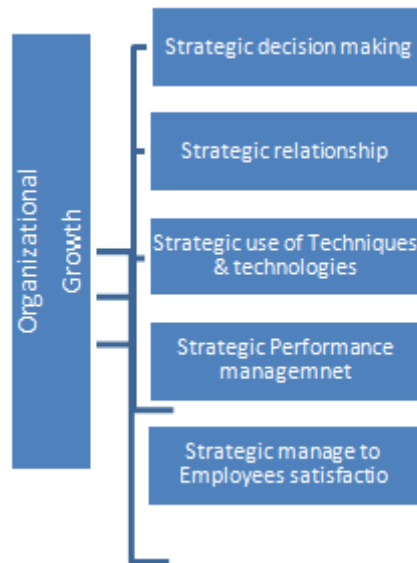
Subsequently, the strategic management is being evaluated whether it has the potential to positively influence the growth of the telecommunication companies of Bahrain.

## **Significance of the Study**

The study will provide a comprehensive understanding to the readers and other beneficiaries mentioned. The goals of this study are to enlighten the undergraduate and postgraduate of the scope and role of strategic management in organizational success. This research is significant for business studies as it contributes to provide rich information about strategic management. For a highly competitive working environment, this research study will provide the analytical and theoretical framework for the telecommunication companies to implement effectively the appropriate strategic management techniques to ensure the better growth and growth.

## **Theoretical Framework**

This research is based on the belief that the strategic management has a strong impact on the growth and employees. Thus, employees' growth has a direct impact on the growth of any telecommunication such as the strategic management has impact on the growth of the telecommunication companies; Batelco, Zain and Viva in the Kingdom of Bahrain. Subsequently, through the aforementioned theory, the effect of the strategic management is observed through: organizational strategic decisions, organizational leadership, Employees satisfaction, performance management, organizational relationship, techniques and technologies and communication.



**Theoretical Framework**

If an organization has a good leadership then the business can lead the workforce in the right direction. Likewise, good decision making is a characteristic of a good leadership, therefore, when leadership takes strategic decisions, it has a direct impact on the growth of the organization.

Employees are the most important asset of any organization, therefore, a telecommunication company with a rated employees' satisfaction will have a high loyalty rate and so the employees are more satisfied with their telecommunication companies, which will lead to good growth.

Organizational environment has a direct impact on the growth of the employees as in a good environment when employees receive respect, and have support from their colleagues then everyone performs well.



**Theoretical Framework**

The aforementioned chart describes the conceptual framework that will be used to measure the impact of the Strategic management on the growth of the telecommunication companies in the Kingdom of Bahrain. The concept is taken from the theory that strategic management’s factors i.e. the strategic leadership, decision making, technologies and techniques, organizational environment and employees’ related policies are linked with the growth of the employees and the employees’ growth are directly linked to the organizational growth

**II. CHAPTER 2: REVIEW OF RELATED LITERATURE AND STUDIES**

**Introduction:**The literature review enables the writer to identify the key areas of the research problem. It provides assistance to the researcher to figure out what particular topics have already been investigated and which areas are still require more attention and investigation efforts. Likewise, the researcher can also understand the different research methodologies and data sourcing methods used by the previous researcher in order to derive the more accurate results from their respective research studies. The following literature review addresses the research issue that is the importance and role of Strategic management in the growth of the telecommunication companies in Bahrain.

### The Strategic Planning in Bahrain

The concept of strategic management is not new for the corporate sector of Bahrain including service industry, financial institutes and manufacturing industry. The researcher Gholam M Khan along and Ebrahim Ali Bukhari address the topic of strategic management in the context of Bahrain (HINE, 2016). The writer has emphasized the needs of strategic management and the awareness about the different tools and techniques of strategic management to enhance the planning abilities and growth of the Bahrain's organizations (HINE, 2016). The researchers have also identified ten most common planning techniques for the organizations that can be used to enhance the organizational planning and growth (Flick, 2015).

### Key strategic elements in telecommunication industry

The telecommunication industry of Bahrain has evolved over the last thirty years. The telecom industry has become a key factor in the economic development of Bahrain. The telecommunication sector of Bahrain has supported the national economy through the availability of technology by creating innovative virtual products and by entering in to a completely new sector of internet economy (HINE, 2016).

Strategies of organizations depend upon their attributes and specific characteristics that distinguish them from the other organizations. The strategic management aligns the organizational resources with these specific attributes to ensure the success and effectiveness. In this research, the writer has described specific attributes of telecommunication industry with respect to the network characteristics of the industry (Collings, 2018). These characteristics include economy of scale with respect to production, consumption externalities and network externalities and the compatibility standards.

### Evaluation of Bahrain telecommunication industry

A strong telecommunication platform is considered as an integral and critical part of communication, policy implementation, finance, health, education and maintain the national competitive advantage. However, during the last two decades, there was a considerable change in the information and telecommunication technology that triggered the needs to align the infrastructure and competitive landscape. In order to seek the convergence between the technological development and the path of regulation the Bahrain's telecommunication industry has gone through lots of trials and tribulations.

The telecommunication industry of the Kingdom of Bahrain accounts only 4.6 % of the national GDP. However, as per the 2030 vision of Bahrain, the ultimate goal of the telecommunication industry of the Kingdom is to establish a globally competitive and internationally focused ICT hub in Bahrain. (HINE, 2016)

The Prince Salman Bin Hamad initiated a vision for the creation of competitive landscape. The Bahrain's first telecommunication law was developed in its first telecommunication plan. The arrival of Zain breaks the monopoly of Batelco that was the only telecommunication service provider in the Kingdom. Over the years, many companies have entered the industry. To ensure continuous future growth, it is integral for the telecommunication industry of the Kingdom to keep the pace with technological advancement to provide the best telecommunication services to the customers

### E-services adoption and telecommunications sector of Bahrain

The telecommunication market of Bahrain is becoming over saturated with the passage of time. The management of E-service is used as a competitive advantage that enables the telecommunication companies to reduce the cost of their services as well as it increase the rate of service delivery of the respective company. The telecommunication sector of Bahrain is growing at a rapid pace. It is not only serving the domestic needs of the customers but it is also serving the needs of the business sector of the Kingdom. Moreover, the continuous growth of telecommunication industry has also provided the investment opportunities to the investors of Bahrain. The investors Bahrain reacted to the marketing and financial announcements made by the corporate management of the telecommunication sector of the kingdom. Although the Bahrain's telecommunication industry is becoming more and more competitive with the passage of time, but there is still a need to adopt and implement effective strategic management strategies to ensure the efficient use of the available resources. The finding of the previous research shows that the strategic management has become an integral part of an organizational success as different tools and techniques of strategic management enables the respective organizations to improve quality of the services, minimize the cost and increase the rate of services that eventually results in efficient organizational growth. Likewise the telecommunication sectors of Bahrain can also use different tool and techniques of Strategic management such as knowledge sharing and data management to improve the growth and ensure the growth of the sectors and increase the contribution in the national economy.

### III. CHAPTER 3: RESEARCH METHODOLOGY

**Introduction :** The research methodology in this chapter tells the reader about the research design, the respondents of the study, research validity, research reliability, data collection methods, the analyzing tools and techniques and the step by step data processing.

**Research Design :** This research is based on the two variables in which the organizational strategic management is the independent variable whereas the growth of the telecommunication is the dependent variable. Following this, the descriptive research design has used for this research. In this study, the role of organizational strategic management is considered as the independent variable whereas, the organizational growth is considered as the dependent variable. The organizational strategies have the potential to affect the growth of the respective organization. On the other hand, the organizational strategy does not get affected by the growth of the firm.

**Respondents of the study** In this research study, the research population is consists of strategic management professionals and directors of the firms operating in Bahrain. The primary data is collected from the sample of 30 respondents who are the strategic management professionals from Bahrain based telecommunication companies.

The selection of the sample is based on the random and probability sampling techniques.

In this research, the researchers have used questionnaire survey as well as the interviews as research instruments. As it is mentioned above that a questionnaire is designed to collect information from the 30 strategic management professionals working in Bahrain based telecommunication organization. This questionnaire is based on demographic and 18 closed ended questions.

Demographic questionnaire used to collect the response when asked about their gender, age, the telecommunication in which they are working, their working experience and their designation.

Demographic Questions	
Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female
Age	<input type="checkbox"/> From 20 years to 25 years <input type="checkbox"/> From 26 years to 30 years <input type="checkbox"/> From 31 years to 40 years <input type="checkbox"/> 40 years and over
Name of the Organization	<input type="checkbox"/> Batelco <input type="checkbox"/> Zain <input type="checkbox"/> Viva
Work Experience	<input type="checkbox"/> Less than 5 years <input type="checkbox"/> From 5 to 10 years <input type="checkbox"/> 10 years and over
Qualification	<input type="checkbox"/> Qualified above average <input type="checkbox"/> High qualified <input type="checkbox"/> Post-graduate
Working Role	<input type="checkbox"/> Employee <input type="checkbox"/> Management

### IV. CHAPTER 4: FINDINGS & DISCUSSIONS

Chapter four of this research is based on the findings of the research and their discussion. The findings of the research are derived from the survey organized in the telecommunication industry of Bahrain. In this research, 30 employees from three telecommunication organizations of Bahrain have participated. Furthermore, the employees were asked close-ended questions to understand the impact of the independent variable (strategic management) on the dependent variable (growth of the organization).

Chapter 4 has discussed the results of the primary research. It is found that the organization with highly loyal employees receive good growth. Subsequently, from the correlation test it is found that the organizations that use motivational strategies receives positive impact on the employees loyalty and so this factor has direct impact on the growth and growth of the organization. The aforementioned tables shows that the two variables i.e. the organizational use motivation strategies and employees loyalty has a positive relation which shows that the relation is significant and in case of increasing one variable the other variable will increase in the same way. This factor shows that if organizations use more motivational strategies then they can acquire loyal employee and in the result of it organizational will grow. The survey results in this research create an understanding of the factors of strategic management that are influencing the growth of telecommunication companies in Bahrain.

### V. CHAPTER 5: CONCLUSION & RECOMMENDATIONS

Chapter five is the most important as it represents the conclusion of research surveys. The organized survey helps to create the deep understanding about “The impact of Strategic Management on the Growth of Telecommunication Companies in Bahrain”. Subsequently, in chapter five on the base of survey results the research findings and conclusion is presented. Chapter five at the end gives some recommendations to telecommunication companies to increase the growth of employee’s and management.

#### Summary of Results

From this research, it is concluded that the strategic management is one of the most influencing aspects for any telecommunication because the telecommunication the entire organizational operations are based on the strategic management. Likewise, the strategic management has a direct impact on the growth of the telecommunication in various aspects. In the same way, from this research, it is concluded that the strategic management has great importance for the growth of the telecommunication companies.

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