INTERNATIONAL JOURNAL OF SOCIAL
Sciences and Information Technology
ISSN 2412-0294 www.ijssit.com

http:// www.ijssit.com

# STRATEGIC ALLIANCE MANAGEMENT PRACTICE AND PERFORMANCE OF TELECOMMUNICATION COMPANIES IN RWANDA

[1*] **Kirabo Joyce**
*kirabojoyceofgoodluck@gmail.com*

[2**] **Gregory S. Namusonge**
*gnamusonge@jkuat.ac.ke*

[3***] **Mike A. Iravo**
*miravo@jkuat.ac.ke*

[1,2,3] *Jomo Kenyatta University of Agriculture and Technology, Kenya*

***Abstract**: This paper was designed to determine the influence of strategic alliance on the performance of the telecommunication industry in Rwanda and to assess the moderating influence of legal and regulatory framework on the performance of Telecommunication industry in Rwanda. To policy makers such as the Ministry of Communications and Telecom Regulatory Authority of Rwanda, the findings and results of this study will provide invaluable insights and a more reliable guide to evaluate performance of service providers with special reference to customer care services. Descriptive survey design was utilized with the target population of 60 top and middle level managers of Airtel and MTN telecommunication companies in Rwanda. The data collection instruments were questionnaires and interviews guide which were pre-tested using the Cronbach's alpha and factor analysis of dimensions reductions to determine the validity and reliability of the tests. The data collected was analyzed and presented using tables, by help of the SPSS statistical Package for Social Science. The results indicate that a Strategic Alliance positively relates to Performance of Telecommunication industry ($r = 0.729^{**}$, $\rho<.05$). As revealed, Legal & regulatory framework ($r = 0.905^{**}$, $\rho<.05$) is positively associated with Performance of Telecommunication industry. The conclusion here was that the strategic alliance was taken into account for the efficient performance of the telecommunication industry in Rwanda. The research recommended policy-makers to intensify the credibility of regulatory commitment, protected from direct political intervention to encourage new telecom investors in the telecommunications industry in Rwanda. Also, top telecom managers should put in place strategic alliance tools which are fit for the firm's compatibility paying special attention to the unique existence of the company's unique resources and the most appropriate technology in consideration of their expertise. Areas for further research should include other sectors of the economy such as; public transport, airlines and learning institutions in order to be studied on a much broader perspective.*

***Keywords**: Management Practice, Strategic alliance, Telecommunication Industry in Rwanda*

## 1. Introduction

From the African perspective, many African governments have developed their telecommunication infrastructure by privatizing their former state-owned enterprises. Ford & Noury, (2010) argued that telecommunication operators invest in the development of network in Africa which actually ensures the benefit would be enjoyed across the continent. As a mandatory and progressive part of modern telecommunication, internet is becoming a prerequisite in the development for every African economy. Moreover, internet as a crucial tool of telecommunication technology has significant impact on the Africa economic development as bank, stock market, insurance company, corporate offices and all of their transaction flows Waterhouse P. , (2014), mobile business solutions are one of the most attractive market segments of mobile information services. With this realization adoption of the third generation of mobile communication systems (3G) by Airtel Africa was a significant step forward in the convergence of telecommunications and data communications industries. With its headquarters in Nairobi, Kenya, Airtel Africa is driven by the vision of providing affordable and innovative mobile services to all. The telecommunication industry estimates indicate that by the end of 2014, Africa had over 635 million mobile phone subscribers, a significant rise from 246 million subscribers in the year 2008. Mobile phones first exceeded that of fixed telephones in the year 2000 (BhartiAirtel, Annual Report , 2013). In this regard, various strategies have been put in place by Airtel Africa's management to ensure that these goals are attained. The most outstanding strategy so far have been the launch of the 3G services, outsourcing, mergers and Acquisition as well as sale and lease back of its Towers. The competitive advantage practice across Africa's emerging economies are based on network-relationship, alliances, close business government ties and more importantly competition, where firms become effective oligopolistic in the African domestic markets.

## 2. Strategic Alliance and Performance of the Telecom Industry

Strategic alliance are partnerships of two or more corporations or business units that work together to achieve strategically significant objectives that are mutually beneficial to the parties (Drucker, 2016).These strategic alliances present enormous potential to a business. Strategic alliances have both significant implications of the economy and financial performance of the organization involved (Amita, Richard & Robinson, 2011). Regionally, Margarita, (2010), investigated on the importance of strategic alliances in company's activity. The paper explains strategic alliances as an indispensable tool in today's competitive business environment. No longer can companies afford ad hoc approaches to alliance formation and management, any more than they can rely on a small number of talented alliance managers. Many global companies have multiple alliances, some global, requiring coordination with numerous partners. Elmuti & Kathewala, (2011), postulate that strategic alliance can be effective ways of diffusing new technologies rapidly, entering new markets, bypassing government restrictions expeditiously, and learning quickly from the leading firms in a given field.

Aderemi. J (2003), looked into how strategic alliances between banks and mobile phone companies can be used to overcome these challenges with a specific focus on the recent alliance between Equity bank (Kenya), and Safaricom Ltd. The authors found that strategic alliances can be used as a tool which enables firms to overcome threats from their competitors while gaining additional benefits. In terms of alliance management, the use of separate teams was found to be an effective management tool in cross industry alliance. Moreover, Makau, (2012), researched on strategic alliances and organizational competitiveness. The study found that strategic alliances seek to create competitive advantage through collaboration rather than competition. Strategic alliances are also based on mutual trust of partners (Makau, 2012). The study also established strategic alliances provide partners with an opportunity to tap into resources, knowledge, capabilities and skills of their partners to gain competitiveness. Finally, the study found that strategic alliances especially non-equity strategic alliances are 15 positives and significantly correlated with organizational competitiveness. The study therefore concluded that strategic alliances interdependence between the partner firms bring benefit in the form of intangible assets, and capabilities.

On identification level, alliances try to identify new knowledge. Entrepreneurial activity includes not only innovation of new product but also identification of new opportunities and market such as the needs of our customers. Since the strategic alliance includes the relationship among large companies and SMEs, so SMEs form alliance with big companies to identify new customers and markets as well as to exploit these markets and new markets (Joshi& Dixit, 2014). The advantages of an alliance, as compared with a single firm, depend on the need for integration among parts of the value chain and the need for scale and specialization in each of the parts.

## 3. Objectives of the Study

i. To determine the influence of strategic alliance on the performance of the Telecommunication industry in Rwanda

ii. To assess the moderating influence of legal and regulatory framework on the performance of Telecommunication industry in Rwanda

## 4. Conceptual framework

Bradley, (2008) defines conceptual framework as a visual or written product that explain either graphically or in a narrative, the main things to be studied, the key factors, concepts or variables and the presumed relationship among them. It is therefore a model used in research to outline possible courses of action or present a preferred approach to an idea or thought (Bradley, 2008). A conceptual framework is very important in any research study being undertaken. It shows the relationship between the dependent variables and independent variables

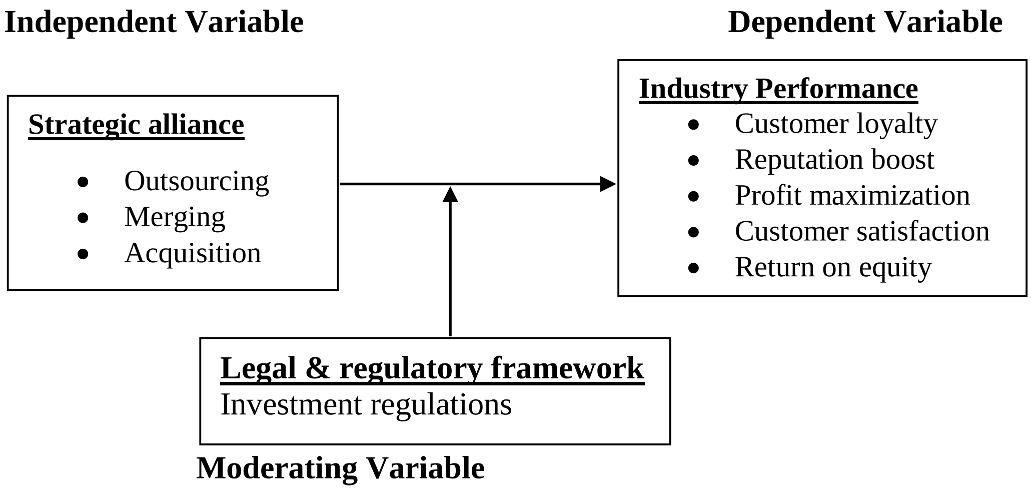
Independent Variable
Dependent Variable
Strategic alliance
Outsourcing
Merging
Acquisition
Industry Performance
Customer loyalty
Reputation boost
Profit maximization
Customer satisfaction
Return on equity
Legal & regulatory framework
Investment regulations
Moderating Variable

*Figure 1: Conceptual framework*

## 5. Literature Review

### Resource Dependency Theory

The Resource dependency theory (RDT) is founded on the guiding principle that an organization especially business-related firms should engage in the transactions with other players and strategic partners within its environmental spectrum in order to obtain a wide range of integrated resources. Essentially, such partnership has the ability to leverage on the diverse opportunities and can address challenges, which could not otherwise be handled without the partnership (Davis & Cobb, 2010). The theory explains the actions of companies through the formation of alliances, interlocks, joint ventures, mergers or acquisitions in their struggle to improve organizational legitimacy, autonomy and competitiveness. It is an instrument of resource control of an organization as a core factor for company growth and survival.

In principle, the resource dependency theory presents an application of more universal theoretical ideas to a particular issue. The mutual dependency between different organizations can actually act as a motivating factor for potential partners to combine synergies during critical interdependencies with other organizations in the same environment (Drees & Heugens, 2013). When any company has no sufficient resources internally, it stretches its dependency on the external players have the resources they need. These can cut across technical capabilities, skills and expertise, financial resources or organizational legitimacy. Organizations learn the game of redressing their insufficiencies through strategic partnerships by liaising with other organizations to fill up their need gaps. The logic behind the establishment of such partnerships is the potential for value addition through pooling the resources together because no man is an island. Essentially, the acquisition of such external resources is a crucial precept of both the strategic and tactical management of any successful company (Hillman, et al., 2009)

Across different organizations in the world, the issues of uncertainty triggers interdependencies in the management of the available resources for the survival of organizations and this is a driving factor for organizations to seek out for supplementary resources and capabilities in other partners. Organizations typically have to adjust their business strategies to adapt to changes in power relationships with others in partners organizations. Since many firms are not self-sufficient and do not have access to control of all the resources, they need interaction and collaboration with other similar actors in order to fulfill their own vision and goals. This implies that, organizational partnership is a mode of gaining access to critical resources, which is a prerequisite to organizational survival and success.

In connection to these research variables, the Resource Dependency Theory seeks to observe telecommunications' adaptation to dependences through alliances, mergers and acquisitions by aligning internal organizational elements with the environmental pressures. The telecommunication companies in Rwanda have learnt to collaborate with similar actors in the telecommunications industry in order to alter their environment. With this assumption, it can be asserted that, dependency on the critical resources influence the actions of companies and that their decisions can be elaborated depending on the specific dependency situation. The telecommunications companies in Rwanda are not able to produce all the resources they need to be able to survive hence engage some form of exchange with the external environment in order to acquire the resources that that need for survival. The resource dependency theory emphasizes that; the survival of the company depends on its ability to attract resources needed to support and sustain their operations (Pfeiffer & Salancik, 2003).

Del Baldo (2012), postulated that, managers brought in resources such as skills, information, legitimacy, buyers and suppliers, social groups and policy decision-makers all of whom could reduce uncertainty and ultimately boost performance of the organization. This is because, the particular resources that the organization may want could not be readily accessible, available or under the control of an external uncooperative player. In order to prevent such dependencies, companies develop tactics that are aimed at enhancing their power to bargain strong positions in the transactions of the resources. Such actions may include diversifying and establishing links with other similar companies, boosting company's scale of production. These strategies result into lessening a firm's dependency on other firms as well as improving its own power and leverage through strategic alliance with other potential companies (Del Baldo, 2012).

## Strategic alliance Practice

This research selected strategic alliance as one of the independent variables due its roles in the telecommunications industry. Strategic alliance as a management practice involves sharing of knowledge between service partners thereby reducing the unnecessary costs and risks in the areas such as new technologies and development of new products (Drucker, 2016). Establishment of strategic alliances like mergers, acquisitions and outsourcing has actually been viewed as a response to globalization and increasing uncertainty in the global telecommunications business. It is within this sense that strategic alliance was adopted to form a basis for the evaluation of strategic management practices and performance of telecommunication companies in Rwanda.

The concept of strategic alliance has become widely used in business language to refer to the different types of partnership agreements between two or more companies that pursue clear strategic collaboration objectives with different levels of possible integration among the members. Elmuti, & Kathewala, (2011), presents his definition for alliance as any governance structure to manage an incomplete contract between firms and in which each partner has limited control. Wheelen & Hunger, (2007), argued that strategic alliances are likely to bring into play the element of technology and manufacturing capabilities at come into play when an Organization engages in strategic alliances with other players in the industry. This is strategic alliances can bring about a competitive advantage to those organizations that have collaborated.

The author states further that an alliance is a way of sharing control over future decisions and governing future negotiations between the firms. Strategic alliance is a coalition or corporation agreement formed between a company and others to achieve certain strategic goals. Presently, strategic alliances are prominent phenomenon in the global economy among multinational companies (MNCs) and between companies in developing countries too. Drucker, (2016), states that the greatest change in corporate culture, and the way business is being conducted, may be the accelerating growth of relationship based not on ownership, but on partnership. Strategic alliances are therefore of two or more corporation or business units that work together to achieve strategically significant objectives that are mutually beneficial to the parties. These strategic alliances present enormous potential to a business (Drucker, 2016).

**Legal and Regulatory Framework**

Recently, empirical studies established a close link between political and institutional factors and the design and the effectiveness of regulations. For instance, Bauer, (2010), show that political and institutional factors explain a substantial part of the variation in subsidy levels between various EU countries, the degree of deregulation achieved in various OCECD countries in the mobile telecommunication industry and price deregulation in the U.S. mobile industry, respectively. These political and institutional factors include governments' attitudes towards market regulations, electoral system, political systems (presidential vs parliamentary), accountabilities and independence of the regulatory agencies. One indication of the benefit of telecommunication investment is the strong correlation between telecommunication development and overall economic development (Bauer, 2010). All regulatory outcomes including unbundling policies and mandated access prices are the effect of political and administrative processes, which can interact with the investment decisions of firms. This is crucial for the econometric modeling of the investments and known in the econometric literature as endogeneity problem.

Kotakorpi, (2006), published evidence that shows that statistically, telecommunications investment causes growth in the financial sector hence GDP growth, due to the heavy revenue through taxes that the companies pay to the government. While the list of scholars, who seek to explain the regulatory policies, is much longer than the one cited here, the list of explanatory variables used typically includes the above variables. As also shown in the above-cited studies, one additional factor, which explains the regulatory policies, is the performance of the regulatory market itself.

Adegbie & Fankile, (2011), the more the citizen lack knowledge or education about taxation in the country, the greater the desire and opportunities for tax evasion, avoidance and non-compliance with relevant tax laws. In this respect, the country becomes more adversely affected due to absence of tax conscience by individuals, companies, and the failure of tax administration to recognize the importance of communication and dialogue between the citizens and tax-related matters (Adegbie, & Fankile , 2011). In the face resource efficiency in financing long-term development, developing countries like Rwanda resort to foreign capital such as, loans and grants as a primary means to achieve rapid economic growth. Consequently, this ends up accumulating huge external debts in relation to the Gross Domestic Product (GDP) and serious debt serving problems in terms of foreign exchange flow and as such, majority of the population ends up living in absolute poverty. To this effect, the government of Rwanda has expressed concern over these and has vowed to expand the tax revenue in order to meet its mandate and one greatest was industry that brings in revenue to the government is the telecommunication industry.

### Organizational Performance

The concept or Organizational performance based upon the idea that an Organization is the voluntary association of productive assets, including human, physical, and capital resources, for achieving a shared purpose. Those providing the assets will only commit them to Organization so long as they are satisfied with the value they receive in exchange, relative to alternative uses of the assets, (Lebans & Euske, 2011). Consequently, the essence of performance is the creation of value. So long as the value created by the use of the contributed assets is equal to or greater than the value expected by those contributing the assets, the assets will continue to be made available to the Organization and the Organization will continue to exist. Therefore, value creation, as defined by the resource provider, is the essential overall performance criteria for any Organization. How that value is created is essence of most empirical research in management. Conversely, how that value is measured is the essence of this research (Carton, 2004). The telecommunication sector is emerging from a period of cost cutting and debt reduction. This is mainly because traditional fixed line carriers are losing market share in favor of mobile operators that are offering raising quantities of airtime in return for a flat monthly fee as well as advanced value-added services.

Organizational performance involves the recurring activities to establish organizational goals, monitor progress towards the goals and make adjustments to achieve those goals more effectively and efficiently. Organizational performance is an abstract concept and it is difficult for so many organizations to directly measure. Instead of measuring Organizational, performance directly the Organization selects indicators such as quality, growth, productivity, job satisfaction, goal consensus, managerial interpersonal skills.

## 6. Methodology

This study applied descriptive survey design by collecting general information through administering questionnaire to the selected sample of respondents. This design was appropriate since it provided an accurate account of characteristics of a particular event or scope of real-life situation (Kothari, 2004). Both qualitative and quantitative data was collected in order to answer the question formulated for this study.

## 7. Results and Discussion

### Total Variance Explained for performance

Explained variance sometimes referred to as explained variation is used in research to measure the inconsistency and discrepancy between the said model and the actual data. Actually, it is part of the model’s total variance that is explained by the different factors which are essentially present and are not caused by the error variance. The higher percentage of explained variance indicates a strong strength of association. In essence, the percentage of the variance Colum gives the ratio that is expressed as a percentage of the variance accounted for by each component to the total variance among all the variables. This therefore implies that better predictions were made (Rosenthal & Rosenthal, 2011).

### Strategic Alliance Total Variance Explained

Explained variance sometimes referred to as explained variation is used in research to measure the inconsistency and discrepancy between the said model and the actual data. Actually, it is part of the model's total variance that is explained by the different factors which are essentially present and are not caused by the error variance. The higher percentage of explained variance indicates a strong strength of association. In essence, the percentage of the variance Colum gives the ratio that is expressed as a percentage of the variance accounted for by each component to the total variance among all the variables. This therefore implies that better predictions were made (Rosenthal & Rosenthal, 2011).

Table 1: Strategic Alliance Total Variance Explained

| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | |
|---|---|---|---|---|---|---|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 4.489 | 64.132 | 64.132 | 4.489 | 64.132 | 64.132 |
| 2 | .927 | 13.247 | 77.379 | | | |
| 3 | .598 | 8.538 | 85.917 | | | |
| 4 | .466 | 6.653 | 92.570 | | | |
| 5 | .252 | 3.596 | 96.166 | | | |
| 6 | .238 | 3.407 | 99.573 | | | |
| 7 | .030 | 0.427 | 100.000 | | | |

Extraction Method: Principal Component Analysis.

Further, the high factor loading scores showed that all the items explained strategic alliance. The EFA extracted 1 factor with an Eigen value of 4.489 which is above the accepted value of 1 and cumulative extracted variance of 64.132 % (Yong & Pearce, 2013). Thus, none of the seven items was dropped.

## 8. **Correlation Results**

Correlation analysis forms a basis for regression analysis; thus, it is appropriate to analyze in research. Extant studies have described the concept of correlation as the degree of association between variables in the study (Mukaka, 2012; Asuero *et al.,* 2006). Equally, it quantifies the strength of the linear relationship between a pair of variables (Bewick *et al.,* 2003). The present study sought to probe the relationship strategic management practices and Performance of Telecommunication industry under the moderating role of Legal & regulatory framework. Therefore, the study analyzed the relationships that are inherent among the variables using Pearson product moment correlation coefficient *(r)* to assess or infer on the strength of the linear link between study variables (Mukaka, 2012).

Statistically, correlation coefficient always falls between -1.0 and +1.0 such that if the correlation (*r*) is positive, there is a positive relationship whereas if correlation (*r*) is negative, then the relationship between variables is negative (Samuel & Okey, 2015; Rebekić*et al.,* 2015). Further, if the correlation (r) falls within 0.00 to 0.10 then it is a negligible correlation; 0.10 to 0.39 means weak correlation; 0.40 to 0.69 infers a moderate correlation; 0.70 to 0.89 implies a strong correlation and 0.90 to 1.00 signifies a very strong correlation (Schober *et al.,* 2018). Accordingly, bivariate correlation analyses were performed and Pearson correlation coefficients were generated to measure the strength of the link between the study variables (Field, 2000).

*Table 2: Correlation Results*

| | | Performance | Strategic alliance | Legal and regulatory |
|---|---|---|---|---|
| Performance | Pearson Correlation | 1 | | |
| | p-value | | | |
| Strategic Alliance | Pearson Correlation | 0.729** | 1 | |
| | p-value | .000 | | |
| Legal and regulatory | Pearson Correlation | 0.905** | .599** | 1 |
| | p-value | .000 | .000 | |

From the results on table 2 above, there is a positive and significant correlation between the independent variables and Performance of Telecommunication industry. Notably, results indicate that a Strategic Alliance positively relates to Performance of Telecommunication industry (*r* =0.729**, $\rho$<.05).

*Table 3: Coefficient Table*

| Model | | Coefficients | | t | Sig. | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|
| | | B | Std. Error | | | Tolerance | VIF |
| 1 | (Constant) | .006 | .024 | .261 | .795 | | |
| | Strategic Alliance | .114 | .032 | 3.619 | .001 | .387 | 2.586 |
| | Legal and regulatory framework | .214 | .042 | 5.118 | .000 | .219 | 4.573 |
| | Strategic Alliance *Legal and regulatory framework | .015 | .004 | 3.750 | .007 | .356 | 2.811 |

**H$_{03}$** hypothesized that Legal & regulatory framework does not matter in the relationship between the Strategic Alliance and Performance of Telecommunication industry. Nonetheless, the results showed that Legal & regulatory framework positively and significantly moderated the link between Strategic Alliance and Performance of Telecommunication industry ($\beta$ = .114, $\rho$<.05). Thus, the hypothesis was rejected. The results suggest that optimistic Legal & regulatory likely weakens the Strategic Alliance influence on Performance of Telecommunication industries in Rwanda. Strategic alliances have significant implications of the financial performance of the organizations involved (Amita, Richard & Robinson, 2011). Elmuti, & Kathewala, (2011), posit that strategic alliance can be effective ways of diffusing new technologies rapidly, entering new markets, bypassing government restrictions expeditiously, and learning quickly from the leading firms in a given field. Strategic alliances can be used as a tool which enables firms to overcome threats from their competitors while gaining additional benefits.

## 9. Moderator Direct effect

The regression results show a positive and significant association between Legal and regulatory framework and Performance of Telecommunication industry ($\beta$ = 0.214, $\rho$< .05). So, the hypothesis was not supported. This connoted that increased level of strategic marketing create value to the firm in the form of Performance of Telecommunication industries in Rwanda. There are various regulations that can hinder successful management of the various business strategies especially with regards to industries that fall under government regulatory authorities such as the telecommunication industry. Oglietti & Pontarollo, (2003), asserted that government licensing can often force significant changes in industry practices as well as strategic approaches. This is well achieved through deregulation given that it limits the activities of competitors in the market in different industries.

## 10. Hypothesis summary

| No | Null Hypothesis | Decision criteria | Conclusion |
|---|---|---|---|
| 1 | **$H_1$:** There is No significant Relationship between strategic alliance and performance of telecommunication industry in Rwanda | Reject the null hypothesis if p<0.05 | The null was rejected since p-value was found to be < 0.05 |
| 2 | **$H_2$:** There is no significant moderation effect of legal and regulatory framework on the relationship between strategic management practices and the performance of Telecommunication industry in Rwanda | Reject the null hypothesis if p<0.05 | The null was rejected since p-value was found to be < 0.05 |

## 11. Conclusion

**Specific Objective One:** to determine the influence of strategic alliance on the performance of the Telecommunication industry in Rwanda.

This objective was designed to assess the extent to which strategic alliances with other companies in the same telecommunication industry influence performance of a particular telecommunications industry. The indicators of strategic alliance include; strategic outsourcing, strategic merging and strategic acquisition. To that effect, the study ascertained that strategic alliance measurers had strong effect on the performance of telecommunication firms in Rwanda. the firm has always adopted Inter-organizational synergy to expand its operations, cooperation with other firms in the industry has brought about Low investment costs for the company, formation of development cooperation has brought a broad range of skills and expertise to the firm, the formation of alliances has helped the firm in the Mitigation of market uncertainties through risk sharing ,The formation of alliances has helped in enhancing stakeholders satisfaction and the formation of alliances has brought Operating efficiency and effectiveness in the company.

The companies were able to have access to new technologies and resources and also this had an effect in preventing unnecessary competition beforehand. This benefited the company tremendously. The formation of alliances helped in enhancing stakeholder's satisfaction and the formation of alliances brought Operating efficiency and effectiveness in the both the two telecommunication companies. The results demonstrated a positive and significant link between Strategic Alliance and Performance of Telecommunication industry. This suggested that an increased level of strategic alliances enhanced the Performance of Telecommunication industries in Rwanda.

The results demonstrated a positive and significant link between Strategic Alliance and Performance of Telecommunication industry ($\beta$ = 0.302, $\rho$< .05). Consequently, the hypothesis was not held. This suggested that an increased level of strategic alliances enhanced the Performance of Telecommunication industries in Rwanda. The indicators for legal and regulatory framework include; taxation laws and investment regulations Regression results showed a positive and significant association between Legal and regulatory framework and Performance of Telecommunication industry ($\beta$ = .235, $\rho$< .05). This connoted that increased level of strategic innovation create value to the firm in the form of Performance of Telecommunication industries in Rwanda. There are various regulations that can hinder successful management of the various business strategies especially with regards to industries that fall under government regulatory authorities such as the telecommunication industry. (Oglietti & Pontarollo, 2003), asserted that government licensing can often force significant changes in industry practices as well as strategic approaches.

The recommendation was that: top telecom managers should put in place strategic alliance tools which are fit for the firm's compatibility paying special attention to the unique existence of the company's unique resources and the most appropriate technology in consideration of their expertise. Only strategic alliance is recommended when there exists resource dependency theory that explains how external resources of an organization affect its behavior. Purchasing of external resources is a very crucial tool to both the tactical and strategic management of a telecommunication company at large. This is because, in the contemporary globally connected world, it is quite paramount to reexamine the market as it continues to attract new competitors.

## References

*Adegbie, & Fankile . (2011). Company Income Tax and Nigeria Economic Development" . European Journal of Social Science, 22.*

*Aderemi Janes. (2003). Marketing Principles and Practice. :. Mushin: Concept Publication Limited.*

*Amita, Richard & Robinson. (2011). Strategic Management formulation, Implementation and Contro. New York : McGraw-Hill.*

*Bauer, J. (2010). Regulation, Public Policy and investment in communication infrastructure. Telecommunication Policy.*

*BhartiAirtel. (2013). Annual Report. Retrieved from www.airtel.com.*

*Bradley. (2008). principles of Marketing (5th edition ed.). Australia: Pearson.*

*Carton. (2004). Principles of marketing (12th edition ed.). Prentice Hall of India.*

*Del Chiappa, G. (2013). Internet versus travel agencies. The perception of different groups of Italian online buyers. 19(1), 55-66. Journal of vacation marketing, 55-66.*

*Drucker, P. (2016). strategic alliance: Formation, Implementation and Evolution. Cambridge Blackwell Publisher.*

*Elmuti, D, & Kathewala, Y. (2011). An overview of strategic alliances: Management decision. Vol.39 (Vol. Vol.39).*

*Field A. (2000). Discovering Statistics using SPSS for Windows. London, Thousand Oaks- New Delhi: Sage Publication.*

*Kotakorpi. (2006). Access price regulation investment and entry in telecommunications. International Journal of Industrial Organization, 1013 -1020.*

*Kothari. (2004). Research Methodology: Methods and Techniques. New Delhi.: Asia Publishing house.*

*Lebans & Euske. (2011). Management and Marketing Challenges for the Knowledge society. Vol.6.*

*Makau, N. (2012). Strategic alliance and organizational competitiveness among commercial banks in Kenya: a case study of Kenya commercial Bank. Published MBA project. Nairobi: University of Nairobi.*

*Oglietti & Pontarollo. (2003). Regulatory Effectiveness: The Impact of Regulation and Regulatory Governance Arrangements on Electricity Industry Outcomes: A Review paper. London Business School Regulation Initiative, Working paper.*

*Pearce.J & Robinson R . (2011). Strategic Management formulation, Implementation and Control: An empirical analysis of process development. Strategic management journal,*

*Waterhouse, P. (2014). Telecoms in Africa: Innovation and inspiring. A journal for telecom, cable, satellite and executives, Vol 17.*

*Wheelen. T & Hunger J. (2007). Strategic management and business policy (11th edition ed.). New York: Prentice Hall Inc.*