MANAGING STAKEHOLDER SALIENCE, INFLUENCE AND EXPOSURE WITH SUSTAINABLE SUPPLY CHAIN MANAGEMENT PRACTICES AND TRIPLE BOTTOM LINE MEASURES: THE CASE OF SAFARICOM, KENYA

BY

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DECLARATION

Managing stakeholder salience, influence and exposure with sustainable supply chain management practices and triple bottom line measures: the case of safaricom, kenya is my own work and has not been submitted for award of any degree or examination in any other University and that all the sources I have used or quoted have been indicated and acknowledged by complete references.

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ABSTRACT

As organizations face stiff pressure from various stakeholders, management has had to move beyond the idea of shareholder wealth maximization and incorporate the environmental and social concerns from the various stakeholders. The study identifies how Sustainable Supply Chain Management (SSCM) practices enable the firm to manage the social, environmental and economic Triple Bottom Line (TBL) for four key stakeholder groups - customers, suppliers, regulators and the community.

The study adopted a case study design, focused on Safaricom, arguably Africa's most innovative cellular firm which has championed the M-pesa money transfer platform. The objectives were, first, to establish key attributes namely; power, legitimacy and urgency of selected stakeholders of Safaricom and the key determinants of their salience, second, to determine stakeholder expectations and how they hold Safaricom accountable; third, to identify the extent of Safaricom's influence and control over the selected stakeholders; and finally, to establish how and to what extent the firm manages stakeholder exposure through their SSCM practices and TBL measures.

Data from semi-structured interviews with Safaricom management and the four key selected stakeholder groups, together with company and public documents, were analyzed using qualitative content analysis. Stakeholder groups were selected to represent examples of low, moderate or high levels of salience and exposure. While all are considered important, the case reveals how Safaricom management prioritizes and addresses stakeholder needs according to their attributes. As each stakeholder group is heterogeneous, the case reveals how the firm manages each distinctively and adopts diverse SSCM practices, which are aligned with the firm's TBL measures. Moreover, stakeholder exposure has a moderating effect on the relationship between the firm's SSCM practices and the TBL measures.

Key words: Stakeholders, Stakeholder Salience, Stakeholder Exposure, Sustainable Supply Chain Management Practices, Sustainability, Triple Bottom Line, Cellular Industry, Safaricom, Kenya

DEDICATION

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ABBREVIATIONS AND ACRONYMS

AAIK:	Action Aid International Kenya
ACF:	Africa Cancer Foundation
BMS:	Building Management Systems
BTS:	Base Transceiver Stations
CA:	Communication Authority of Kenya
CAPEX:	Capital Expenditure
CAK:	Competition Authority of Kenya
CBU:	Consumer Business Unit
CC:	County Commissioner
CCK:	Communication Commission of Kenya
ccTLD:	Kenyan Country code Top Level Domain
CDF:	Constituency Development Fund
CDI:	Customer Delight Index
CSR:	Corporate Social Responsibility
CSSR:	Call Set Success Rate
DC:	Direct Current
DCA:	Deputy County Assembly
DCC:	Deputy County Commissioner
EBU:	Enterprise Business Unit
EDI:	Enterprise Delight Index
EIAs:	Environmental Impact Assessments
EMF:	Electro-Magnetic Frequency
EICC:	Electrical Industry Code of Conduct
EMCA:	Environmental Management and Coordination Act
EU:	European Union
FO:	Focal Organization
GeSi:	Global e-Sustainability Initiative
GOK:	Government of Kenya
HIV/AIDS:	Human Immunodeficiency Virus/Acquired Immune Deficiency yndrome
HOREC:	Hope for Orphan's Rescue Centre
H&S:	Health and Safety

HQ1:	First Head Quarter Offices
HQ2:	Second Head Quarter Offices
ICNIRP:	International Commission on Non-Ionizing Radiation Protection
ICT:	Information and Communication Technology
IEBC:	Independent Electoral and Boundaries Commission
IT:	Information Technology
ISO:	International Standards Organization
JCC:	Jambo Contact Centre
KCB:	Kenya Commercial Bank
KeNIC:	Kenya Network Information Centre
KPIs:	Key Performance Indicators
KRA:	Kenya Revenue Authority
LTI:	Lost Time Injuries
MCAs:	Members of County Assembly
MNOs:	Mobile Network Operators
MTRs:	Mobile Termination Rates
NEMA:	National Environmental Management Authority
NGOs:	Non-Governmental Organizations
NPS:	Net Promoter Scores
RoHS:	Restricted Hazardous Substance
OSH:	Occupational Safety and Health Performance
PIN:	Private Personal Identification number
PROP:	Proposition
PPE:	Personal Protective Equipment
QCA:	Qualitative Content Analysis
QoE:	Quality of Experience
QoS:	Quality of Service
R&D:	Research and Development
RDT:	Resource Dependence Theory
RPB:	Radiation Protection Board
SC:	Supply Chain
SCC:	Safaricom Care Centre
SCM:	Supply Chain Management

SLA:	Service Level Agreement
SRC:	Senate Research Committee
SSC:	Sustainable Supply Chain
SSCM:	Sustainable Supply Chain Management
SQ:	Speech Quality
TBL:	Triple Bottom Line
TCET:	Transaction Cost Economics Theory
TPL:	Third Party Logistics
UNEP:	United Nations Environmental Policy
USSD:	Unstructured Supplementary Service Data
USF:	Universal Service Fund
UWC:	University of Western Cape
WCA:	World Communications Awards
WCED:	World Commission on Environment and Development
WEEE:	Waste Electrical Electronic Equipment
WiMAX:	Worldwide Interoperability for Microwave Access

DEFINITION OF TERMS

Stakeholders- A stakeholder refers to individuals or groups that affect or are affected by an organization's decisions, policies, and operations.

Stage- Constitutes focal organizations as well as n-tiers of suppliers, customers and other supply chain partners (Seuring, 2008).

Stakeholder salience-Stakeholder salience is the degree to which managers give priority to competing stakeholder claims.

Stakeholder power-Stakeholder power is a stakeholder attribute where one social actor, A can get another social actor, B to do something that B would not otherwise have done.

Stakeholder legitimacy-stakeholder legitimacy is a generalized perception that the actions of an entity are desirable, proper or appropriate within some socially constructed systems of norms, values, beliefs and definitions.

Stakeholder urgency-stakeholder urgency refers to how critical and temporary a stakeholder's claim is. It is the call for immediate and pressing attention

Stakeholder exposure-is a construct in this research that combines control and accountability.

Control- A firm's ability to influence supply chain decisions.

Accountability- The propensity for firms to justify their decisions

Sustainability- Sustainability is the moral law that guides our actions regarding economic, social and environmental options without affecting future generations

Triple Bottom Line-TBL is an accounting framework used by firms to measure their performance by focusing on the economic, environmental and social dimensions.

WiMAX – means interoperable implementations of the IEEE 802.16 family of wireless-networks standards ratified by the WiMAX Forum.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Organizations globally are forced to constantly rethink how to operate in order to remain relevant. This is motivated by the new dawn of stiff competition, globalization and economic development. Due to increases in population, the demand for available resources is on the rise, leading to resource depletion. This has led to negative effect such as climate change that has threatened the possibility of a sustainable world for future generations. This situation requires that organizations apply improved practices in managing supply chain activities to remain sustainable.

While organizations strive to create wealth for the shareholders, they need to pay close attention to the social and environmental issues. Firms' performance is no-longer viewed narrowly; it is viewed broadly along the Triple Bottom Line perspective (Hubbard, 2009). The World Commission on Environment and Development (WCED) (1987) defines sustainability as practices and advancement that are capable of meeting the requirements of the present generation without jeopardizing the needs of subsequent generations. However, the main challenge in determining the needs of later generations is lack of quantifiable measures of estimating them. WCED argues that sustainability cannot be partial since economies, institutions or societies are either fully sustainable or not. In the modern business environment, sustainability has become an area of focus. Its importance has increased over the years due to emerging issues such as energy consumption patterns, drastic climatic changes and the need for greater accountability on environmental and social responsibility (Carter & Easton, 2011).

Wealth creation by organisations does not take cognizance of environmental and social capital. This has caused disparity between the rich and the poor, often putting organizations under intense pressure by diverse stakeholders to provide information regarding what the business is doing and what it plans to do. Stakeholders use this information to benchmark, compare and rank the sustainable supply chain performance in organizations. Due to the unpredictable and worrying changes in the economic conditions which breed environmental and social calamities, pressure will constantly build on organizations to make a swing to sustainable development (Elkington, 2004).

Paying close attention to supply chain activities is a milestone towards sustainability (Linton, Klassen & Jayaraman, 2007). This is because a supply chain consists of upstream, focal organization and downstream activities. However, the boundaries of sustainability extend beyond the main domains of Supply Chain Management (SCM). To attain sustainable SCM, innovative strategies should be applied by organizations. Various stakeholders also require that organizations provide information concerning social and environmental dimensions of their operations (Tschop, 2003).

In this thesis, the study focuses on Safaricom, a leading cellular company in Kenyan. Safaricom is considered to be a dominant firm in the telecommunication industry which is constantly subject to regulatory and public scrutiny. The firm interacts with the external environment and various stakeholders regarding a number of aspects. Examples of these actors include communities, suppliers, governmental regulatory agencies, customers, investors and employees. The pressure has increased in recent years due to environmental dynamism as evidenced through growing globalization, greater diversity, rising ethical standards, and speedy technological advancement (Luhmann, 1995).

The community provides Safaricom with the skilled manpower that the firm depends on to achieve its competitive advantage and sustainability. Suppliers provide the firm with infrastructure, products and services to ensure that they satisfy and surpass customer expectations. Customers in return enable a firm to receive steady revenue for them to be sustainable. The regulatory bodies are critical because they are responsible for setting guidelines that enable cellular firms to operate and meet customer expectations while maximizing returns.

1.2 Overview of Safaricom Company Ltd

In Kenya there are four cellular companies. Safaricom has a market share of 67.9 % while Airtel Kenya, Orange (Telecom Kenya) and Yu-Essar have market shares of 16.5 %, 7.2 % and 8.5 % respectively. The history of Safaricom dates back to 1997 when the only telephone operator in Kenya, Telkom, opened a wholly owned subsidiary. The shareholding structure is comprised of 40 percent by Vodafone, 35 percent is held by the Kenyan government and 25 percent free float. The company has annual revenue amounting to Kshs. 144.67 billion (US $1.4467 billion) while its customer base is 21.57 million which represents an increase of 11.1 percent from 2013 (Safaricom Sustainability Report, 2014). Safaricom's customers are classified into end-user and enterprise customers. The firm is a dominant player in the corporate segment with 85% of revenue from enterprise customers (Safaricom Annual Report, 2015).

The key stakeholders for Safaricom include: customers, regulators, and the government of Kenya, employees, shareholders, suppliers, the media and the society. Safaricom is considered as the market leader in various mobile telecommunications products and services. The organization has a work force of over 1500 employees. Sustainability is understood by Safaricom to mean a viewpoint and and set of principles that guide decision- making processes thereby shaping the future positioning of the organization (Safaricom Sustainability Report, 2014). Safaricom plays a fundamental role in transforming the lives of people in Kenya, both economically and socially. For example, it offers innovative products, like the cellphone banking application, Mpesa, that have drastically transformed the lives of Kenyans both economically and socially. However, there is also public pressure on the firm due to steady increases of call rates, unstable network, high employee turnover, slow response rate on the customer complaints and unsustainable energy consumption.

Safaricom's philosophies enable the company to continuously improve the management of sustainability issues. Some of the sustainability challenges facing Safaricom Ltd include: carbon print management, disposal of old and used cell phones, energy consumption, regulatory environment, global warming and climate change, stimulation of the communities and society where Safaricom is operating and minimizing of operational costs (Safaricom Sustainability Report, 2014).

1.3 Statement of the Problem

In recent decades Supply Chain partners, for instance, customers, the community, governmental agencies and the shareholders have become increasingly concerned about the impact of issues including legislation, environmental disasters and large industrial changes on sustainable economic development (WCED, 1987). The ever-changing customer requirements, competitive pressure, government policy, and technological innovations have resulted in changes in the telecommunications sector.

Safaricom Ltd has been experiencing an upward growth in revenue over the last 10 years. On the other hand, the firm is continuously vilified over monopolistic tendencies and its unwillingness to open up its successful M-pesa platform to competitors. The firm has been a subject of regulatory and public scrutiny culminating into a host of questions that directly touches on the firm's sustainability goals. Stakeholders are increasingly putting pressure on the firm to justify their actions or inactions over issues that have far reaching social and environmental implications. The firm is constantly held accountable over issues of human rights violations, working conditions and anti-competitive behavior. This has forced the firm to look beyond economic goals of profitability and start pursuing social and environmental objectives in order to reduce stakeholder exposure. The key sustainability issues focused by Safaricom Ltd include: network stability, dynamic regulatory environment, energy security, innovation, supplier ethics and performance, ethics and values and environmental performance (Safaricom Sustainability Report, 2014). The cellular industry has seen changes in technology and market structure. Hrovatin, Basle, Cibic & Švigel (2005) argue that cellular industry has grown due to improved use of the radio spectrum.

A number of studies have been carried out on stakeholder salience and sustainability in organizational supply chains. Parmigiani, Klassen, & Russo (2011) argued that stakeholder salience is positively related to the level of accountability of a firm for its decisions. The authors argue that firms need to consider stakeholder exposure (control and accountability) to specific social and environmental concerns. Wu & Pagell's (2011) study of decision making in the management of Sustainable Supply Chains established that a firm need to consider all the three dimensions of TBL in their businesses. Gopalakrishnan et al's. (2012) case study, on the drivers of sustainability at British Aerospace, recommended that success in SSCM can only be achieved by addressing relevant TBL issues. Carter & Easton's (2011) paper on the evolution and future directions of sustainable supply chains established that SSCM has drastically transformed from a stand-alone discipline to a concept that incorporates the Triple Bottom Line (TBL).

The above-cited studies confirm the growing significance of a study on aligning stakeholder salience, influence, and exposure with SSCM and TBL measures in the cellular industry. Todate, there is no known study that has looked at this subject within the context of a telecommunications industry in a developing country. Even at the global level, there is no evidence of empirical studies on stakeholder salience, influence, exposure, SSCM and TBL measures. Therefore, this study provides relevant theoretical knowledge by extending the work of Parmigiani et al. (2011) by integrating issues of stakeholder salience and exposure with SSCM practices and TBL measures. The case of Safaricom provides an opportunity to develop an in-depth analysis from a stakeholder perspective in a developing country context. This study therefore bridges the identified gap.

Furthermore, the choice of cellular industry was necessary due to its uniqueness in two aspects. Firstly, the production of goods in this industry is associated with the consumption of the services and this leads to a complex three-way relationship that exists between the manufacturer, service provider and the end users. Secondly, the cellular industry's scarcest resource, namely, frequency spectrum, is allocated to the service providers by the governmental agencies (Fomin, 2001). Despite the critical role the cellular industry in playing in the Kenyan economy, research in this particular domain is scanty. It is therefore necessary to test whether Safaricom's strong market performance is sustainable.

1.4 Objective of the Study

The general objective for this study was to investigate the extent and impact of stakeholder salience, influence and exposure on SSCM practices and TBL measures at Safaricom Company Ltd and its selected key stakeholder groups.

1.5 Specific Objectives

This study sought to address the following specific objectives:

i) To establish key attributes namely; power, legitimacy and urgency of selected stakeholders of Safaricom and the determinants of their salience.

ii) To determine the expectations of these stakeholders, how they hold Safaricom accountable, and how the firm exercises control over its SSCM practices.

iii) To establish the relationship between Safaricom's SSCM practices and TBL measures.

iv) To establish how, and to what extent, Safaricom aligns its SSCM practices and TBL measures with stakeholder exposure.

1.6 Significance of the Study

The study contributes conceptually, empirically and theoretically to the literature on stakeholder salience, influence and exposure. It has advanced the frontiers of knowledge in the area of stakeholder theory, SSCM and TBL concepts. The results of this study provide a clearer understanding on the degree of association between stakeholder salience and accountability of Safaricom to its stakeholders.

Unlike the approach taken by most researchers who study stakeholder management, the study integrates SSCM practices with stakeholder theory. It contributes knowledge of SSCM practices and TBL and the relationship between them. Using the case of the market leader in a rapidly growing developing country, it enables professionals and academicians to gain a clearer understanding of major practical challenges in the field. This study facilitates theory building which can subsequently be used as a reference point for future studies.

It also presents an elaborate view on the impact of economic and non-economic influence on the control of the firm. Besides understanding the impact of SSCM practices on TBL measures, this research facilitates the understanding of the influence of stakeholder exposure on both SSCM practices and TBL measures of a cellular firm. In addition, it identifies the applicability of specific empirical literature in the context of developing countries, hence stimulating further research.

On policy, the research puts forth recommendations relating to the provision of relevant information to the stakeholders, quality standards and need to adhere to the law governing mobile phone cellular firms in Kenya. These will most likely help the company, governmental regulatory agencies and other industry players on the formulation of policies that enable cellular firms to achieve better stakeholder management strategies, SSCM practices and enhanced TBL measures.

On day to day managerial practice, the study has put forth recommendations that can aid in understanding whether SSCM practices translate into better economic, social and environmental measures in organizations. It enables the firm management to understand how to analyse and prioritize various stakeholders based on power, legitimacy and urgency. This enables the firm to accentuate ways of remaining accountable to its stakeholders.

1. 7 Structure of the Thesis

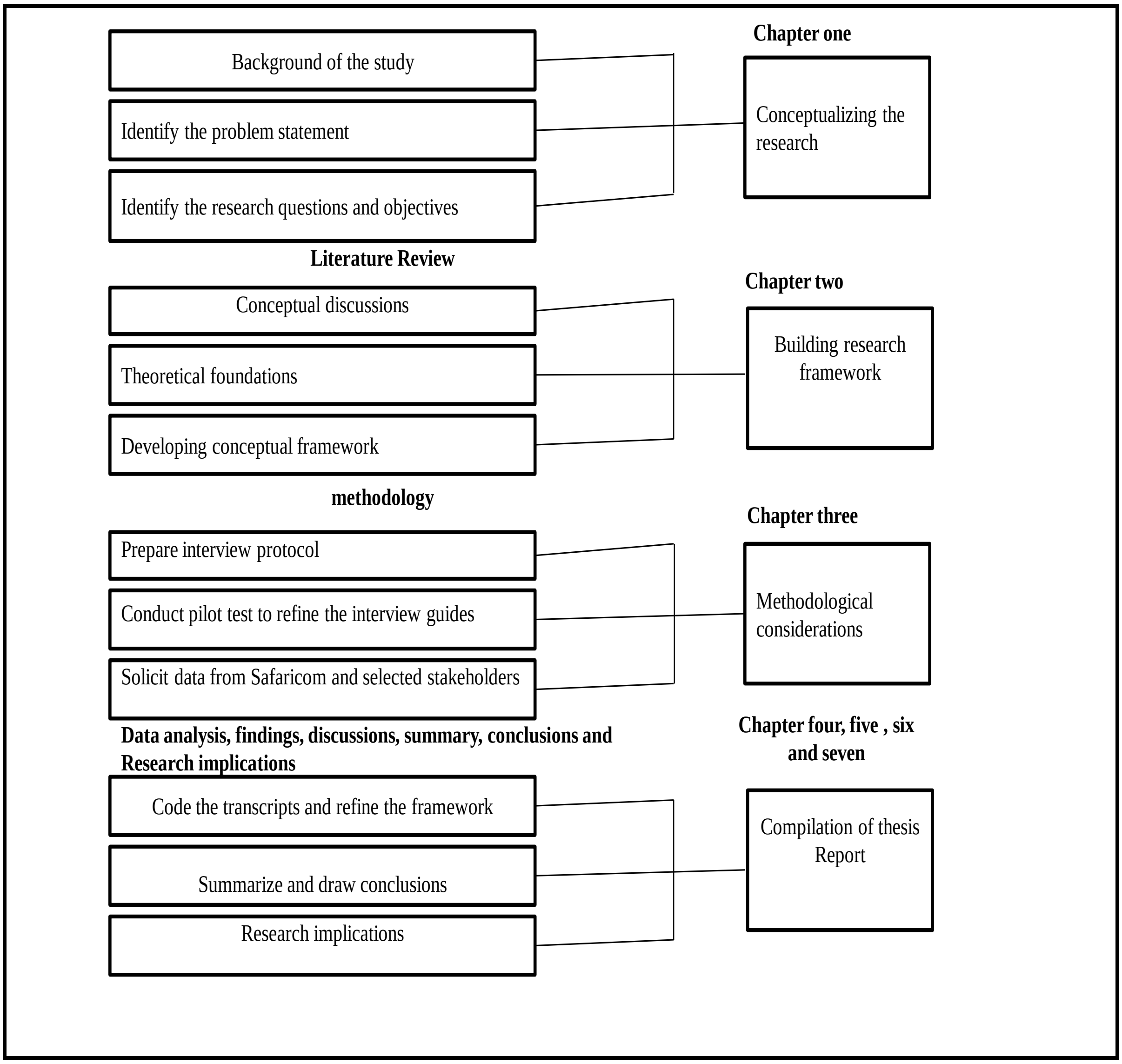
The thesis is organized into seven chapters. Chapter one introduces the study by incorporating the background of the study by conceptualizing and contextualizing the study, discusses the problem statement and justification of the need for conducting the study by pointing out the gap that exists in the domain literature, the research questions, the objectives and the value of the study.

This thesis is organized into a further six chapters as presented into Figure 1. Chapter two contains a detailed review of relevant literature that integrates stakeholder salience and firm influence, stakeholder exposure, TBL and sustainability and SSCM practices into a theoretical and conceptual framework. It explores the operational management implications of the framework which addresses SSCM practices, TBL measures and relationships. This chapter concludes with a theoretical and conceptual framework for the study. This helps to identify and articulate the relationships that exist between stakeholder salience and accountability, economic and non-economic influence verses firm control, accountability and control combined with stakeholder exposure. It also helps to clarify the interactions between stakeholder exposure, SSCM practices and TBL measures.

The research methodology chapter details how this research was conducted, justifies the adoption of an embedded case design, and explains how the sub-cases including customers, supplier, regulator and community were selected. It also justifies the selection of Safaricom for this study. Finally, it details how data was gathered and subsequently analyzed.

Chapter four presents the empirical findings relating to Safaricom and the four selected stakeholders namely; customers, suppliers, regulators and community. The results are set out qualitatively guided by propositions depicted in the conceptual framework.

Figure 1.1: Thesis structure



Source: Author, 2017

Chapter five presents a comparison of the sub-cases of the four stakeholders selected. This chapter focused on the analysis relating to the views given by Safaricom management stakeholders including customers, suppliers, telecoms regulators and the community.

Chapter six analyses and discusses the four sub-cases in the context of the existing literature. This reflection of the results of the interviews with Safaricom management, customers, supplier, regulator and community guided by the set propositions depicted in the conceptual framework. Refinement of the framework was also done.

The concluding chapter summarizes the outcome of the research, makes recommendations based on the study findings and highlights recommendations for future research and practical applications of the study. It reports on important issues in stakeholder salience, stakeholder exposure, SSCM practices and TBL measures. The conclusion section ties together or integrates the key issues in the study.

1. 8 Chapter summary

The purpose of this chapter was to provide a detailed exposition of the concepts and context. The chapter gives an outline of the problem addressed and justification on the contextual choice of the study. The study mainly focused on Safaricom, a top mobile operator in Africa with revenues in excess of 2 billion US dollars. However, the firm is increasingly facing public scrutiny and exposure.

The chapter prepared the researcher to understand critical elements of the study before getting on to the main body. It highlights the SSCM concept, the roles of stakeholders in a cellular industry and key sustainability issues focused by Safaricom. Issues related to stakeholder salience, exposure, influence, SSCM practices and TBL measures are tackled comprehensively in Chapter Two.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

While firms have many techniques at their disposal to optimize the efficiency and responsiveness of their supply chains, there is no clear framework to determine the optimal configuration of a Supply Chain (SC) that also incorporates the social and environmental aspects that ensure sustainability. This review focuses on developing an integrated conceptual framework to evaluate the alignment between stakeholder power and interests, SSCM practices and TBL measures of sustainability. It highlights the TBL pillars, that is: economic, environmental and social aspects and their role in sustainability.

The argument in this chapter addresses the shift from the insular firm to the SCM and stakeholder views; the need to manage relationships strategically along the SC, and to measure sustainability performance through the TBL. This is augmented by a discussion of SSCM practices to optimize efficiency, efficacy and minimize risk, stakeholder expectations and influence within stakeholder theory, as well as stakeholder salience, exposure and influence. The chapter concludes by integrating the concepts used to conduct the empirical investigation of the case into a conceptual framework and specifies the propositions that are depicted in the model. This conceptual framework is refined after data analysis and subsequent interpretation of the results in chapter 6.

2.2 The Shift from the insular firm to SCM and stakeholder view

Contemporary organizations have found it necessary to re-examine the management of the activities that take place throughout their supply chains. This implies that supply chain management (SCM) plays a central role in ensuring that the organization is efficient and effective in its operations (Awad & Nassar, 2010). The Supply Chain Management (SCM) concept was introduced in the last twenty years of the 20th century. This was necessitated by the interest developed by both academia and practioners (Oliver & Weber, 1982). These authors argue that the concept emanated through consultancy work. Later, the discipline was extended into academia (Ellram & Cooper, 1990) where procurement, operations, and distribution functions were merged into a unified function of supply chain management. The expansive nature of a supply chain contributes to the keen interest in the concept of SCM. A supply chain is a set of connections of all firms involved either directly or indirectly in satisfying the customers' requirements (Meindl & Chopra, 2013).

Supply chains therefore comprise a number of parties that can either be organizations or individuals who facilitate movement of products, services, finances as well as information right from the supplier to the end user (Mentzer et al., 2001). It also incorporates value addition and movement of information among the concerned parties. This study adopts a definition of SCM by Handfield and Nicholas (1992) who defined it as an assimilation of both upstream and downstream activities by way of enhanced relationships among concerned parties with the objective of achieving a sustainable competitive advantage.

Lambert et al. (2006) also view SCM as the deliberate effort to incorporate main business procedures throughout the entire supply chain. However, recent developments such as the need to take into account social and environmental issues have forced organizations to consider sustainability of their supply chains. A supply chain needs to take into consideration the needs of its stakeholders in order to be efficient and effective. Stakeholder influence is critical in determining the level of control a firm has over its SSCM practices and hence it requires astute management to deliver customer's expectations.

The concept of stakeholder approach was coined in the mid-1980s (Freeman & Reed, 1983) to fill the gap left by contradicting theories that did not offer solutions to both the magnitude and kinds of changes that were taking place in the business environment (Freeman, 1984). Stakeholders may broadly be conceived as a group of people with interest in an organization who may exert pressure so as to have influence over decision making. These individuals can also be affected by the decisions taken by an organization (Freeman, 1984). This definition focuses on stakeholders as current individuals or organisations only. Future generations and nature are seemingly not considered stakeholders. In addition, this definition focuses on the attribute of power only.

However, stakeholders may have the potential of benefiting or bearing the risk (Post, Preston & Sachs, 2002).

Freeman (1984) views stakeholders as people who may have the ability to influence or are influenced by a firm’s activities, choices and plans. Stakeholders are classified into two categories; market-based or primary and non-market-based or secondary stakeholders. Market-based stakeholders include: shareholders, employees, customers, and suppliers. Nonmarket-based stakeholders include: government agencies, financial partners, media, community and civil society (Lawrence & Weber, 2008). Although competitors who accuse Safaricom of monopolistic tendencies are stakeholders who have potential impact on the company’s bottomline, they were not considered in this study. Stakeholders supply valuable resources to the firm or place something at risk and they have the capacity to influence decisions or actions in the firm directly or indirectly. In order for a firm to create sustainable wealth, it needs to engage all its stakeholders.

A stakeholder is a group or individual with, or addresses the interests of any one, two or all of the three attributes of power, legitimacy and urgency (Mitchell, Agle & Wood, 1997). Organizations give prominence to stakeholder management in order to manage its stakeholders effectively while ensuring that they are satisfied (Jamali, 2008). This is also in line with the view that stakeholders need to be prioritized based on the attribute they possess (Mitchell et al. 1997).

This study adopts this inclusive definition which enables one to easily identify stakeholders and determine their relative importance to the organization. Based on this definition, stakeholders of an organization include: shareholders, employees, government agencies, banks which have loaned funds to the organization, non-governmental organizations, suppliers, customers and communities.

The diverse stakeholders in an organization may have overriding requirements and therefore the organization’s management needs to assess the needs of each to establish which one should be given priority based on their salience levels. Managers have an obligation to act in the best interest of legitimate stakeholders while seeking to maximize the wealth of a firm (Jensen & Meckling, 1976; Post et al. 2002). For instance, employees may demand an increment in their pay to the detriment of the shareholders in terms of profits and dividends. Customers have an interest in economic empowerment which emanates from the value of the product or service (Azapagic, 2003). They are also concerned about their environmental and social well-being, for example, recycling of the products.

Resource dependence theory suggests that the stakeholders who supply important resources to an organisation possess significant chances of manipulating the organisation's decisions. According to Frooman (1999), the providers of resources to a firm have two ways of controlling the firm for example, by determining whether a firm is getting the resources it requires or it utilizes the resources as directed by the provider.

2.3 Managing Relationships Strategically along the Supply Chain

Regardless of whether organizations are motivated by profit or not, they need to be concerned with how they relate to stakeholders within a given environment. Firms are constantly apprehensive about what goods or services they deliver to their customers. This is because, in the absence of customers, there will be no business. They need to think and act strategically; translating organizational insights into effective strategies that can help respond to dynamic environment and lay a strong foundation for the implementation of strategies (Barney & Clark, 2007). The authors' observation implies that there are a number of factors that characterize the environment within which firms operate. These include political, economic, socio-cultural, technological, ecological, and legal factors. A change in any of the factors mentioned herein may have adverse effects on the operations of the firm. This forces organizations to adopt of SSCM practices to address any change that may occur in any of the variables in order to optimize the mentioned variables.

Organizations have goals and aspirations that may compete with each other. The objectives of firms are attained through adoption change strategies such as SSCM (Foran et al. 2005). Stakeholders advocate for products and services that are environmentally friendly due to “green consumerism” (Elkington, 1994). This argument is extended by Windsor (2002) who asserts that for businesses to thrive, economic development should be balanced with the societal and environmental dimensions.

Elkington (1998) argues that the sustainability concept should guide people to take into consideration economic, social and environmental aspects of their activities without negatively impacting on future generations. Sustainability is therefore considered as the capacity of an organization(s) to progress for certain duration of time in a manner that provides a chance to other organisations to prosper (Starik and Rands, 1995). This principle is called the Triple Bottom Line (TBL) approach.

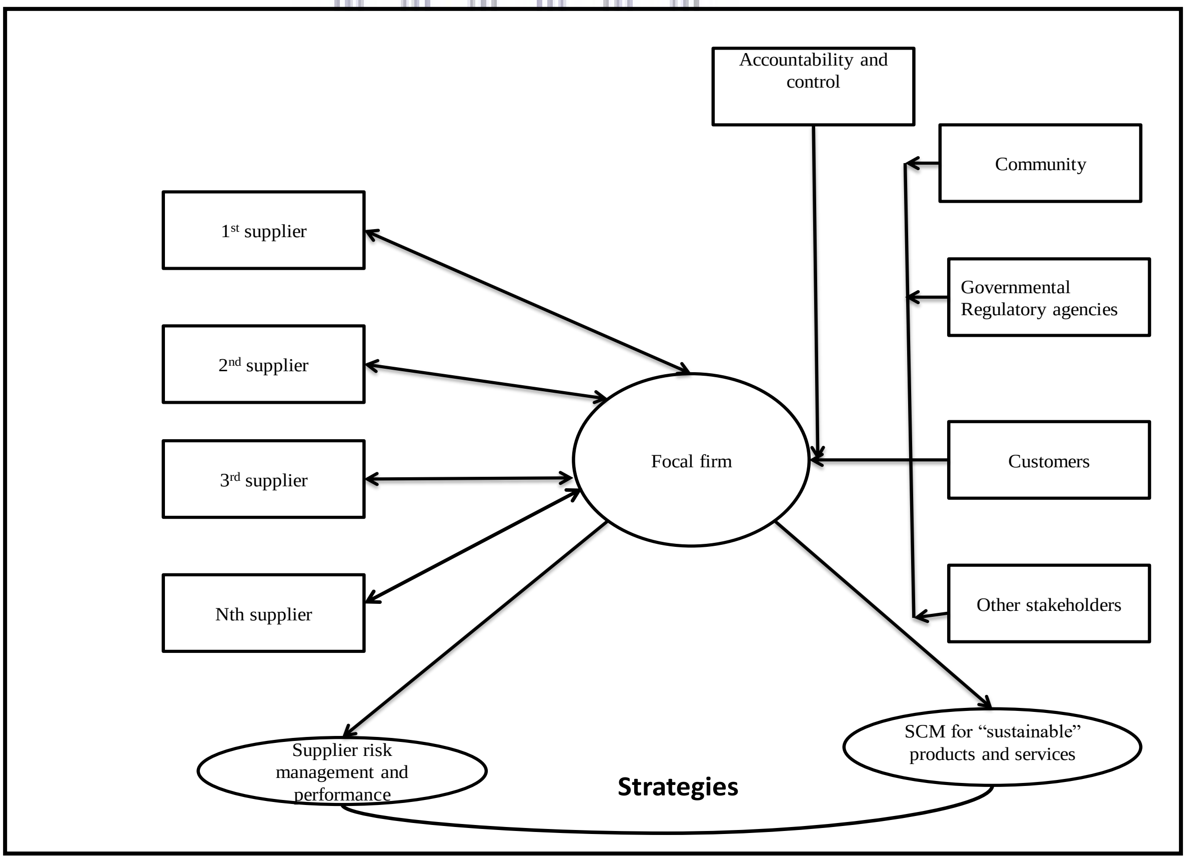
Sustainability consists of three key pillars, that is; environmental, economic and social that forms the TBL. The environmental facet includes issues on climatic changes, pollution and global warming (Gopalakrishnan et al. 2012). Tieney (2002) support corporate environmentalism by stating that businesses can still make money while still saving the environment. Achieving this requires the use of holistic concepts and extending the system boundaries beyond the organization. This becomes meaningful when sustainability includes economic and social dimensions which are essential pillars of the TBL.

According to Fauzi et al. (2010) the TBL concept stems from the fact that there are other stakeholders in a company than those identified in the input and output view. The social facet comprises of activities related to health and safety as well as corporate social responsibility or organizational behavior. Sustainability is achieved by maximizing the intersection of the economic, environmental and social performance (Carter & Rogers, 2008). Shrivastava (1995) points out that practicing SSCM provides an organization with the opportunity to reduce long-lasting threats such as diminution of resources, increasing energy costs, product liabilities, environmental dilapidation as well as handling of waste.

2.4 Sustainability as an Imperative and TBL as a Measure thereof

Sustainability is driven by various triggers which include: regulation by governmental agencies, the need to minimize the costs of operations and to maximize profitability, pressure from non-governmental organizations, competitors, community, suppliers and customers depicted in Figure 2.1 (Seuring & Muller, 2008). Stakeholder pressure ensures that the focal organization is held accountable for its actions and decisions pertaining product design, sourcing, provision of services, production or distribution of products to stakeholders (Parmigiani et al. 2011). The community, customers, suppliers, governmental regulatory agencies, NGOs and other stakeholders may hold the focal firm accountable for its supply chain decisions while the firm has the authority to make decisions independently and control decisions or outcomes regarding the suppliers and customers (New, 2004, Maloni & Benton, 2000). Due to the external pressure, the focal organization strives to achieve sustainability through the adoption of SSCM practices.

Figure 2.1: Triggers of sustainability



Source: Adopted from Seuring and Muller (2008)

Current businesses are faced with tough choices as critics and lobby groups mount pressure on them to adopt sustainability strategies. The WCED (1987) report asserted that organizations can only attain sustainability if they can manage to address requirements of the contemporary age with no effect to requirements of subsequent generations. Sustainability has now moved steps higher since it is not just a debate but an essential element of survival and success of businesses. Seuring (2004) states that the most widely acknowledged guiding principle in the world of business is that of sustainable development.

Various stakeholders play a key role in shaping sustainability agenda in organisations. For instance, suppliers have a significant role of providing environmentally friendly products as well as services that impact directly on the supply chain cost, product and service quality and lead times (Dahlstrom et al., 2003). Suppliers to a focal company play a critical role in environmental performance. Wright (2012) asserts that encouraging bad supplier practices can risk customer disapproval and loss of market share. Rao & Halt (2005) advocate that organizations need to educate and train their suppliers who in turn can educate other suppliers. This practice will ensure that suppliers understand the required environmental standards that are important in improving the environmental performance.

During the supplier selection process, a criterion such as adherence to the prescribed code of conduct is often considered by the buying firm (Van Lakerveld & Van Tulder, 2017). This influences the suppliers to adopt more SSCM practices. Suppliers on the other hand, advocate for fair purchasing practices from the focal organization. This encourages firms to be more transparent and accountable in their supply chain decisions, enhancing long term relationship between the focal firm and suppliers.

The sustainability agenda for an organization depends on its size. Large organizations are more concerned with sustainability initiatives than small firms because of the huge costs involved in implementing SSCM activities (Walker & Rowlinson, 2008). Moreover, these authors argue that customers wield pressure on large and more reputable firms to be more sensitive to environmentally and socially friendly practices. Therefore, this implies that consumers of products and services have a role to play in shaping what SC activities need to be adopted by firms. An organization with a good reputation improves its market share hence impacting on the bottom line positively. Small firms are not exceptions to these practices; therefore, for them to survive and thrive, they need to be eco-friendly and sensitive (Slapper & Hall, 2011). Furthermore, small firms need to embrace an integrated SC approach rather than overcoming customer pressure as single firms (Gopalakrishman et al. 2012).

The community and civil society are aware of the SSCM practices adopted by a firm (Drumwright, 1994). They exert pressure on firms to be more concerned about the kind of SC activities they adopt. This forces firms to become more innovative in adopting SSCM practices to ensure their long-term survival (Sharma and Vredenburg, 1998). Companies that do not invest in sustainability initiatives may face stiff competition that can lead to loss of their market share and subsequent decline in the firm's bottom line.

Government regulatory agencies have developed legislation aimed at managing firms' social, environmental and economic impact and ensuring that firms follow the stipulated laws (Gopalakrishman et al. 2012). Those firms that do not comply are either subjected to disciplinary actions or are discontinued from their operations.

The debate on sustainability inspired Elkington (1994) to coin the term TBL to represent sustainability using three dimensions, namely, economic, social and environmental. He further asserted that for organizations to be sustainable, they must learn to balance the three dimensions in their operations. TBL extends beyond the conservative evaluation criteria including the use of firm profitability, ratios such as return on investment and shareholder value to incorporate the two important dimensions of environment and society (Elkington, 1994). This approach supports sustainability through a holistic evaluation of the organisation's performance on TBL key pillars. While there are different measures of sustainability, a variety of considerations including the industry, user requirements and availability of appropriate data must be made in determining the TBL measures (Slapper & Hall, 2011).

The TBL concept was triggered by the need to look beyond shareholder profit maximization motive, so as to include social and environmental dimensions so as to run organizations in an ethical manner (Herbert et al. 2010). Pagell & Wu (2009) argue for ecocentricity which suggests that for a company to excel in business, it should focus on the broader social and natural environment. There is no standard way of measuring TBL. This is an advantage because the TBL framework is flexible in that it is applicable in achieving various needs of different entities for instance, businesses, non-profit entities and governments (Slapper & Hall, 2011). TBL is further termed as the 3Ps that include profits, planet and people (Elkington, 1994). Including these three dimensions is intended to address the need for corporate sustainability. These dimensions are explained as follows:

Economic or profit: This aspect extends beyond firm profitability and incorporates sound liquidity through sufficient cash-flow and ensuring attractive returns to shareholder (Elkington 2001; Elkington 2004; Halldorsson, Halldorsson, Kotzab, Skjøtt-Larsen & Skjøtt-Larsen, 2009). Better financial performance translates into increased wealth for shareholders and also provides corporate opportunities to improve social performance. A similar opinon is also held by Gopalakrishnan et al. (2012) since they too view TBL's economic dimension as one that entails ensuring profitability in the business and implementing sustainability to gain competitive advantage. Economic sustainability from the stakeholder perspective would include the benefits created by the focal firm to the users.

Ecology or planet: This dimension is concerned with environmental well-being. An ecologically sustainable firm utilizes natural resources with minimal or no depeletion. They minimize environmental pollution through emissions, minimize the use of any resources and minimize waste in the firm. Both tactical operations and strategic planning are taken into consideration in ecologically sustainable organizations (Elkington, 1998; Dyllick & Hockerts, 2002).

Equity or people: The social dimension is characterized by the company's social responsibility. It focuses on the wellbeing of people in the internal and external supply chain. Dyllick & Hockerts (2002) posit that the social dimension involves optimization of human capital of the firm and its supply chain partners and social capital of the communities in which they operate.

A firm that considers all the three dimensions in their business operations becomes more successful in its quest to achieve efficiency thus making them more competitive and triggers innovation and all these lead to profitability (Elkington, 1994; Slapper & Hall, 2011). A firm needs to measure whether it is achieving its sustainability objectives in order to ascertain which particular areas to improve on. This requires an understanding of the TBL measures. Table 2.1 presents specific examples of TBL measures in the cellular industry. These will be explored in depth in the presentation of the Safaricom case in chapter 4.

Table 2.1: Triple bottom line (TBL) Measures

TBL dimensions	**TBL measures**	**Specific examples of TBL measures**
Economic	- Revenue or expenditures -Taxes - Employment -Business diversity factors	- Value of items procured by cellular firms - Payments to suppliers for the products and services provided - Cost of underemployment -Level of revenue generated from sale of mobile applications -Amount of taxes paid -Dividends to shareholders of cellular firms -Percentage of market share in the industry
Environmental	-Air and water quality -Utilization of Energy -use of natural resources -Solid and toxic waste -Land use	-Energy efficient machines and boosters -Rate of energy consumption by cellular firms due to installation of LED lighting bulbs -Rate of water consumption due to installation of water sensors -Health and safety of employees, customers and community -Percent Reduction in quantity of harmful frequencies and radiations to customers and community -Level of carbon foot print - Proportion of disposal of obsolete electronic items for instance, cell phone -
Social	-Education -Equity and access to social resources -Health and well being -Quality of life -Social capital	-Average hours of training of employees -Number of community students benefiting from scholarship offered by cellular firms -Relative poverty in the community where cellular firms are operating -Number of employees from welfare to career retention -Level of charitable contributions by cellular firms

Source: Adopted from Slapper & Hall (2011)

2.5 Sustainable Supply Chain Management

Despite the rising popularity in SCM, it is evident that the business environment is very dynamic and keeps on presenting new challenges that organizations need to respond to. Pagell, Wu & Wasserman (2010) confirm the existence of economic and environmental challenges that have necessitated that contemporary organizations re-examine their supply chains. They further argued that when a majority of the organizations witness the changes they may try to resist the same but some go ahead to transform their supply chains with the aim of making them more sustainable.

The contemporary discourse on sustainable development and society started in the year 1972 based on a presentation of a first report by the Club of Rome titled “Limits to growth” (Meadows et al.,1972). The concept of sustainability originated from the agricultural sector way back in 1713 when Saxon mining official Hans Von Carlowitz advocated sustainable, continuous and enduring forest management practices (Halldorsson, Kotzab & Skjøtt-Larsen, 2009).

The concept of SSCM emerged as a stand-alone discipline on social and environmental aspects through CSR perspective. This was later followed by the convergence of perspectives of sustainability which was regarded as TBL and later evolution of SSCM as a theoretical framework (Carter & Easton, 2011; Carter & Jennings, 2002). Initially, it appeared in business subjects such as management and operations (Carter & Rogers, 2008) and currently, sustainability is a catchphrase that cuts across business, society and academia (Carter & Easton, 2011).

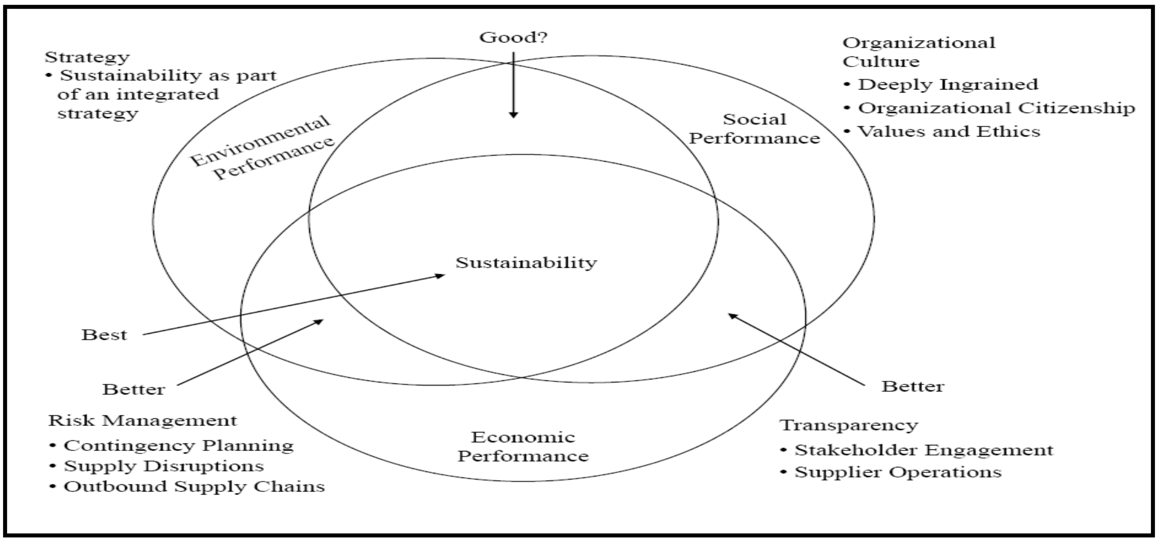
SSCM can be defined as a planned, clear, incorporation and attainment of key TBL aspects as well as the in the logical harmonization of business procedures that cut across organizations with the objective of enhancing long term economic performance of an individual firm without excluding other supply chain partners (Carter & Rogers, 2008). Similarly, it entails managing the flow of materials, information as well as capital with a goal of satisfying the customer and stakeholder requirements while considering the economic, environmental and societal dimensions (Seuring & Muller, 2008; WCED, 1987).

Sustainability in the cellular phone sector helps firms to achieve good results in call set up success rate, improved power utilization, introduction of more innovative ICT products that are user friendly and financially inclusive and with potential to transform lives, improved e-waste management and ensuring ethical practices based on ICT regulations that are applicable in various jurisdictions (Safaricom Sustainability Report, 2014).

Pagel & Wu (2009) assert that to achieve a Sustainable Supply Chain (SSC), management ought to take actions that make the supply chain more resilient. Jorgensen & Knudsen (2006) argue that a sustainable firm should practice corporate social responsibility in all its disjointed production activities that extend beyond firm and geographical boundaries. Nevertheless, they emphasize the social dimension only, without focusing on the economic and environmental aspects.

SSCM is applicable throughout the whole supply chain: upstream, the focal organisation and downstream. On the upstream, suppliers are considered while on the downstream; consumers and ultimately, disposal are taken into consideration (Halldorsson, Kotzab & Skjøtt-Larsen, 2009). Issues concerning the environment as well as society have an effect beyond organisational bou supply chain. The stakeholders affected by the environmental and social aspects across the supply chain include: a network of suppliers, manufactures, distributors, Third Party Logistics (TPL) providers, community and customers. SSCM's definition is anchored on four key pillars that include management of risk, transparency, strategy as well as organizational culture (Carter & Rogers, 2008).

Figure 2.2: Sustainable Supply Chain Management



Source: Carter & Rogers (2008)

Figure 2.2 illustrates the above and relationships between the three dimensions of the TBL. Each of the three circles represents one of the three TBL dimensions: Economic performance, social performance and environmental performance. While the intersection between environmental performance and social performance which is labeled as “good” it is not economically sustainable. An organization that only focuses on economic performance plus either social or environmental performance may appear to be better in the short term, but the overall performance will not be sustainable on all three dimensions. It is evident that it requires an intersection of the three dimensions for an organization to truly achieve SSCM. This is what the authors refer to as ‘best’ because it represents an appropriate balance among the three TBL dimensions (Carter & Rogers, 2008).

The economic, environmental and social dimensions intersect at a point which forms the nucleus of sustainability where there exist a variety of activities that are beneficial to the environment, the society and also enhance the economic performance of the firm. Sustainability is achieved by focusing on corporate strategy, transparency, risk management and organizational culture as outlined next.

2.5.1 Corporate strategy

A firm's SSCM practices should be aligned to its corporate strategy instead of adopting the programs independently within a supply chain. Shrivastava (1995) argued that there is need to have a strong integration between the organization corporate strategy and its sustainability initiatives.

Extensive citizenship strategy and priorities are linked to corporate strategy to capitalize on the impact of investments (Carter & Rogers, 2008; Hewlett Packard, 2006). The other activity that firms seeking to achieve sustainability need to bear in mind is to ensure that they have aligned their strategy and culture (Carter & Rogers, 2008).

2.5.2 Transparency

Public scrutiny of the operations of a firm may force the management to be transparent regarding their environmental, social and economic performance (Holliday et al., 2002). According to Nike (2005) and Carter & Rogers (2008), transparency has the potential of facilitating more partnership, information sharing and exchange as well as strengthening the remediation expectations in the industry.

The benefit of reduction in supplier burden especially as far as cellular phone companies who have to deal with conflicting audit requirements by diverse buyers is concerned. One of the main ways that firms can reduce their overall supply chain costs in a sustainable manner is to increase transparency through audit procedures (Carter & Rogers, 2008). Audits conducted by a focal firm checks and ensures that suppliers adhere to supplier codes of conduct and non-compliance with these standards could lead to termination of contracts (Van Lakerveld & Van Tulder, 2017). According to Holliday et al. (2002), upholding a high degree of transparency is very significance for firms in all the activities touching on the three dimensions environmental, social and economic.

Transparency may involve providing appropriate reports to various stakeholders of the firm, and giving due consideration to suggestions made by the stakeholders for the purpose of improving the organization's performance

(Carter & Rogers, 2008; Rivera-Camino, 2007). The communities and other external stakeholders may challenge firms to be more visible and transparent in their operations. This stimulates firms to sustain legitimacy, build reputation and become more competitive (Hart, 1995). Cellular firms, too, need to be transparent they carry out their operations in a manner that takes into account social and environmental considerations. Nike (2005) commented,

> Common auditing procedures adopted by industry coalition can allow a single… effective supplier sustainability audit to be performed… which increase transparency and supplier sustainability and the multiple buying organizations that might do business with that supplier.

2.5.3 Risk management

Risk management is one of the facets auxiliary to the TBL. Organizations need to manage all types of risks ranging from financial, environmental and social aspects. Carter & Rogers (2008) identify the management of risk as one of the activities that is very significant at this level. They further argue that SSCM involves appropriate management of the short term financial outcomes of an organization, reduction in environmental pollution through reduction of harm emanating from the firm's products and ensuring that both the employees of the firm and members of the immediate society or community are safe from any harm. Risks may be associated with short-term financial results, may result from harmful effects due to poor disposal of harmful products, environmental waste, and employee and community safety (Shrivastava, 1995). He further argues that firms must be cognizant of risks related to scarcity of resources and energy costs within a supply chain. With competitors as stakeholders, it is apparent that one important risk is new competitor products. However, risks could also be that competitors produces more value per foot print and that they would therefore perceived as more sustainable.

Proper SSCM practices through proactive involvement of stakeholders ensures reduction of risks associated with costly legal actions and hence helps to ensure the sustainability of a firm (Porter & Van der Linde, 1995). Sustainability increases the probability of reducing unfavorable outcomes linked with variations in energy costs, depletion of natural resources, product deficiencies, pollution and waste management (Shrivastava, 1995).

Supply chain risk can be defined as the probability of occurrence of an inbound supply episode that translates to a firm's incapacity to meet customer requirements (Carter & Rogers, 2008). Poor environmental and social performance of a firm due to selection of unqualified suppliers and inaccurate quantity of supplies can lead to costly legal actions (Zsidisin, 2003; Carter & Jennings, 2004). Spekman & Davis (2004) states,

> …Dimension of risk relates to the notion of corporate social responsibility and the extent to which supply chain members' reputation and image can be tainted by actions of another member who engages in activities that result in public sentiment or outcry or even worse… is accused of criminal behavior where liability extends up and down the supply chain.

Management of risks associated with supply chain depends on the ability of the focal organisation to be in a position to identify and manage supply chain risks associated with the economic, environmental and social aspects. This may be achieved through emergency planning as well as promoting resilience and responsiveness in supply chains (Carter & Rogers, 2008). Due to competition, assessing the risk for cartels and market rigging would be necessary. The risk is higher when there are only a few players and when entry in the market is costly. Supply chain risks are potential up or down-stream incoming occurrences that may tamper with the supply chain (Zsidisin et al. 2000). Moreover, supply chain risks may cause variations to activities related to meeting the demand of customers. For a firm to achieve sustainability, such risks have to be addressed and mitigated.

2.5.4 Organizational culture

Corporate strategy must be aligned with organizational culture. As Savitz and Weber (2006) argue, organizations that integrate their corporate strategies with sustainability activities also change their culture as well as the way they approach issues. This means that the firm may have to transform the way it handles various issues in order to achieve sustainability. Therefore, a direct association exists between corporate culture and the performance of an organisation in environmental and social aspects (Carter & Jennings, 2004). This makes it important for cellular companies to adopt an organization-wide culture that can steer sustainability initiatives to generate innovative programs for the firm.

Sharing the vision of an organization promotes motivation and innovation among the staff (Hamel and Prahalad, 1989). Firms must be guided by the core values and culture that transcends beyond profit maximization to include environmental and social aspects (Carter & Rogers, 2008). Sustainable purchasing activities have a significant relationship with a firm's culture that is concerned with staff welfare (Carter & Jennings, 2004). However, Carter & Rogers (2008) noted that the four elements are not mutually exclusive but need to be an integral part of SSCM practices.

2.6 SSCM Practices to Optimize Efficiency, Efficacy and Minimize Risk

Carter & Rogers (2008) argue that the adoption of SSCM practices can reduce costs while improving the reputation of a firm. Some of the examples of SSCM practices include: minimizing the use of packaging material, improved working conditions in facilities, maximum use of energy efficient haulage and collaboration with suppliers to carry out environmental and social programs (Carter & Rogers, 2008). SSCM practices adopted in cellular industry include use of green energy, development of innovative applications and other cellular services, ensuring maximum safety of employees, sponsoring bright and needy students, disposal of waste products, for instance used and old mobile phones, and installation of Booster Transmission Stations (BTS) (Safaricom Sustainability Report, 2014).

Balkau & Sonnemann (2011) assert that while global governments have been reluctant to implement sustainability legislation, individual organizations have formed agencies such as the "Global e-Sustainability Initiative (GeSI). This is an international non-profit association formed to help and encourage Information and Communication Technology (ICT) companies, and the sector as a whole, to become more sustainable. In order to have universal sustainability practices in the industry, GeSI has linked with the Electronic Industry Code of Conduct (EICC) to develop a set of tools that meet broad industry needs. This code of conduct also provides guidelines on how cellular companies need to handle sustainability issues in the production, handling and disposal of electronic items.

Neto (2008) asserts that consumers have the power to alter the way production is managed or how services are offered. Therefore, cellular phone firms' customers may influence to some degree the type of services and how they are offered to them. Consumers have become more sensitive to environmental issues hence demand for products that are more environmentally friendly. Electronic items including those used in the mobile telecommunication industry have the potential of causing much harm to the environment and there is need to ensure that they are safe to use. Neto (2008) argues that consumers write to companies producing electronic items so that they can provide products that are friendlier to the environment and which can easily be recycled.

2.7 SSCM Practices and TBL Measures

Contemporary businesses are faced with tough choices as critics and lobby groups mount pressure on them to adopt sustainability strategies. Performance measurement within a supply chain may be difficult due to the complexity of apportioning achievements to a single party among the many parties involved in a supply chain. Hervani et al. (2005) assert that it is difficult to measure inhouse performance of a firm and that this challenge becomes more pronounced when measuring environmental performance across several firms. Hervani et al. (2005) further indicate that some of the challenges that make it difficult to measure cross firm performnance include lack of standard data, minimal integration through technology, geographical and cultural diversity, disparities in firm policies, and unavailability of measurement metrics as well as limited understanding of cross-firm performance measurement.

The concept of supply chain performance has also grown in its importance due to pressures from various stakeholders in the supply chains. Measuring the performance of a supply chain has become critical because management cannot know what to improve on if it is not measured. Due to this, the need to measure performance its relevance continues increase and includes both qualitative and quantitative methods to measurement (Hervani et al. 2005).

These authors conclude that how performance is evaluated will largely depend on the objective of the firm or characteristics of its strategic business units. Supply chain performance is not only dependent on how much profit an organization generates but also what impact it creates on the environment and society. According to Pullman et al. (2009), better and responsible environmental practices as well as SSCM are linked to good quality environment and sound economic performance.

The business environment within which organizations operate comprises of various interest groups. The focal company needs to take cognizance of this fact for its operations. There is need for it to know how to relate to customers, governmental agencies, competitors, stakeholders and Non-Governmental Organizations (NGOs). As an organisation's performance in the supply chain is determined by considering the societal, environmental and economic dimensions of sustainability (Shrivasta, 1995) a focal company may be held responsible for the social and ecological problems within their supply chain which may diminish a firm's status (Roberts, 2003). To address these challenges the focal company needs to adopt societal sustainability practices that improve its organizational performance.

A focal company needs to monitor operational costs all the time for it to meet the stakeholder's requirements. In order to achieve this, the organization should implement sustainability practices which include: supplier certification, collaboration, reward systems, innovation and health and safety. Cooperation between key suppliers and the focal company with regard to auditing and ISO certification leads to improved operational outcomes (Pagell & Wu, 2009). Collaborative efforts with suppliers and customers can lead to environmental sustainability (Zhu & Sarkis, 2004). Areas of collaboration include: mobile service providers sharing towers, offering financial services jointly with banks and having joint training efforts between the focal company and selected suppliers. Reward systems can also encourage employees to come up with innovative ways of minimizing operational costs. Sharmas & Henriques (2005) point out that sustainable organization should not only redesign its products and/or processes but also could move to a more service-oriented strategy.

Most of the literature has focused on environmental sustainability without much attention on social and economic sustainability. The majority of researchers have carried out studies on the association between SCM and environmental performance with no coverage on social sustainability practices (Pagell & Wu, 2009). However, Teuscher et al. (2006) identify supplier certification to address social issues, for instance child labour and unsafe working conditions, as a key component of SSCM practices. There is also need for organizations to identify devoted employees and reward them so that they can give better results. Appropriate reward systems should be designed and implemented effectively. This ensures that employees' performance is improved hence human resource sustainability within a focal company. According to Pullman et al. (2009), other practices which have been mentioned include: staff development, worker participation and training. They assert that social sustainability practices lead to improved environmental performance.

Environmental performance has a direct impact on overall operational costs. This therefore implies that improved environmental practices may reduce the cost of operations. The following supporting reasons have been mentioned by Klassen and McLaughlin (1996): that a company may have a competitive edge from lower costs due to the availability of clearly documented environmental policies and practices. They also assert that degradation of the environment as a result of oil spills and other forms of damages makes the firm liable to pay higher costs hence this need to be reduced. Consumers are concerned with the type of products and services offered in the market. As a result of strict legislation customers demanding more sustainable products and services, organizations are forced to focus more on SSCM so as to remain competitive (Wu, Dunn & Forman, 2012)). Operating in environmentally friendly surroundings implies reduced environmental impact and better work place. This has an impact on the triple bottom line.

Some researchers, for instance Rao & Halt (2005) and Zhu & Sarkis (2004), posit that a firm's environmental practices have a positive relationship with the environmental and economic performance measures. The environmental practices that have a link to operational cost performance in the cellphone industry include: the use of bio-gradable packing materials for scratch cards, installation of safe mobile phone towers, the planting of trees to conserve the environment, selling credit cards to customers in the form of M-pesa and the adoption of online instead of paper communication media as opposed to paper media of communication.

Organizations have become very concerned about environmental sustainability, especially during the design stage of the supply chain strategy. According to Chopra et al. (2010), regulation is the driving force for the change, but in other cases, there is pressure from factorssuch as the perception of the issue as a threat. For instance, the WEEE (Waste Electrical Electronic Equipment) or RoHS (Restricted Hazardous Substance) regulations originating from the European Union (EU) compelled mobile phone producers to review their strategies on product design and sourcing of raw materials. A firm such as Starbucks, had to shift its concentration to domestic sustainability of its sources of coffee to curtail constrained growth that would otherwise result from malfunction in supply. The firm designed a policy that ensured production of sustainable coffee throughout its entire supply chain.

Strategy, transparency, organizational culture and risk management are thus integrated part of SSCM practices. The objective of maximizing profits is not the sole driving force behind a firm's success. Core values and culture concerns are also considered key for a firm to qualify into a successful category (Collins & Porras, 1994). Transparency also enhances organizational partnerships, sharing of relevant information and reduces conflict resulting from contradicting audit requirements by several buying firms (Nike, 2005). There is a significant relationship between organizational culture and environmental and social practices (Carter & Jennings, 2004). Table 2.2 presents a summary of the facets as integrated in SSCM practices based on Carter & Rodgers (2008) their potential impact on TBL Measures.

The following phases are necessary for achieving a sustainable SSCM; during the procurement process, the buying organization needs to select suppliers who are sensitive to environmental issues. They need to scrutinize whether the suppliers adhere to the required international ethical standards. The buying firm also needs to be concerned about the environmental production/service standards for instance, ISO 14001 (Halldorsson et al. 2009).

Table 2.2: The Facets as Integrated in SSCM Practices and their Impact on TBL Measures

Facets	Indicator of the facets	SSCM Practices	Impact on TBL measures
Risk management	-Network Quality -Energy Security -Innovation -Working Conditions -Environmental performance	-QOS Measurements -Reducing harm resulting from its products-Cost effective energy solutions -Improved working conditions and public safety -Adequate reporting of accidents of contractors, suppliers and employees -Auditing of H&S performance across an organization	-Improved reputation -Reduced risk of introducing costly regulatory policies -Reduced rate of radiation and associated impacts -Reduced energy and CO2 emissions
Transparency	-Stakeholder engagement -Supplier cooperation	-Involving stakeholders to improve supply chain activities -Holding of regular meetings with stakeholders	-Lower chances of consumer boycotts -Reduced conflicts with stakeholders
Organizational culture	-Organizational Citizenship -Values and ethics	-Innovation and change -Fairness -Support and welfare for others	-Improved applications -Increased number of community projects -Increased number of students supported by scholarships -Reduced incidences accidents
Strategy	-Sustainability	Sustainability as part of an integrated strategy	-Optimization of TBL dimensions

Source: Developed from Carter & Rogers (2008)

Environmental assessment criteria are also fundamental in attaining a SSC. The SCM team needs to formulate supplier assessment criteria for the environmental issues. Halldorsson et al. (2009) argue that supply chain managers have a responsibility to ensure that organisational policies on environment are developed and implemented. Finally, they assert that there is need for the procurement managers to focus on the downstream supply chain activities and disposal practices. Some of these practices should focus on adopting sustainability from cradle to grave **(**Halldorsson et al. (2009)

Table 2.3 summarizes supply chain position and triple bottom line dimensions. It highlights supply chain practices in each of the TBL dimensions along a certain supply chain position which includes supply of products or services, production or service, distribution and reverse logistics and infrastructure.

Table 2.3: Sustainable Supply Chain and the TBL

Supply Chain position	**Triple bottom line measures**		
	Economy/profit	**Environment/planet**	**Equity/people**
Supply of products or services	-Minimizing on cost of supplier through evaluation and monitoring. -High quality of products/services.	-Collaboration with suppliers to reduce environmental degradation. -Use of eco-efficient transport modes. -Re-use of packaging materials. -Supplier evaluation and selection based on environmental profile for example, ISO 14000. -Sharing of information.	-Supplier evaluation based on social profile. -Provision of training and education to employees. -Ensuring codes of conduct at suppliers for instance, working conditions, no child labour and no abuse of union rights.
Production or service	-Increase in company productivity due improved working conditions. -Reduced waste through proper use of company resources. -Increased capacity utilization due to proper training of employees. -Economic gains due to introduction of innovative products into the market.	-Elimination of waste and overuse of resources in the production/service process. -Use of environment friendly packaging materials. -Use of solar energy in the production/service process. -Use of recycled water in the production/service.	-Reduction of total cost of inputs due to proper sourcing. -Minimization of specialized, repeating work. -Reduction of work accidents due to proper facility layout. -Improved staff recruitment and retention
Infrastructure	-Minimization of energy costs. -Reduced asset procurement cost by leasing instead of buying. -Increased revenues from installation of modern equipment for example, boosters.	-Utilization of green energy sources. -Reduction of carbon emissions by implementation of electronic funds transfer.	-Reduced network disruption. -delivery of satisfactory services. -Reduced harm to health and environment.

Adopted from Halldorsson et al. (2009) (2009); Srivastava (2007)

2. 8 Sustainable Supply Chain Management in African Cellular Industry

African countries are experiencing highest than any other continent in terms of global growth in mobile phone markets. It is estimated that approximately 735 million mobile phones were in use by the end of the year 2013. In addition, more than 84 million internet enabled phones are in use among the 54 countries in Africa. Some countries in Africa such as Kenya have experienced significant growth in their GDP due to revenue earned from mobile phone applications such as money transfer services. For instance, Safaricom's mobile money transfer system M-pesa facilitates approximately 12% of the country's GDP.

Communication infrastructure has been greatly improved in a number of African countries. Some of the areas improved include laying of fibre optic submarine cables to assist enhance broadband capacity across the continent (Rao, 2012).

According to Nigam (2012), governments and organizations in Africa have become more concerned about the significance of ecological protection, conservation of natural resources, provide equal social measures as well as improve economic conditions in order to ensure survival of the present as well as the future generations. This has necessitated that telecommunication companies operating in Africa develop strategies geared towards sustainability issues to remain competitive in the ever-changing environment. Oxford Business Group (2010) highlights that in order to ensure economic growth, telecommunication companies operating in some parts of Africa share mobile phone towers. This has prompted growth in the industry due to decreased operational costs thus resulting to improved profitability.

Cellular companies in Africa are focused on socio-economic inclusivity and also the need to address social and environmental issues facing the continent as far as information communications technology is concerned. The cellular companies are shifting their operations from the traditional approach of rigidity to embracing innovativeness that involves the local populace. This has enabled the companies to come up with affordable innovative products that have contributed significantly towards accelerating the digital revolution in Africa for economic sustainability. Partnerships with local innovators of different business applications have also been a very important component of SSCM among the mobile telecommunications companies in Africa (MTN Sustainability Report, 2013).

Cellular companies in Africa are supporting research on innovative practices that have the potential of enhancing sustainability in their supply chain management practices. This support is mainly in form of committing resources that enable innovators to come up with products that meet international environmental conservation standards. It is also becoming a common practice among large mobile communication companies in Africa (Safaricom Sustainability Report, 2015) to publish annual sustainability reports that provide detailed statements on their activities. These reports indicate among other things the measures taken by these firms in managing e-waste; the efforts made by the companies in addressing social challenges facing their immediate communities such as poverty; the activities carried out along their supply chain with the aim of reducing environmental degradation; ensuring reasonable and safe exposure to frequencies and promotion of electronic commerce that has drastically reduced paperwork along their supply chains (Banks & Burge, 2013).

Srivastava & Jhajharia (2011) note that telecommunication firms in Africa have put in place sections or departments that address issues concerning sustainability. In order to ascertain the supply chain sustainability risks, these companies engage consultancy firms to carry out sustainability risk assessments. This enables them to identify and rank supply chain sustainability risks and then develop appropriate strategies to deal with them. This therefore, requires that cellular organization have to focus on Triple Bottom Line to be competitive.

2.9 Stakeholder Expectations and Stakeholder Theory

Identifying stakeholders and their interests does not address the question of the factors determining how the expectations are to be prioritized and managed. Stakeholder theory advocates that those entities that provide the resources are from outside the focal entity and thus may place certain requirements on a firm. The entities that provide resources understand the significance of their association with the focal entity hence exercise power by controlling resources. If a firm relies heavily on resources from outside, the providers of these resources are highly likely to place more demands on the focal entity. Guo & Acar (2005) argue that in this case there is a need for an organization to know how to manage incompatible and competing demands for them to survive. The authors further suggest that an organization needs to employ several strategies that will influence the demand and flow of the essential resources that are controlled by external powers. This will be very important if at all the organization seeks to reduce uncertainty in its external environment.

Cho & Gillespie (2006) identify three issues at the centre of resource dependence. The first factor relates to the extent to which the resource proves to be important to the organization in terms of the inputs and outputs it controls. The second factor focuses on the whether the resources are only available from one source. If a firm can identify alternative sources of a resource and avoid overdependence on a single source, then its power is bound to increase. The last factor relates to the discretion of the external powers that control and use the resources allocated.

The three factors above explain why stakeholder's needs cannot be met without satisfying the stakeholder's requirements. Therefore, there is need for organizations to think beyond the concept of profit maximization. They have a responsibility of ensuring that the welfare of all stakeholders is considered (Jamali, 2008). Table 2.4 identifies key stakeholders in the cellular telecommunication sector with their respective expectations:

Table 2.4: Stakeholder Expectations and Roles in Cellular Telecomms

Stakeholder	Expectations	Roles
Suppliers	Prompt payments for supplies to the cellular firms.	Ensure network efficiencies for cellular firms and collaboration on cost reduction and cellular technology.
Employees	Payment, safety and security, job satisfaction, training and development.	Development of human capital, team production, collaboration in the work place
Community	Environmental safety and value addition to the community.	Reduced exposure to harmful frequency spectrum and launching of socio-economic products
Regulatory agencies	Compliance	Ensure operations within provided frequency, fair competition and compliance to existing cellular industry regulations
Customers	Quality and safe product and services	Quality cellular products and services, safety of customer during use of mobile phones and transparency of consumer information
Competitors	Fair playing ground	Asking for changed regulations referring to problem with monopoly tendencies

Source: Adopted from Longo et al. (2005).

According to Jamali (2008), organizations give prominence to stakeholder management in anticipation of attractive returns. Mitchell et al. (1997) posits that firms prioritize their stakeholders' needs depending on their levels of salience which is gauged by considering the attributes of power, legitimacy and urgency. A stakeholder who possesses all the three attributes is more salient than those who lack one or two of the attributes hence is given more attention (Mitchell et al., 1997). This is in line with Jamali's (2008) argument that firms accord more attention to the primary stakeholders in anticipation of expected bottom line benefits. However, for the firm to survive and succeed in a competitive market, the management needs to attend to all the stakeholders regardless of the number of attributes.

Post et al. (2002) argue that the lasting existence and success of a firm is dependent upon its ability to form and nurture relationships with all the partners in its network. The same authors also assert that any stakeholder maybe most important on a particular aspect or at a given point in time. As Leanna & Roussea (2000) argue, the lasting relationship between an organisation and its stakeholders is considered to be its wealth as opposed to a business transaction which is a one-time event.

Jensen & Meckling (1976) assert that a firm cannot create sustainable wealth if it ignores the interest of its stakeholders. According to the stakeholder view of the firm, the survival of an organization in the long term will depend on how well the managers build and sustain the relationships with stakeholders along the entire supply chain network (Donald & Preston, 1995). These relationships are deemed a priori to require management attention as they are the ultimate sources of organizational wealth (Post et al. 2002). These authors further argue that the success of the firm cannot be measured by focusing on the shareholder wealth maximization, but rather from a holistic and comprehensive stakeholder perspective.

2.10 Stakeholder Influence

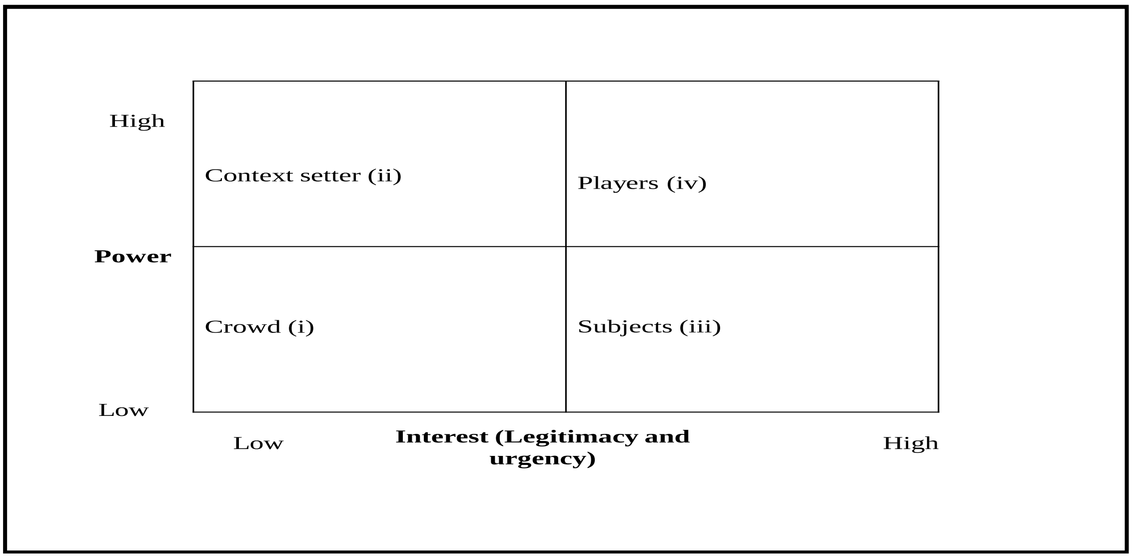
The influence of a firm, either economic or non-economic, impacts on the level of control that the firm has over its stakeholders and determines the level of exposure to the stakeholders (Parmigiani et al. 2011). Economic influence emanates from industry conditions and firm characteristics. For instance, if there are a few firms relative to the number of suppliers in a certain industry, then that firm will have more influence over the decisions by suppliers made and vice versa. However, the ultimate aim of stakeholder engagement is to manage the stakeholders (Friedman & Miles, 2006; Arnstein, 1969), as this enables greater stakeholder participation.

Non-economic influences include industry norms and distinctive practices geared towards strengthening relationships between the buyer and supply chain partners. This has an influence on the behaviour of the stakeholders. Holding casual sessions with suppliers together with appropriate evaluation may reinforce the relationship between the buying organization and the suppliers (Parmigiani et al. 2011).

In mapping stakeholder influence, the Mendelow framework which can be used to classify stakeholders according to their interest and power. This matrix can help managers to understand how to relate to a certain stakeholder (Jing-Min et al., 2010). Weber (1947) refers to power as the capability of a social actor to manipulate others' behavior with the aim of pursuing his goals irrespective of resistance from other social actors. Power can be classified into three categories: *coercive power* which is considered a mechanism of inflicting punishment and has the ability to control; *utilitarian* power which entails tangible benefits to stakeholders; and *normative* power which is regarded as symbolic or in the form of stakeholder esteem or prestige. The attribute of stakeholder power is triggered by the characteristics that are apparent in the attributes of legitimacy and urgency (Mitchell et al. 1997). Stakeholder power is the ability to affect an organization's decision making in terms of the extent of what it does and the much it cares. That is, how much they can while interest is the stakeholder's willingness and how much they care. Figure 2.3 presents power and interest possessed by stakeholders.

The attention given to a certain stakeholder depends on the level of influence which is determined by their power and interest, which refers to both legitimacy and urgency. This attention can be guided by the position of the quadrant in which the stakeholder is in. Stakeholders in the crowd who are regarded as having low power and interest are given little or no attention. Minimal efforts are put on these stakeholders.

Figure 2.3: The Mendelow framework



Source: Bryson et al. (2011)

Stakeholders with low interest and high power are context setters and need to be kept satisfied by the management. These stakeholders are the most difficult to manage and they need to re-awaken their interest to become influential and therefore shift to influence section. Stakeholders with high interest and low power care a lot about the firm's behavior and can become influential by forming coalitions with other stakeholders to exert greater pressure and hence make them more powerful. The management needs to keep these stakeholders informed about the progress and decisions of the firm. Adequate communication is therefore critical in this particular stakeholder group. Stakeholders in this category are known as subjects (Bryson, 2011).

Stakeholders with both power and interest have the highest influence in decision making. The greatest concern is how many stakeholders will be in this quadrant. If there is one stakeholder in this quadrant, then decision making is simple. However, if there are many competing stakeholders in this quadrant, then decision making becomes complicated. Management needs to accord maximum attention to these stakeholders who are referred to as players (Jing-Min et al. 2010; Bryson, 2011).

2.11 Stakeholder Salience

Stakeholder salience is the extent to which firms prioritize stakeholder needs based on their competing claims. It can best be explained using agency, resource dependency and the transaction cost theories. According to Mitchell et al. (1997), these theories help to explain the level of power, urgency and legitimacy of the stakeholders, given that the dependence on the external environment cause organizations to face uncertainty in acquisition of resources (Grewal & Dharwadkar, 2002, Allaire & Firsirotu, 1989).

2.11.1 Power of Stakeholders

The power of agents to act against the wishes of their principals is controlled by awarding them with inducements (Jensen & Meckling, 1976). This enables managers to give attention to the stakeholders who have power to manipulate their decisions. Mitchell et al. (1997) comments with reference to the resource dependence theory, that those stakeholders with resources have the power to control the resources needed by the organization and this leads to power differentials among the supply chain partners. This clearly implies that those stakeholders with resource power are very critical to an organization.

The supply chain of an organization comprises of interrelationships among several stakeholders that perform various functions and others control critical resources required by the organization. As the supply chain of an organization is "externally constrained" there is need to develop a strategic approach towards adapting to the external environment. As firms experience uncertainty concerning supply of resources and competencies they enhance inter-organizational relations in order to access to required resources (Pfeffer & Salancik, 1978; Hunt & Morgan, 1995). The Resource Dependence Theory (RDT) reveals that the supply chain management activities of organizations largely depend on how the focal organization addresses the demands of the various stakeholders along the supply chain who provide resources necessary for smooth supply chain operations (Pfeffer & Salancik, 1978).

Based on the above viewpoint, an organization's reliance on external resources can be minimized or eradicated by shunning demands from outside the organizations and implementing appropriate alteranative plans. Equally, supply chain managers can adopt strategies to reduce dependency on external demands. The essence of this perspective is that organizations can only attain optimum performance by managing reliance on external resources and risk. One of the priorities in making strategic decisions in an organization is to devise means of manipulating the environment to its benefit. This presents an organisation with a better chance to give or hold back a significant resource and thus place the firm at a better standpoint as far as negotiations with its customers are concerned (Allaire & Firsirotu, 1989).

In a supply chain it is not possible for firms to be self-sufficient and therefore there is need for firms to collaborate with other firms in order to achieve long term gains or growth objectives (Sarkis, Zhu & Lai, 2010). This interdependency among the partners of the supply chain can also be extended to designing of ecofriendly products that can enhance SSCM implementation among organizations. It can also assist in promoting competitive advantage for the organizations involved.

If an organization depends on a single or few sources of external resources, then the degree of dependency becomes very high and uncertainty is higher too. Organizations that seek to reduce external uncertainty normally pursue diversification of external sources of resources in order to have variety and reduce the degree of concentration of resources to one source. The more diversified an organization is in terms of sources of external resources, the more freedom it has over its decision-making process and operations (Dunn, 2010). It is equally important that firm's SCM practices focus on diversification of external resources in order to reduce uncertainty that is caused due to dependency on external influence of the supply chain.

2.11.2 Legitimacy of Stakeholders

The traditional focus of the firm has always been profit maximization. However, with a changing business environment, business firms are now also under intense pressure from various angles to address social and environmental issues in their operations. One of the theories that seek to explain this is the legitimacy theory. Dowling & Pfeffer (1975) define organizational legitimacy as a status that exists when the value system of an organization is in harmony with the value system of the society in which it operates. This legitimacy is always threatened when there exists an actual or potential disparity between the organization and society's values systems.

Legitimacy is a universal supposition that an organisation is supposed to act in accordance to existing social guidelines the actions of an entity are desirable, proper or appropriate within some socially constructed system of standards, principles, beliefs and definitions (Suchman, 1995). According Weber & Marley (2012) a legitimate stakeholder needs to be recognized as one of the vital stakeholders in the understanding of the firm's social responsibility network or socially construed system.

Legitimacy theory holds that organizations have a responsibility to operate within the boundaries of the norms and bounds of the societies around them (Deegan, 2002) due to the fact they are considered to be part of the wider society where they operate. Deegan (2002) further asserts that for an organization to be considered to be legitimate by the larger society there is a need to voluntarily report on activities which they perceive as expected of them by the communities where they have operations. Hence these expectations of the larger community must be identified and performed by the organization for legitimacy to thrive.

Legitimacy theory is based on the perception that an organization has a social contract between itself and the society in which it carries out its activities (O'Donovan, 2002). The social contract concept had earlier been explained by Shocker & Sethi (1973) as a written or implied contract between a social institution or organization and the larger society where it operates. They argue that organizations are not exceptions since they operate within a society that has norms and bounds hence their survival, growth and existence largely depend on its adherence to the social contract whether expressed or implied. They further argue that an organization derives power from the society in which it operates. However, this power may not be retained if a firm is unable to fulfil the three TBL dimensions to the entire society or smaller units the organization does not deliver deliver economic, social or environmental benefits to the society or assemblages within the society.

According to Deegan (2002), the social contract is not a written document but rather a representation of the myriad expectations of the society with regard to the way an organization within its boundaries must carry out its operations. The survival of an organization can easily be threatened in case it breaches that social contract between itself and the society in which it operates. Members of the society have powers to revoke the contract and bar the organization from operating within its boundaries if they perceive that there was breach of contract. A revocation of this contract may take the form of reduced demand for the products of the company, elimination of labour supply or lobbying the government to increase taxes, impose fines or pass laws to regulate its activities and actions (Deegan, 2002).

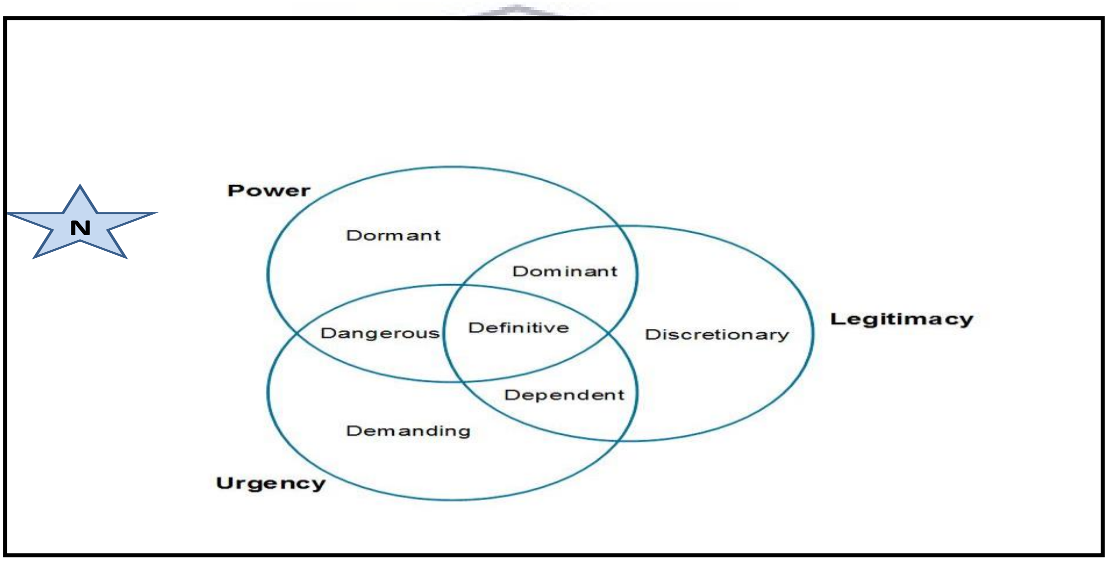
The main challenge with applying legitimacy theory lies in the fact that defining a social contract is not that easy. A social contract may be implied or unambiguous and, in most cases, may not hold any form of permanency. This implies that the contract's terms of reference may not be very clear or precise enough to be understood. This is likely to lead to situation where various managers will have their own understanding and interpretation of the terms of the social contract (O' Donovan, 2000). Societal expectations are not static in nature hence they keep on changing from time to time. These changes are also likely to lead to frequent variations to the social contract and this is only possible if the organization is responsive enough to environmental dynamics (Deegan, 2002).

2.11.3 Urgency of Stakeholders

Another important attribute in stakeholder identification and classification is urgency. Mitchell et al. (1997) indicate that stakeholder urgency refers to how critical and temporary a stakeholder's claim is. It is the call for immediate and pressing attention. If a stakeholder's claim has very high sensitivity and importance, the concerned firm has to pay immediate attention to the stakeholder possessing such a claim. This attribute is measured based on stakeholders' sensitivity to time and their importance to an organisation. In addition, the changing business climate in which an organization operates calls for the need for immediate attention to a stakeholder needs (Weber & Marley, 2010).

Stakeholder, resource dependence and legitimacy theories enable us to understand stakeholder-firm relations and highlight that power alone cannot fully enable us to understand stakeholder salience. It requires other attributes for one to determine stakeholder salience (Mitchell et al. 1997). Stakeholders may not have both power and legitimacy at the same time. A particular stakeholder may have power and lack legitimacy and vice versa or may have both. That is why it is important for one to understand these attributes in order to enable one to identify and classify the stakeholders. Figure 2.4 shows various types of stakeholders with their respective attributes.

Figure 2.4: Stakeholder Salience



Source: Mitchell et al. (1997)

2.12 Types of Stakeholders

2.12.1 Definitive Stakeholders

These are stakeholders who have all three attributes; power, legitimacy and urgency. The management holds mandate to satisfy their needs, as the failure to do so will be a recipe for problems (Mitchell et al. 1997). If particular stakeholders feel that their interests are not well catered for by the managers, then they are bound to take action against the firm. For instance, if the value of the stock is tumbling, shareholders who are considered to be legitimate and powerful stakeholders may urgently call for the removal of top management and have them replaced by a new team.

2.12.2 Expectant Stakeholders

These stakeholders possess only two attributes either: power and legitimacy, power and urgency or urgency and legitimacy. These stakeholders are active rather than passive and they are considered to be expecting something. Parmigiani et al. (2011) argues that inability to recognize different stakeholders may lead to missing out chances of alleviating risks. Due to this, managers are required to accord more attention to the interests of this type of stakeholder. They include; dominant, dangerous and dependent stakeholders.

Dominant stakeholders: These are stakeholders who have power to influence decisions or actions and legitimacy in a firm. Cyert & March (1963) argued that the influence of such stakeholders is guaranteed since they possess both power and legitimacy. The management, therefore, needs to take the demands of this type of stakeholders seriously. There is a formal relationship between this type of stakeholders and the firm. Examples include: corporate board of directors who represent shareholders, important creditors, and community leaders (Mitchell et al. 1997). They further argue that most organizations have functions for instance, human resource and public relations office that acknowledge the significance of firm-employee relationship.

Dependent stakeholders: These are the stakeholders with the attribute of legitimacy and urgency in a firm's claim. They lack the attribute of power and therefore have limited influence in the organization's decisions (Mitchell et al.1997). They are called dependent stakeholders because they depend on other stakeholders of a firm to influence decisions since they do not possess power. These types of stakeholders have legitimate claims. An example is a supplier who has the capacity to provide green energy alternatives such as power cubes or deep cycle batteries or energy saving bulbs to a cellular firm but cannot do so without explicit authorization by the focal firm.

Dangerous stakeholders: These are stakeholders who have both the attributes of power and urgency, but not legitimacy. These stakeholders are usually forceful or violent. Examples in this category include: workers demanding their rights through sabotage, environmentalists who seek attention through ultimatum, terror groups or individuals who use terror threats and activities to demand action to their concerns (Mitchell et al. 1997). They further argue that management needs to identify dangerous stakeholders to avoid or minimize damaging the image and integrity of the firm. They also assert that inability to recognize this category of stakeholders may lead to reduced risk alleviation and limited preparedness.

2.12.3 Latent stakeholders

These have a single attribute that is; power, legitimacy or urgency. A stakeholder with only attribute is perceived to have a low level of salience (Carroll, 1979). Due to limited resources, time and energy, managers may not have the capacity to track the stakeholder behaviour and manage the relationships. Latent stakeholders include: dormant, discretionary, and demanding stakeholders.

Dormant stakeholders: They have the power attribute only. That is, they have the capacity to influence decisions or actions in an organization but do not have legitimacy or urgent claim. Stakeholders who can use force, large sums of money or media tools to infuence decisions are the examples of dormant stakeholders (Mitchell et al. 1997). This category of stakeholders may become salient if they attain an extra attribute (urgency or legitimacy) hence the need for the management to give attention to their needs.

Discretionary stakeholders: These stakeholders have legitimacy attribute only hence have no power to manipulate a firm's decisions. They equally do not have urgent claims in the firm. According to Carroll (1979), these types of stakeholders are known as discretionary stakeholders. These stakeholders usually receive donations from the firm. The management therefore, does not have pressure to actively engage with this group of stakeholders since they do not have both power and urgency claims with the firm. Examples of these types of stakeholders include: community-based organizations that receive support to implement various projects that are beneficial to the society.

Demanding stakeholders: These are stakeholders whose claim is urgent but they lack power and legitimacy to influence decisions or actions of the firm. Mitchell et al. (1997) call them mosquitoes bustling in the ears of managers. They further argue that they are irritating but not risky, troublesome though do not deserve serious attention from management if there has to be any. An example is a group of activists who go to a firm headquarters and start shouting "no reduction of calling rates, no purchase of your products or services".

2.13 Stakeholder Exposure

The stakeholder exposure of the firm is determined by both firm control and being accountable to stakeholders (Parmigiani et al. 2011). In supply chains, control stems from the direct or implied influence that a firm or other organization has regarding particular issues, business decisions, or outcomes. The capacity of a focal company to exert pressure on supply chain partners, for instance, customers or suppliers, is fundamental to exercise control over the stakeholder (New, 2004; Parmigian et al. 2011). Control does not necessarily involve taking action. It includes declining to take action, ignoring the concerns of the stakeholders, neglecting to take action, failing to take due diligence or choosing not to act (Parmigiani et al. 2011). However, every choice taken has a consequence. It is only the stakeholders with direct economic interest who can claim control of a certain firm.

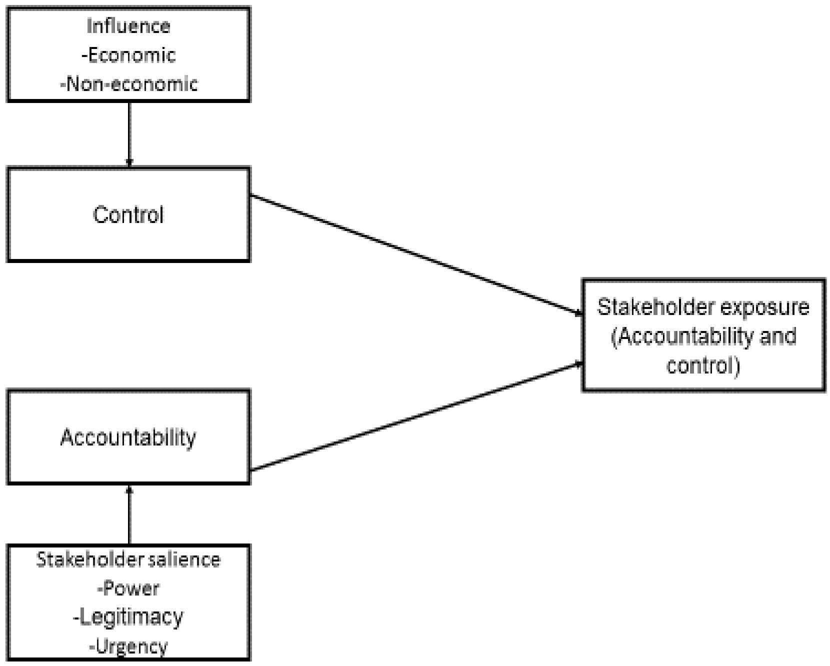
Accountability is concerned with the extent a firm needs to validate its decisions and actions to stakeholders (Parmigiani et al. 2011). It is the degree to which an organization is held responsible by stakeholders for certain decisions or actions, for instance, product or service design, sourcing, procurement, production or distribution to the stakeholder. According to Mitchell et al. (1997), accountability emanates from stakeholder salience. The stakeholders have a moral obligation to seek an explanation from the firm concerned for any decision or action taken for the sake of their interests. The greater the extent of stakeholder attributes, namely; power, legitimacy and urgency, if stakeholder salience is greater the tendency to hold an organosation accountable its decisions is also hihger (Parmigiani et al. 2011).

Mitchell et al. (1997) helps identify types of stakeholders but does not address how to manage in general and to manage supply chains in particular to optimize economic, environmental and social performance. Parmigiani et al. (2011) extend Mitchell’s et al. (1997) work by stating,

> Level of control and accountability vary based on the influence of the focal firm and the salience of stakeholders.

The level of control of a firm over stakeholders is determined by non-economic and economic influences while accountability originates from stakeholder salience attributes as presented in Figure 2.5.

Figure 2.5: A model for stakeholder exposure



Source: Parmigiani et al. (2011)

Stakeholders can be classified based on the level control that the firm exercises through its decisions or actions and the propensity of the stakeholders to compel a firm to account for its actions. The stakeholders can be categorized where the horizontal axis represents control by a firm while the vertical axis represents accountability to the stakeholders regarding the socioenvironmental concerns in the supply chain. The four quadrants resulting from the combination of accountability and control depends on how severe and risk of probable stakeholder exposure increasing with the quadrant numbers (Parmigiani et al. 2011). This is shown in the Figure 2.6:

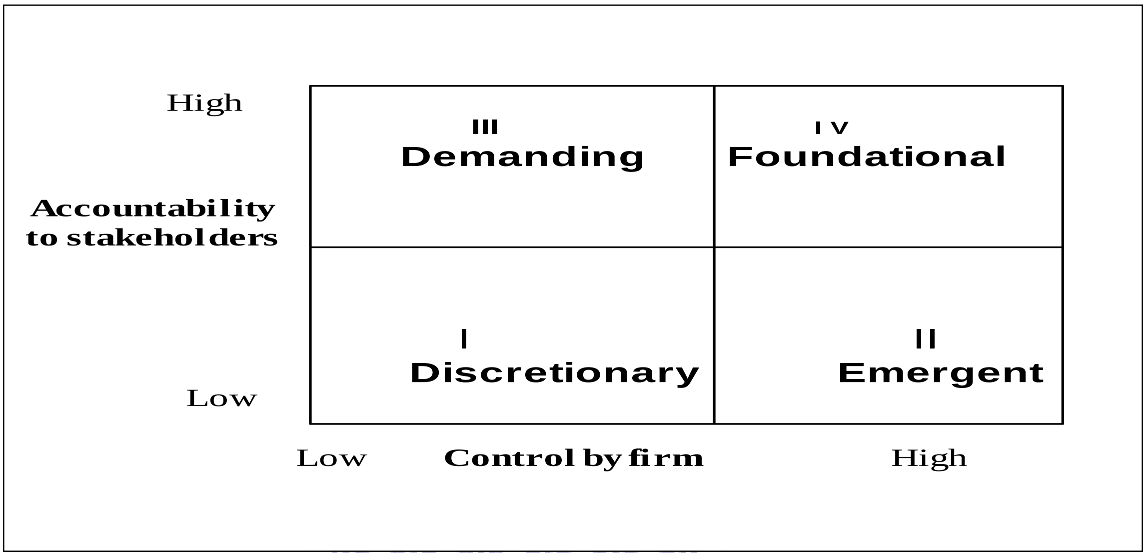


Figure 2.6: Stakeholder exposure

Source: Adopted from Parmigiani et al. (2011)

In the quadrant labeled discretionary, both accountability of the firm to its stakeholders and control by the firm is low (Parmigiani et al. 2011). This implies that the salience or the importance of a given stakeholder to a firm and its economic interest are both low. Such stakeholders have little or no influence over the decisions and actions that a firm takes. These stakeholders have little or no economic interest in the firm.

In the quadrant labelled emergent, the focal firm has a low level of accountability to the stakeholders while the extent of control of the firm is high. This means that the importance of a particular stakeholder to the firm is low while the level of control of a focal firm is high. For instance, the vehicle drivers in Kenya are prohibited by the law from using cellular phones while driving. Therefore, in case an errant driver causes an accident due to making or receiving a phone call while driving, despite the stringent control measures, a cellular firm cannot be held accountable for the misfortune that may be caused. According to Parmigiani et al. (2011), however, cellular phone manufacturers may be pressured to install technology devices in the phones that disable the use of the phone while driving.

In the quadrant labelled demanding, the firm exercises low level of control but the firm's accountability to shareholders is high. The stakeholder's importance in terms of holding a firm responsible for its decisions and actions is low but the firm's control over stakeholder is high.

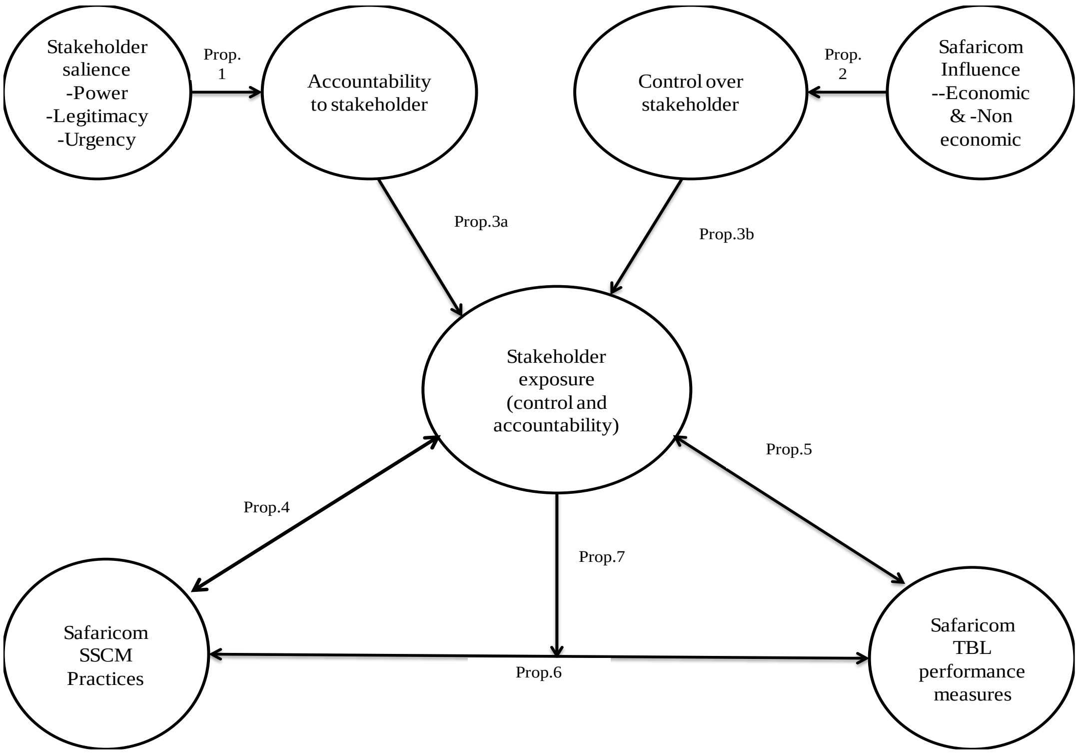
The fourth quadrant represents stakeholders whose accountability and control are both high. The issues under this quadrant are known as foundational and they require an immediate action from the firm's management. An example here is when a cellular corporation underpays its workers, leading to strikes and high employee turnover. The cellular firm in this case is held responsible for this trend while it can also control the massive exit of its staff by acting on their claim.

2.14 Conceptual framework

Stakeholder exposure plays a very significant role in ensuring that an organization implements SSCM practices and also uses the TBL performance measures in its operations. Stakeholder exposure comprises both accountability and control. Accountability refers to the ability of the stakeholders to ensure that cellular companies are answerable to all the activities they carry out in the supply chains, whereas control refers to ability of the stakeholders to regulate the activities of cellular companies.

The purpose of this model is to identify how stakeholder exposure shapes SSCM practices and the TBL measures adopted by the firm. As discussed previously, SSCM refers to accomplishment and long-term improvement of supply chain activities while taking into consideration the three TBL dimensions (Carter & Rogers, 2008). The TBL concept developed by John Elkington focuses on sustainability from three main perspectives of financial, social and environmental. The framework in Figure 2.7 highlights the reciprocal inter-relationships between stakeholder exposure, SSCM Practices and the TBL measures adopted by a firm. The framework also indicates that stakeholder exposure moderates the the relationship between SSCM practices and the TBL performance measures. The framework also specifies the components of stakeholder salience and influence, and that control and accountability jointly determine stakeholder exposure. It indicates that accountability is determined by stakeholder salience while control is determined by both economic and non-economic influence of a firm (Parmigiani et al. 2011).

Figure 2.7: Proposed Conceptual Framework



Organizations have many stakeholders who have different levels of power, legitimacy and urgency which determine their salience (Mitchell et al. 1997). Stakeholders are treated differently based on their importance. The attributes of a certain stakeholder influence the level of accountability of the firm (Parmigiani et al. 2011). The power that a particular stakeholder has and the legitimacy and urgency of their concerns enable them to hold the firm accountable. These arguments lead to the propositions.

Proposition 1a: The presence of all three of the stakeholder attributes; power, legitimacy and urgency leads to a highest level of accountability.

Proposition 1b: The presence of any two stakeholder attributes; power, legitimacy and urgency leads to a moderate level of accountability.

Proposition 1c: The presence of any one stakeholder attribute; power, legitimacy or urgency leads to a low level of accountability.

Control from the firm's perspective refers to its ability to make decisions without being influenced by other parties. The level of influence by a firm on other supply chain actors is fundamental in determining control (New, 2004). There are two type of influences: economic and non-economic. Economic influence determines the level of control a firm has on its stakeholders, for instance the customers and the suppliers (Parmigian et al. 2011). For example, if the number of buyers is fewer than the suppliers in the market, the buyers will have the market power which subsequently translates to greater influence over the suppliers. Moreover, regular meetings held between the buyers and suppliers help improve the quality of supplies. Non-economic influences also determine the level of control of the firm over a stakeholder. Examples of non-economic influence include: the environmental regulation of cell phone emissions, social media usage by customers and tower installations. This leads to the next proposition.

Proposition 2: The greater the economic and non-economic influence of the firm, the greater their control over a stakeholder.

Control by the firm and accountability to stakeholder determines the firm's stakeholder exposure. The level of exposure to any particular stakeholder is thus dependent on the firm's level of influence over the stakeholder and on the stakeholder's salience i.e. the ability to hold the firm to account (Parmigiani et al. 2011). If the level of both control of the firm and accountability to the stakeholders are low, the issues are regarded as inconsequential or discretionary (see Fig 2.6.) If control is high while the accountability is low, the issues are termed as emergent. Demanding issues arise when accountability to the stakeholder is high while firm's control is low. Foundational issues arise as a result of both greater control and greater accountability (Parmigiani, 2011). This leads to the following propositions:

Proposition 3a: The greater the propensity of the stakeholders to hold the focal company accountable for its decisions, the greater the stakeholder exposure.

Proposition 3b: The greater the focal company's control over the stakeholder (the ability to make decisions), the lesser the stakeholder exposure.

Proposition 3c: Stakeholder exposure is greatest when both control and accountability are mutually reinforcing (i.e. control is low and accountability is high).

The levels of control and accountability thus determine the stakeholder exposure and this has an influence on the SSCM practices and TBL measures adopted by a firm. In order to manage exposure proactively when both control and accountability are low, the social and environmental issues along the supply chain are inconsequential (Parmigiani et al. 2011). This implies that the level of stakeholder exposure has an influence on the SSCM practices adopted and this determines the level of attention accorded to the social and environmental issues. For example, product safety is of great concern when control over the regulator is low and accountability is high. According to Gibson (2000), stakeholders exert moral suasion over the SSCM practices of a firm.

Organizations are under pressure from various stakeholders to embrace sustainability in all their operations in order to reduce harm on the environment (Elkington, 1994). Organizations therefore, adopt a number of practices in various activities in supply chain management to promote sustainability. This leads to:

Proposition 4: A reciprocal association exists between a focal firm's exposure to stakeholders and the adoption of Sustainable Supply Chain Management practices relevant to the stakeholder. SSCM practices respond to stakeholder exposure, while the adoption and monitoring of SSCM practices, enables the firm to manage the extent of stakeholder exposure.

Organizations may or may not address stakeholder expectations depending on the degree of salience of the stakeholder (Mitchell et al. 1997). Stakeholders with more power may have their expectations met as far as SSCM practices are concerned and this has direct effect on the TBL performance measures (Parmigiani et al. 2011). It is also possible that the company may fail to address the expectations of less powerful stakeholders thus pursuing its own SSCM practices. By ignoring those stakeholders who lack power and legitimacy, the organization may end up concentrating on its own SSCM plan (Suchman, 1995). This leads to

Proposition 5: Stakeholder exposure and TBL performance measures have reciprocal influence on each other. TBL measures are adopted to manage stakeholder exposure, while the adoption and monitoring of TBL measures, in turn, enables the firm to monitor the extent to which stakeholder exposure is mitigated.

When a firm is more exposed to stakeholder pressure it will be expected to have more comprehensive TBL measures to manage the issues while the stakeholders of the organization expect more from the organization. For instance, if the organization performs well financially, some stakeholders such as shareholders would expect better dividends, suppliers would also expect fast and timely payments and the community would also expect more involvement in community social responsibility activities. Stakeholders concerned with the environment would also expect the organization to be involved in more environmental friendly supply chain practices (Gago & Antolin, 2004). Parmigiani et al. (2011) assert that collaboration of the focal company with the other supply chain partners reduces short-term opportunistic behaviors for instance, employment of juvenile labour, compromising health and safety at work poor disposal of waste materials for example old cell phones. These practices lead to improved performance on TBL measures and subsequent improved economic, environmental and social outcomes.

SSCM practices adopted by organizations need to meet three dimensions of TBL. Collaboration with supply chain partners can lead to trust, innovation and flexibility and this has a long term effect on the TBL (Krause et al. 2007; Parmigiani et al. 2011 and Vachon & Klassen, 2008). Pagell & Wu (2010) confirm the existence of economic and environment related challenges that have necessitated most contemporary organizations to re-examine their supply chains. This leads to

Proposition 6: SSCM Practices and TBL performance measures have reciprocal influence on each other.

Effective management of stakeholders requires firms to implement SSCM practices and comprehensive TBL measures. Moreover, greater stakeholder exposure coupled with improved SSCM practices should result in improved TBL measures which subsequently should lead to improved economic, environmental and social outcomes (Parmigiani et al. 2011). However, if stakeholder exposure is greater while the SCM activities are unresponsive, then the TBL measures are likely to be simplistic or underdeveloped. A firm's reputation and profitability may suffer if stakeholders strike or demonstrates due to poor supply chain performance (Wright, 2012). The firm's stakeholder exposure thus moderates the relationship between the firm's SSCM practices and TBL measures in order to achieve the desired outcome. This leads to

Proposition 7: The level of stakeholder exposure moderates the alignment between SSCM practices and TBL measures. The greater the degree of stakeholder exposure, namely, control and accountability, the closer the alignment between SSCM practices and TBL measures.

2.15 Chapter summary

The evaluation of stakeholder salience is critical in identifying and prioritizing stakeholders in an organization. Furthermore, understanding how stakeholder salience and influence affect accountability and control respectively enable the firm's management to effectively manage stakeholder exposure and how it influences SSCM practices and the TBL measures of a firm. This chapter presented a detailed exposition of various theories applicable to this study, an explanation of the key concepts and elaborate and comprehensive conceptual framework together with its propositions as the framework for conducting the case study of Safaricom Kenya.

The research framework was presented and conceptualized in terms of stakeholder salience, exposure and influence. Other constructs in the framework included SSCM practices and TBL measures. This framework was used to formulate propositions that helped address the study objectives. The framework was refined after data collection and subsequent data analysis and results interpretation. Although most of the literature was based in manufacturing and agricultural context where SSCM practices are adopted to a large extent, the constructs were applied to understanding an important sector in the service economy, namely the cellular industry.

Understanding how the cellular industry operates and how they react to issues regarding stakeholder salience, influence, exposure, SSCM practices and TBL measures, the next phase of the research sought to address was how to uncover the issues in practice. This chapter prepared groundwork for the next chapter. This required the development of the next phase "research methodology section". This section is addressed in the next chapter.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The previous chapter reviewed literature on stakeholder salience, exposure and influence, SSCM practices, TBL measures at Safaricom in the context of the conceptual framework. This chapter focuses on the methodological aspects of the study. It is imperative for a researcher to consider three key elements in a methodological research framework; philosophical assumptions, research strategy and applicable research methods or procedure to be adopted (Creswell et al. 2003). The chapter outlines the direction taken right from research conceptualization through to the analysis of the collected data. The specific areas covered under this chapter include: philosophical underpinning, research design, selection of the firm and selected stakeholders, target respondents, collection of data, data analysis, tests of reliability and validity as well as ethical issues.

3.2 Philosophical Underpinning

Debate has evolved as to what can be termed as knowledge as far as an area of study is concerned. This debate has focused on two important questions with regard to what constitutes reality (an ontological question) and how knowledge about the nature of the world is viewed by researchers (an epistemological question) (Bryman, Bell, Hirschsohn et al. 2014). Epistemology is considered a philosophical subset that attempts to reveal the beginnings, nature and limitations of human knowledge (Hirschheim, 1992). In addressing these questions, two philosophical stances have been proposed such as positivism and social constructionism or phenomenology.

Positivism is a philosophical stance which relies on objective observations based on already established theory for purposes of testing propositions or postulations of that theory and therefore according to this philosophy, reality exist objectively and knowledge about its existence is availed objectively (Hughes, 2001). Positivists believe that the researcher needs to justify theory through empirical testing. Positivist research focuses on describing and explaining phenomena and that human thinking is guided by unambiguously presented theories and propositions or hypotheses. The positivist view suggests that the world is external and objective. Epistemology is therefore founded on the conviction of independence of observers and findings are value mediated (Guba & Lincoln, 1994).

Creswell (1998) argues that interpretivism or social constructionism or phenomenology is a philosophical stance where knowledge or phenomenon is socially constructed through subjective observations for the purpose of theory building. Accordingly, reality exists subjectively and knowledge about its existence is availed subjectively.

Guba and Lincoln (1994) suggest that four models exist as far as qualitative study is concerned, namely; positivism, post-positivism, critical theory and constructivism. The term “qualitative” cannot be used to substitute the term “interpretive” and therefore, qualitative study may or may not be interpretive (Myers, 1997). A decision on whether a qualitative study is interpretive or not depends on the philosophical perspective of the researcher. A research can adopt a positivist, interpretive or social constructionism depending on the philosophical underpinning. However, I utilise the conceptual framework outline in Figure 2.7 to frame the data collection process.

Social constructionism argues that social actors continually produce social phenomena and their meanings both individually and collectively through social interation (Bryman, Bell, Hirschohn et al., 2014). Based on the above discussion, this study is largely inclined towards social constructionism paradigm to explain the nature of the researcher’s inquiry in reality (Creswell, 2003). Social constructionism is anchored on qualitative research and therefore this research study adopted qualitative approach.

3. 3 Research Design

The research adopted a single case study with four embedded units of analysis namely community, regulators, customers and suppliers. This section explicates the rationale for choosing a case study design and provides a gateway for selecting Safaricom and some of her stakeholders. Yin (2003) argues that an embedded case study involves multiple units of analysis within a single case and that its adoption is based on the context and the objectives of the study. An embedded case study approach was considered appropriate because the study required diverse views on stakeholder salience, stakeholder exposure, SSCM practices and TBL measures at Safaricom. This research design was appropriate since it sought to bring out in-depth understanding of the concepts under study from the perspective of the four stakeholders in the Kenyan cellular industry. This design gives the respondents an opportunity to share their views without restrictions (Yin, 2003).

A case study is adopted with an aim of understanding how individual settings behave (Eisenhardt, 1989). It explores a certain phenomenon within a given context by using a combination of various data sources and this approach enhances the reliability of the collected data (Yin, 2003). This enables the researcher to describe the alignment of stakeholder salience, exposure and influence with SSCM practices and TBL measures through different lenses or perspectives of Safaricom management, stakeholders and public documents instead of a single lens. This allows for different aspects of a phenomenon to be exposed and comprehended (Baxter & Jack, 2008). As the purpose of a case study is to shed light on a decision or set of decisions, it enables one to understand the reasons why some decisions were taken, how they were implemented and what were the results (Yin, 1994).

A case study approach provides researchers with the opportunity to reveal actual issues in the phenomenon under investigation (Yin, 2003). Indeed, a case study approach is more appropriate when seeking in-depth information about a complex phenomenon (Eisenhardt, 1989; Eisenhardt & Graebner, 2007). Moreover, the study involves an in-depth case study that seeks to explain alignment of stakeholder exposure with SSCM practices and the TBL measures. Table 3.1 shows various types of case studies, their purpose, research question and research structure.

A case study approach makes it possible for direct observation of a supply chain field. It is specifically convenient in studying the many supply chain stages. Soliciting data from various stages and participants of a supply chain such as the focal firm, government agencies, suppliers, and customers, among others, makes a case study more valuable. This follows the suggestion that supply chain researchers should put more effort into collecting data from more than one stage of a supply chain in order to enhance the value of the case study (Seuring, 2008). While some argue that case studies lack rigour (Ellram, 1996), if the procedure of conducting the case study is carried out in a structured manner, a case study design may yield better results through an in-depth understanding of a complex phenomenon. In achieving rigour in case study, quality criteria such as selection of the case, data gathering, validity and reliability need to be considered (Seuring, 2008).

For the sturdiness in the design of the case study to be achieved, the researcher observed essentials such as developing and using a conceptual framework from which propositions were developed, generated the "how" and "why" research questions, related data to the propositions and identified a suitable approach for interpreting the research findings (Yin, 2003; Miles, Huberman & Saldana, 2014).

Case studies may focus on exploration, building theory, testing theory or theory extension, description and relationship building (Stuart et al. 2002; Voss et al. 2002). This research can be classified as theory building and testing because the stakeholder salience, influence and exposure have theories developed in the previous studies were used to (a) frame the research questions in a unique way and (b) explore their validity in the Safaricom case.This study thus tests the theories discussed to envision future outcomes (Voss et al, 2002; Stuart et al. 2002) and also leads to further theory building by identifying key variables (Stuart et al. 2002) that influence the relationship between key concepts as they apply to the case.

Table 3.1: Matching research questions and structure

Type of case study	Purpose	Research question	Research structure
Exploration or discovery	-unearth areas of research and theory development.	-Is there something fascinating enough to justify the research? -What is going on?	-In-depth case studies, unfocused, -Longitudinal field study.
Theory building or mapping	-Identify or describe key variables. -Identify linkage between variables. -Identify "why" these relationships exist.	-What are the key variables? -What are the patterns/linkages between the variables? -Why should these relationships exist?	- Focused case studies. -In-depth case field studies. -Multi-site case studies -Best-in-class case studies. -Refutation case study
Theory testing	-Test the theories developed in the previous studies. -Envision future outcomes.	-Are the theories we generated able to survive the test of empirical data? -Did we get the behavior that was predicted by the theory? -Are there any unexpected behaviours?	-Experiment -Quasi-experiment. -Multiple case studies. -Large-scale sample of population.
Theory extension or refinement	-To better structure the theories of the observed results. -Expand the map of the theory.	-How genaralisable is the theory? -Where does the theory apply? -What are the constraints?	-Experiment. -Quasi-experiment. -Multiple case studies. -Large-scale sample of population.
Description	-Explore territory	-What is there? -What are the key issues?	-In-depth case study (unfocused). -Longitudinal case study.
Relationship building	-Identification of linkages between variables. -Understanding of causality.	-What are the patterns that connect the variables? -Can an order in the relationships be identified? -Why do these relationships exist?	-Focused case studies. -In-depth field studies. -Multi-site case studies. -Best-in-class cases.

Source: Voss et al. (2002); Stuart et al. (2002)

3.4 Selection of the Firm and Stakeholders

This subsection explains the rationale for choosing Safaricom as a case and the selection of the community, regulator, customers and suppliers for this research. It further provides a transition that paves way for the exhaustive explanation in data collection and its subsequent analysis. According to Yin (2003) selecting the case is a very important research component. A case has to be selected for theoretical reasons, specifically appropriate for informative and extending theory (Eisenhardt, 1989). Safaricom; community, the telecoms regulators, customers and suppliers were selected for this study. Safaricom was selected for this study because it is the only Kenyan cellular company that develops a sustainability report. In addition, the firm is a dominant player in cellular sector in Kenya; it is innovative and has grown its market share rapidly in the past decade.

The case selection was also based on the uniqueness of the cellular telephone industry which uses telecommunications infrastructure that depends on scarce resources which need to be regulated by the government policy (Fomin, 2001). Its network is also unique in that the provision and consumption of services has a three-way channel which includes: a supplier of the infrastructure, service provider and the customer. In addition, the factors considered in the selection of this firm include: experience of the firms in the industry, the effort with which Safaricom is addressing the economic, social and environmental issues, its accessibility and the ease with which they can avail data.

The selection of the embedded units of analysis in the case of Safaricom's supply chain was based on the conceptual model presented in chapter two. The four stakeholders, namely; the community, the telecomms regulators, the customers and the suppliers were selected for this study due to their varying salience and exposure levels and the part they play in ensuring that Safaricom's supply chain is sustainable. For Safaricom to be successful, it needs to understand each stakeholder's expectations, salience and exposure levels and the impact they creates in firm (Isaksson et al. 2010). This is because each stakeholder is managed differently by Safaricom and hence requires different categorization (Mitchell et al. 1997).

Moreover, four types of stakeholder groups were selected for this study because they were considered sufficient to provide the required data. Due to scarcity of resources it is difficult to satisfy all the stakeholders' requirement, hence need to compromise (Isaksson et al. 2010). This fact is echoed by Corbin & Strauss (2008) who assert that an optimal number of cases in a study are achieved when any extra addition of a case to the selected units of analysis does not add value to the study.

Various stakeholders were classified according to their salience and exposure level based on their attributes such as power, legitimacy and urgency (Mitchell et al. 1997). The three levels of salience and exposure were labeled as low, medium and high and then the stakeholders were selected from the three categories based on what attributes they possess, how they are managed by Safaricom and the varying impacts they have on TBL. In the low salience and exposure category, the community was selected. This stakeholder possesses legitimacy and is critical because Safaricom draws its customers and resources from the community. The customers and suppliers were selected from the medium category. The two stakeholders were selected due to their economic power that they demand from Safaricom and the position they hold in the supply chain. The suppliers have power and legitimacy while customers possess legitimacy and urgency. The Communication Authority of Kenya (CA) was selected from the high level of stakeholder salience and exposure category. This classification is presented in Table 3.2.

Table 3.2: Stakeholder Salience, Influence and Exposure in Safaricom

Level of stakeholder salience and exposure	Attribute (s)	Stakeholder (s)
Low	Legitimacy	Community
	Urgency	NGOs, activists and media
Medium	Power and legitimacy	Suppliers, Communication Authority of Kenya (CA), Competition Authority of Kenya (CAK), National Environmental Management Authority (NEMA), employees, community leaders, investors and significant creditors
	Power and urgency	Employees who have been terminated from their work place due to strikes.
	Legitimacy and urgency	Aggrieved community
High	Power, legitimacy and urgency	Management, Customers, Vodafone and shareholders

Source: Adopted from Mitchell et al. (1997)

3. 5 Target Respondents

The study targeted a number of respondents at management level from various departments in Safaricom and selected stakeholders. The protocol targeted multiple respondents from multiple functional areas. This included senior managers from Supply Chain, Finance, Corporate Affairs, Health and Safety, Strategy and Innovation, Risk Management, Customer Service, Research and Development and the manager responsible for Sustainability. The rationale for the choice of the senior managers is that they are directly responsible for monitoring and controlling the company's sustainability issues.

Interviewing multiple respondents allowed the researcher to examine various areas of the company's supply chain and triangulate the data. This approach to data collection is based on an approach that was designed and successfully applied by Wu & Pagell (2011).

The distribution of the numbers of the participants was based on the degree of involvement and their engagement with their stakeholders and various departments in the sustainability process (Wu & Pagell, 2011). The researcher solicited information from the respondents by using convenience sampling. The target stakeholder groups included: representatives from, customers, regulators, suppliers and community leadership. The choice of these stakeholders focused on external stakeholders and was based on the level of influence to the decisions made, accountability and the number of attributes held by the stakeholders. This is presented in Table 3.3.

Table 3.3: Selection of Stakeholders

Level of salience, exposure and influence	**Selected stakeholder**	**Position in the supply chain**	**SSCM practices**	**TBL dimensions**		
				EC	**ENV**	**SO**
Low	Community	Infrastructure (towers)	-Environmental safety -Value adding projects like dams.	✓	✓	✓
Medium	Regulators	Throughout	-Compliance on disposal of obsolete and fake mobile phones. -Regulation on the installation of Base Transfer Stations (BTS).	✓	✓	
	Suppliers	Infrastructure (towers), machines, energy and logistics services	-Collaboration -Supply of green energy -Upgrading and installation of the Booster Stations (BTS)	✓		
High	Customers	Products/services	-Innovative Apps and other cellular products -Network stability. -Disposal of obsolete and fake mobile phones.	✓	✓	✓

Source: Adopted from Safaricom Sustainability Report, 2014

3.6 Data Collection

The case study approach relies on empirical evidence and it can use both qualitative and or quantitative data (Eisenhardt & Graebner, 2007). Yin (1994) also agrees that case studies are important sources of deep pragmatic descriptions of specific issues of phenomena that emanate from a variety of data sources. Miles, Huberman & Saldana (2014) posit that both qualitative and quantitative data can be used in case studies as both words and numbers are required to comprehend the world. They argue that the question is not whether the two types of data and related approaches can be associated during study design but whether it should be done and how, and for what purpose it should be conducted. Qualitative and quantitative data can be useful for descriptive, exploratory inductive and opening-up purposes. Furthermore, both data can be prolific for explanatory, confirmatory and hypothesis testing (Miles, Huberman and Saldana, 2014).

This study primarily used qualitative data which was collected using interview protocols. The study used forty-two semi- structured face to face interviews (see Table 3.4) to capture all the issues with some degree of flexibility for the researcher and the respondents. This number was considered appropriate because the data collected reached a point of saturation. Corbin & Stauss (2008) allude that at saturation point, any additional data to a study adds little or no value. Data gathering was augmented by conducting site visits and analyzing relevant documents such as Safaricom Sustainability Report, 2014, journals and Communication Authority of Kenya annual reports.

Five rationales guided the use of qualitative data. Firstly, it focuses on naturally occurring everyday events in ordinary settings (Miles, Huberman & Saldana, 2014). This enables the researcher to experience a taste of real life situations where no clear contextual and phenomenological boundaries exist (Yin, 1994). Confidence in research is enhanced by local groundedness, a fact that is strengthened by by gathering data nearer to a particular scenario. Furthermore, this practice improves the likelihood of understanding underlying or non-obvious issues.

Secondly, textual data has much content that is essential and holistic in illuminating complex phenomena. Data of this nature provides detailed explanations (Geertz, 1973) that shed more light and are founded on experiences from real life situations, and possess a credible element of truth that impacts strongly on the reader.

Thirdly, qualitative data allows the researcher to explore a phenomenon beyond snapshots of “what?” or “how many?” to how and why things happen in certain ways. Fourthly, qualitative data is appropriate for revealing how people perceive and understand events, processes and structures of their lives and the connection between them and the society around them. Lastly, qualitative data has been cited as the most appropriate exploratory approach of discovering and exploring a new area and developing propositions or hypotheses and predicting whether new outcomes emerge (Miles, Huberman & Saldana, 2014).

Fourthly, qualitative data is appropriate for locating meanings people place on the events, processes and structures of their lives and for connecting these meanings to the social world around them. Lastly, qualitative data has been cited as the best approach for discovery, exploring a new area and developing propositions or hypotheses and predicting whether new outcomes emerge (Miles, Huberman & Saldana, 2014).

Data collection was carried out in phases starting with the Safricom management and then the community, the telecomms regulators, the customers and the suppliers in that order. When collecting qualitative data, recordings were made and then transcribed. However, in the process of analyzing, if a certain issue was not clear, the researcher arranged with the appropriate interviewee and sought for further clarification.

The researcher chose Safaricom management who heads of departments or senior managers due to their level of experience and relevance. They selected from diverse functions within Safaricom to ensure diversity in views regarding the research area.

The Members of County Assembly (MCA) and Deputy Speaker, County Assembly (DSCA) were selected because they are leaders in the community that elects them to champion their views on matters affecting them. The MCAs and DSCA were considered appropriate because they are well versed with the community demands on cellular issues. The local chief and Deputy County Commissioner (DCC) chosen due to their regular interaction with the community and because they were also conversant with the telecomms activities in a particular community. The activist was considered under this category because this group of stakeholders champions the issues affecting the community.

The suppliers were included because they are considered critical in any supply chain. They provide a focal firm with environmentally friendly products and services and this has an effect on the supply chain cost, product and service quality and lead times (Dahlstrom et al. 2003). Moreover, they provide products and services to Safaricom to ensure that the firm satisfies and surpasses customer expectations. Seuring (2005) argues that organizations cooperate with supply chain partners in ensuring that customers are satisfied and therefore there is need to gather data from different stages of a supply chain. Moreover, the selected informants were considered appropriate due to their positions and experience in their organizations. All the informants in this category are in senior management positions and were considered to have adequate information regarding the required data. The list of informants is presented in Table 3.4.

Table 3.4: List of Informants

Level of stakeholder salience, influence and exposure	Stakeholder (s)	Position	Total No.
Low	**Community**	-Members of County Assembly (MCA) -Deputy Speaker, County Assembly (DSCA) - Local elder -Local chief -Activist -County Commissioner -Deputy County Commissioner (DCC)	2 1 1 1 1 1 1
Medium	**Suppliers** -Huawei -Flex enclosure -Kenya power (Kplc) -Ericsson -Linksoft -Acceler transGlobal logistics Ltd - Kenya Network Information Centre (KeNIC)	-Product Manager, Power and air-conditioning manager - Account manager -Customer Service Engineer -Power and air-conditioning manager -General Manager -Logistics Director -Service Delivery Manager	1 1 1 1 1 1 1
	Regulators -Communication Authority of Kenya (CA) -National Environmental Authority of Kenya (NEMA) -Competition Authority of Kenya (CAK)	-Assistant Director, competition, tariffs and market analysis, CA -Manager telecomms licensing, CA -Director, licensing, NEMA -Communication Director in charge of mobile operators, CAK -Manager competition, tariffs and market analysis, CAK	1 1 1 1 1
High	**Customers** -Independent Electoral and Boundaries Commission (IEBC) -Simba telecomm -Onnet Supply Chain Ltd -Kenya Commercial Bank (KCB) -Mucroid Digital Solutions Ltd -M-farm -M-Kopa -Individual customers	-CEO -Country Director Procurement & Logistics -Technical director -Branch manager -Technical Director -CEO and Co-Founder -CEO Individual customers	1 1 1 1 1 1 1 5
	Safaricom management	-Head of risk management -Senior sustainability manager -Head of customer service -Senior Supply chain manager -Senior manager strategy and innovation -Senior finance manager -Head of Safaricom foundation -Research and Development manager -Senior procurement and logistics manager	1 1 1 1 1 1 1 1 1
Total			**42**

Safaricom management facilitated access to the selected suppliers through the provision of their contacts. The selected suppliers were considered representative of this group of stakeholders because of the diverse products and services that they supply to Safaricom. For instance, Kenya Power (Kplc) supplies power, Huawei provides infrastructural support services, Acceler transGlobal Logistics provides logistical services and Kenya Network Information Centre (KeNIC) is responsible in the management of the policy governing the technical operations of the Kenyan Country code Top Level Domain (ccTLD).

The choice of customers was necessary due the critical role they play in a supply chain. In SCM research, customers need be interviewed to ensure that their perceptions are considered (Stuart et al. 2002). Customers exert pressure particularly on large and more reputable firms to offer products and services that are environmental and socially friendly to the market (Walker et al. 2008).

The choice of the customers represents the main sectors of the Kenyan economy and most of them such as the dealers, agents and a bank play a critical role in linking Safaricom to 21.57 million end users (Safaricom Sustainability Report, 2014). For instance, Simba telecom is a main dealer in Safaricom M-pesa and airtime products which generate a huge proportion of revenues in Safaricom product portfolio. Mucroid Digital Solutions Ltd is in Information Technology (IT) industry which is considered the backbone for Safaricom in the design and development of innovative mobile applications that have revolutionized the Kenyan people's lives. Onnet Supply Chain Ltd is an educational consultancy firm that represents customers in the education sector. The informants in this category of stakeholders concentrated on the senior management in their respective companies because of their experience and knowledge they possess in this particular domain.

The rationale for choosing regulators was based on the role they play in the cellular industry. For instance, CA is the only telecomms regulator mandated to provide licenses for frequency spectrum and numbering frequency, a critical resource in the cellular industry. The regulator ensures that the mobile phone companies do not involve themselves in malpractices and that they provide customers with quality products and services at affordable prices. The researcher in liaison with the top management at the Research and Development (R&D) department at CA discussed the interview protocol two weeks prior to the actual interview and selected the officers who were most suitable to address the research questions. The relevant interviewees are presented in Table 3.4. The informants were chosen because of their skills, knowledge and experience in licensing, legislation, competition, tariffs and market issues. The mentioned areas were critical in the study.

Five different sets of interview guides (see Appendices I-IV) were developed to solicit data from Safaricom management, community, regulators, customers and suppliers respectively. Interviewing multiple respondents allowed the researcher to examine various areas of the company’s supply chain and act as a reality check and triangulate the data. This approach to data collection was successfully applied by Wu & Pagell (2011).

The study protocol was developed and the suitability of the research instrument was evaluated through a pilot study before actual data collection commenced. Piloting was carried out on four interviewees, one from each of the selected stakeholder group and three senior managers at Safaricom. This provided an opportunity for improvement of the data collection instrument. After revising the interview guide, data collection protocols were given to the respondents two weeks before the actual day of the interview. This gave the interviewees more time to read and understand the questions so that they could provide appropriate information and documentation.

The selected respondents were classified according to the level of stakeholder salience, influence and exposure as follows: low, medium and high. The selected low-level stakeholders were community leaders while the medium level stakeholders were suppliers and customers. The selected high-level stakeholders were the management from Safaricom and telecomms regulators

The interviews were captured using a voice recorder and note taking. However, some respondents were not comfortable with the use of a digital device and this compelled the researcher to take notes only while interviewing them. Each interview took approximately 75 minutes to cover the questions on the interview protocol and further probing of any issue that came up during the process of interviewing (Suering, 2005). In addition to formal interviews with informants documented in Table 3.4, the study made use of published reports. These include Safaricom's annual reports, website, trade journals and Communication Authority of Kenya (CA) annual report.

During site visits, the researcher also engaged employees in various stakeholder groups and held informal talks. This subsequently led to note taking on important issues that were not mentioned in the interviews. After developing rapport during the interviews with some informants, the researcher also had a few out of office meetings to augment the data collection.

3. 7 Data analysis

Data analysis began by transcribing the interview responses and ensured that the relevant research issues were captured. The researcher engaged a typist and research assistant to transcribe the recordings (Saunders, 2011). After transcription, data was condensed and displayed for easy analysis and interpretation of findings (Bryman, Bell, Hirschsohn et al. 2014; Miles, Huberman & Saldana, 2014). This process paved way for a highlight of emerging themes (Gribich, 2007). It facilitated the preparation of a cover sheet for the forty-two interviews conducted. The aim of doing this was to capture the pertinent issues related to the interview such as the type of stakeholder, location, level of management in the firm and stakeholders, date and time of interview, length of the interview and highlight of any special circumstance related to a particular interview (Farquhar, 2012).

The process of coding commenced immediately when data collection started. This enabled the researcher to understand the data gathered (Bryman, Bell, Hirschsohn et al. 2014), reflect on what the informants said or what was not captured and this was subsequently used to revise the instruments. The researcher developed *a priori* codes from the formulated theory and a coding schedule to facilitate the identification of key phrases or words that either agreed or disagreed with the conceptual framework used in the study. This kind of analysis enabled the researcher to break down the text into manageable categories on a variety of levels such as word, word sense, phrase, sentence or theme.

Coding was done in three phases: First, coded the sources of data, for instance, interview with first respondent in community stakeholder (1ReCS). The second phase of coding involved capturing a particular part of the interview, for example, ‘Stakeholder Salience’ (SHS). The last phase involved capturing a more penetrating or specific information in the interview for instance, how do you hold Safaricom accountable for its supply chain decisions? For ease of explanation of the study results, the researcher organized the work into three codes namely, descriptive, interpretive and emerging themes (Farquhar, 2012).

The researcher used qualitative content analysis to process the data, an approach that strictly observes methodological and step by step analysis of the transcribed data. This involved forward and backward movement between conceptualization, data collection, analysis and interpretation (Bryman, Bell, Hirschsohn et al. 2014).

The researcher used deductive category presentation that begins with the earlier formulated, theoretically derived issues of analysis. These issues were then related to the text (Kohlbacher, 2006). In analyzing the interviews, research questions enabled the researcher to identify theoretical based definition of the aspects of analysis, main categories and sub categories. The next step in analyzing the data was to use the theoretical formulation of the main groups and sub-groups to code the transcribed data into the earlier mentioned three phases.

The categories and coding agenda was revised and then checked for reliability by referring back to the conceptual definitions then main categories, sub categories and research questions to ensure that the analysis was on the right track. These steps were repeated until final and refined texts were arrived at. At this point, the researcher ensured a summative check of reliability of the final working through texts (Mayring, 2000). The categories were subsequently compared with the study conceptual framework (see Fig.2.7). Finally, the final texts were interpreted and presented as study findings and these were compared with the research questions.

Common themes underlying stakeholder salience attributes such as power, legitimacy and urgency; stakeholder exposure, namely, control and accountability; SSCM practices and the TBL performance measures in Safaricom cellular firm in Kenya were identified. Content analysis used a systematic approach to summarize the data packets into themes. The themes were classified into various patterns which were then followed by building of valid arguments from the analysis. This was done by comparing the themes with the proposed conceptual framework.

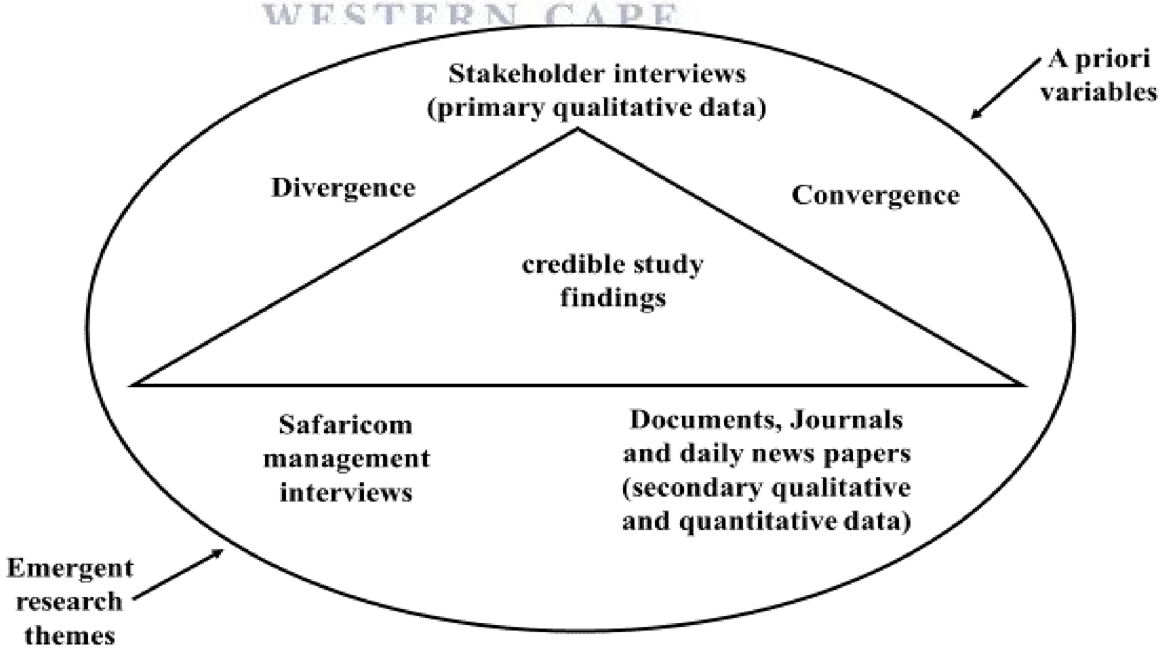
The study initially adopted a *"within case analysis approach"* where Safaricom management, community, telecomms regulators, customers and suppliers were analyzed separately and then later conducted *"cross-case analysis to identify similarities and differences"* (Miles, Huberman & Saldana, 2014; Yin, 2003) between stakeholder groups. The data collected was initially arranged systematically to allow the researcher to gain insight and better familiarize himself with it before transcribing it. This was followed by a write-up of the stories presented from the four stakeholders and Safaricom management. The main focus for this was to summarize the large amount of data to a manageable size and build up case-specific insights before identifying and linking the patterns across cases.

During cross case analysis process, identification of intra and inter group comparisons and distinctions was done after the selection of research themes (Miles, Huberman & Saldana, 2014). Interpretation of the research findings was finally followed by study conclusions and subsequently testing for validity of the results by counter checking extant literature. The study report was also reviewed by key informants within the cellular industry and a few selected scholars in the subject area.

When analyzing the secondary data, the researcher followed a similar approach to that used to analyze the primary data. However, before the analysis, the researcher consistently reflected on the research questions to ensure that the appropriate material for data analysis was selected. Texts that were considered ready for immediate analysis were used as the secondary data. After subjecting each of the data set to analysis, the study results were evaluated in the context of the research questions to facilitate an all-inclusive assessment of the data for the study. This enabled the researcher to identify the patterns, themes, inconsistencies and other issues of concern and relevance (Farquhar, 2012). After the analysis and presentation of the research findings, the researcher presented the write up to a few selected experts in the area and my supervisor to review and critique the work. The questions raised, comments and positive criticism helped to refine and strengthen the research findings (Cresswell, 2007).

Corroborating evidence from various data sets (primary, secondary and different stakeholders) and further involvement of the typist and research assistant together with the input from experts in the area and the supervisor involvement is called triangulation. Triangulation involved use of *a priori* codes from the conceptual framework, comparison with primary qualitative data from the stakeholder and Safaricom management interviews, and secondary qualitative data from documents, journals, internet and newspapers. The combination of data sources resulted to credible research findings that portrayed divergence and convergence with the already reviewed literature. This is presented in Figure 3.1

Figure 3.1: Analysis in Triangulation

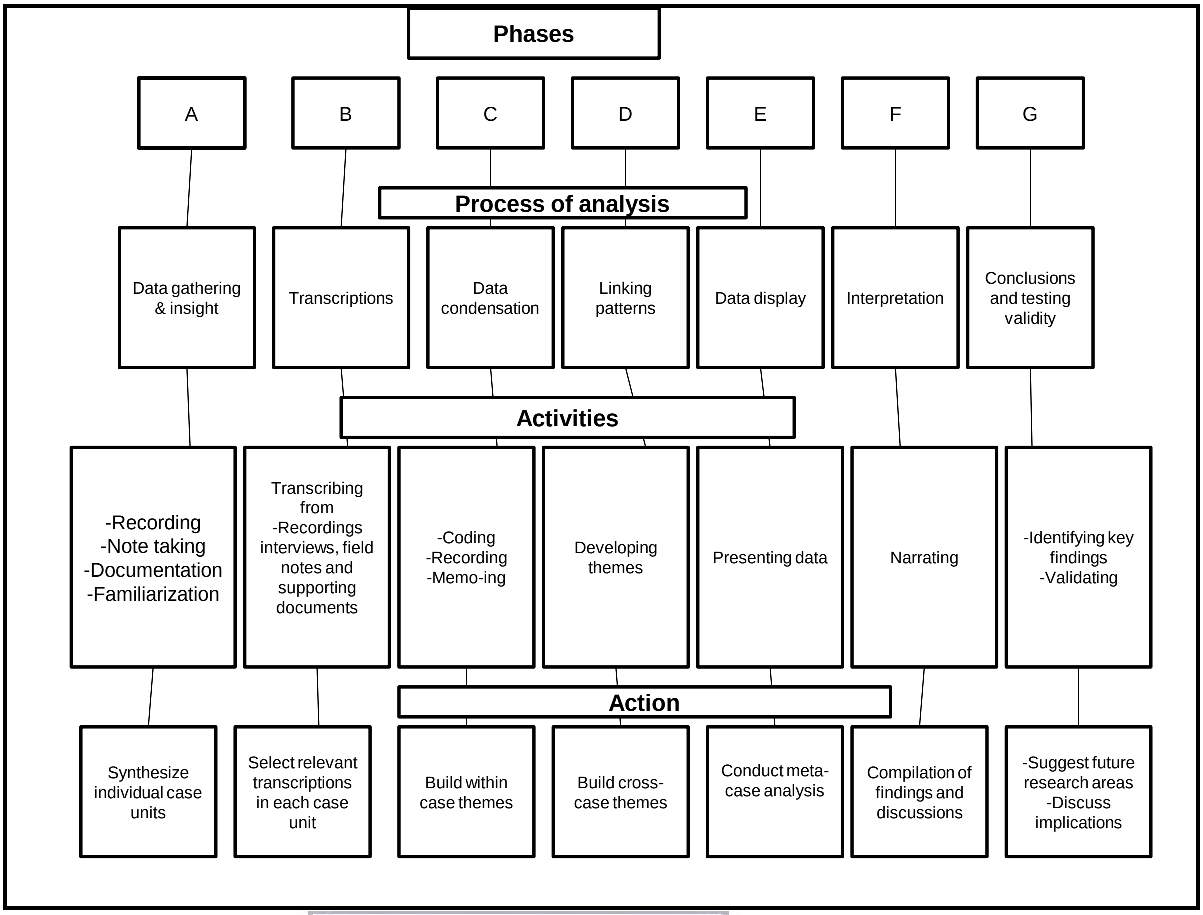


Adopted from: Farquhar (2012).

ATLAS.ti was used to manage and facilitate the recursive and iterative processes which is considered as part of data analysis. The software does not analyze data for a researcher but rather helps to manage large amounts of data (Farquhar, 2012). Moreover, as an ongoing process meant to improve the quality of research, the study findings were discussed with selected Safaricom management (Seuring, 2005). For triangulation purposes in the data analysis, the study findings were compared with similar research addressing related research questions (Yin, 2003). Furthermore, to enhance triangulation, additional sources of information, for instance, Safaricom and telecoms regulators' websites, and other relevant documents and journals were used. This ensured the validation of the insights gained from the study (Seuring, 2005).

During the analysis phase, the researcher returned to the propositions to ensure focused analysis, avoid the distraction of data that was not within the scope of research questions and increase the level of confidence in the research findings. This was achieved through an iterative process (Yin, 2003). The data analysis process for this study is presented in Figure 3.2.

Figure 3.2: Data analysis process



Adopted from Miles, Huberman and Saldana (2014)

3.8 Dependability and Validity

Dependability refers to the the extent to which a research instrument yields certain results if the context of study remains the same (Siverman, 2005; Yin, 2009; Leedy & Ormrod, 2005) as summarised in Table 3.5. Dependability was achieved through careful recording of all the face-to-face interviews (Riege, 2003), carefully transcribing the recordings, using inter-rater reliability checks on the coding of responses gathered from the semi-structured interviews and presenting verbatim in the study findings. Moreover, dependability was enhanced by developing and refining the interview protocol and then submitting to my supervisor for criticism and review. The researcher also discussed the content of the interview guide with one of the key informants in Safaricom and one industry expert to ensure that the instrument was dependable and clear.

All these practices ensured transparency and replication of the study. Moreover, transparency enabled the researcher to trace findings back to a well documented interview protocol for the Safaricom management and the stakeholders. The researcher also made reference to the case study database with a complete interview transcript, preliminary conclusions and narratives in the course of the study (Yin, 1994).

Conformability is concerned with the researcher's ability to single out meaningful and reasonable conclusions about the sub-cases under study. It is the extent to which the empirical indicators match the concepts under study (Yin, 2003). It is the degree to which a study probes that which it is meant to investigate. This implies the degree to which a research culminates to an accurate examination of reality (Denzin & Lincoln, 1994). Instead of developing a well-planned set of actions, researchers may rely on use "idiosyncratic" evidence and judgements and this poses a challenge to a case study research (Yin, 1994). The study adopted various techniques in testing and ensuring that confomability was achieved. The conceptual definition provided by Mitchell et al. (1997) was adopted.

In order to achieve conformability, the researcher relied on triangulation of different sources of data such as face-to-face interviews; archival sources for instance, daily newspapers, Journals, Safaricom Sustainability Report and CA annual report. The research also made use of direct observation to gather data (Gibbert & Ruigrok, 2010). Furthermore, the researcher collected data from Safaricom management and the four selected stakeholders. The information from archival sources and direct observation enabled the researcher to corroborate interview data. Moreover, the researcher shared the transcripts and drafts with key informants and a few supply chain experts from both academia and industry to review the case study.

In order to ensure accuracy of the study findings, the researcher established a clear chain of evidence to enable the reader to have a clear picture on the research questions through to the final conclusions (Yin, 1994). The chain of evidence included clearly specified data collection procedures, selection of the stakeholders and interviewees for the study, time frame and data analysis procedures (Yin, 2003; Gibbert & Ruigrok, 2010).

Internal validity also referred to as logical validity or credibility is the underlying associations between concepts and study results (Cook & Campbell, 1979; Yin, 1994). It is concerned with the researcher's ability to make credible and convincing observations capable of supporting research conclusions (Gibbert & Ruigrok, 2010).

Validity is a critical component in research that demonstrates the credibility of research findings (Silverman, 2006). He further argues that researchers find it difficult to persuade themselves and other people that their study results are a reflection of comprehensive data and not just handful of cases.

In order to ensure internal validity, there is need for a researcher to reveal the misrepresentations in initial intuitions between phenomenological relationships in the area of study. This ensures that there is internal coherence of the study and that the concepts are systematically related. The study achieved this through researcher self-monitoring and triangulation. In this particular study, the researcher developed a clear conceptual framework with clear propositions. The framework was explicitly formulated from the extant literature. The researcher adopted different theoretical lenses and extant literature to develop the conceptual framework to guide data collection and analysis (Gibbert & Ruigrok, 2010). Moreover, the researcher undertook pattern matching to ensure that empirically observed patterns were matched with either the envisioned patterns or prior studies in diverse settings (Eisenhardt, 1989). The researcher also conducted triangulation to verify the study results by using multiple perspectives (Yin, 1994).

The last form of validity tested was external validity. External validity in a case study also referred to as transferability is a process that relates empirical observations to theory and not from observation to a population (Yin, 1994). When researchers conduct a study with a single organization different case studies within that firm (Eisenhardt, 1989) can demonistrate transferability. Comparison was made between the information gathered from Safaricom and the four stakeholders and the conceptual framework based on extant literature (Riege, 2003). The use of theoretical terms and relationships developed by the authors especially Mitchell et al. (1997) and Freeman (1984). Table 3.5 shows various tests and techniques for establishing the reliability and validity in a case study.

Table 3.5: Dependability, Conformability, Credibility and Transferability Tests

Reliability/Dependability	
Techniques	**How it was implemented**
Provide complete explanation of theories and ideas	Reviewed literature related to stakeholder salience, exposure, influence, SSCM practices and TBL measures
Develop and refine interview protocol	Used Pagell & Wu (2010)'s interview guide which was refined in consultation with my supervisor; utilized input from experts in the industry and piloting
Use multiple researchers	Engaged a research assistant in data collection and analysis. The assistant took notes during the interview and helped with transcribing and coding.
Record observations and actions	Visiting actual cites and facilities
Record data, mechanically develop case study database	Note taking and use of voice recorder. Made use of voice recording device, note taking and hard copy documentary evidence
Assure meaningful parallelism of findings across multiple data sources	Compared various data sources such as annual reports, primary data, journals and interviews with Safaricom and stakeholders
Use peer review/examination	Sought expert opinion in salience, exposure, influence, sustainable chain management issues and TBL
Construct validity/Conformability	
Techniques	**How it was implemented**
Use multiple sources of evidence	Used various data sources such as annual reports, primary data, journals, daily newspapers
Establish chain of evidence	Transcription of data
Have key informants review draft case study report	Involved three telecomms industry experts as key informants to review the draft report.
Internal validity/Credibility	
Techniques	**How it was implemented**
Do within-case analysis	Analyzed the data solicited from Safaricom management, community, telecoms regulators, customers and suppliers separately.
Cross case analysis	Identified similarities and differences in the different units of analysis.
Do explanation building	Ensured pattern matching of the similarities and differences in the units of analysis.
Assure internal coherence of findings and concepts are systematically related	Compared the study findings and the reviewed literature.
External validity/ Transferability	
Techniques	**How it was implemented**
Define scope and boundaries of reasonable analytical generation for the research	Developed objectives that are specific, measurable, achievable, realistic and time bound.
Compare evidence with extant literature	Compared the study findings with literature review and conceptual model.

Source: Adopted from Riege (2003)

3.9 Challenges Faced in Data Analysis

Firstly, this holistic case study with embedded stakeholder units proved to be time consuming, particularly on data collection and analysis. On data collection, most of the interviewees were difficult to secure appointments with, even when available, customers often interrupted interview sessions. Much of the data captured was meaningless and it took a lot of time to sort out and analyze the most appropriate information.

Secondly, the complexity of the subject under study examined was difficult to present in a simple manner. Interpreting the stories as told by the participants was problematic. It was difficult to present the accessible realistic stories narrated into writing, tables and figures.

Lastly, Safaricom being the only telecoms firm that has emphasized sustainability in Kenya made it difficult for most of the respondents to understand or respond to questions on certain aspects of sustainability.

3. 10 Ethical Issues in This Study

When conducting a case study, ethical considerations must be taken into account (Singer & Vinson, 2002). These authors argue that ethical standards are critical in a study because failure to adhere to the appropriate principles in research may lead to the risk of not gathering the required data. The researcher focused on gathering confidential information and ensured an understanding of how to handle the data and who was responsible for accepting what information to publish and hence prevent future problems (Runeson, 2009). This ensures trust between the researcher, the interviewee and the reader. Key ethical issues that were observed during this study included: Review board approval, informed consent, confidentiality and anonymity, privacy in handling of sensitive information and coercion.

The study secured ethical approval from the Senate Research Committee (SRC) at the University of Western Cape (UWC). This practice ensures that the assessment of research is more meticulous while making communication between committee members and researchers. This practice minimises misinterpretation, misinformation and conflicting judgment. The researcher received consent from Safaricom and the stakeholders to solicit data from them. Informed consent involves disclosure of all relevant information in the study, understanding and proficiency, voluntariness, the actual consent or decision and right to withdrawal from the study (Singer & Vinson, 2002).

All the informants were provided with an overview of the research, the purpose of the research, the study implications and how the study results could affect the parties involved in the participants. Moreover, the ethical clearance letter from UWC and interview guide were provided to Safaricom management and the stakeholders involved in the study two weeks prior to the actual data collection. Furthermore, consent was obtained from the informants who participated on their own volition and undue influence (Singer & Vinson, 2002). The researcher involved Safaricom management and the selected stakeholders from the beginning to avoid the risk of losing co-operation and honesty from the interviewees (Sieber, 2001).

The researcher also ensured data and respondent anonymity and confidentiality (Sieber, 2001). Anonymity was observed as no name of the participant was disclosed throughout the whole research process (Singer & Vinson, 2002). Moreover, information provided by the interviewees was used and accessed by the researcher only and researcher avoided collecting any data that could be used to identify the names of the research participants. The researcher also collected a signed consent form from all informants as a record of their participation. In addition, the information of the respondents' names was not linked with their data (Singer & Vinson, 2002).

Confidentiality ensures privacy of the individual informants' data. Privacy was observed since all articipants were interviewed where no other person had access to what they were discussing during the interview. The researcher carefully secured the raw data and aggregated the collected data at the reporting stage (Singer and Vinson, 2002).

3. 11 Chapter summary

This section provides a detailed plan on how the study was executed by documenting the design, how Safaricom as a case was arrived at and why the four mentioned stakeholders were selected for the study. Moreover, it explains who the respondents for the study were, how and why they were selected, how the interviews were conducted and how the data was analyzed. This formed the basis for the presentation of study findings, discussions, recommendations and conclusions.

CHAPTER FOUR: DESCRIPTION OF SAFARICOM AND THE STAKEHOLDERS

This chapter presents the empirical evidence from in-depth face-to-face interviews with Safaricom management, data from the company, and reports from regulators, newspaper and web articles as well as interviewees from the four selected stakeholders, namely, the telecoms regulator, the community, customers and the suppliers. Moreover, the chapter highlights the innovativeness of Safaricom, and how it recognizes and integrates stakeholder interests with respect to SSCM practices and TBL measures. The four mini-cases are first written up descriptively based on the actual data, events and practices. This chapter involves a careful description of the four mini-cases before conducting within and cross-case analysis. Within-case and cross-case analysis are conducted to highlight the empirical insights and theoretical foundations (Eisenhardt, 1989; Miles & Huberman, 1994; Yin, 1994).

The conceptual framework (Figure 2.7) was initially developed to provide the theoretical foundations for conducting this research (Eisenhardt, 1989; Yin, 1994). The theoretical framework incorporates seven propositions that enabled the researcher to frame the data collection process and thereby analyze the relationships between stakeholder salience and accountability, influence and control, stakeholder exposure, SSCM practices and the TBL measures.

This chapter comprises of seven key sections and a summary section. Section 4.1 introduces the background to the case study and the description of the four mini-cases. Sections 4.2 through to 4.7 describe Safaricom and the mini-cases with respect to the objectives in the study. A summary of the chapter is presented in section 4.8.

4.1 Introduction

As indicated in chapter two, the study sets out to achieve four specific objectives that were guided by seven propositions. The objectives include determining the stakeholder attributes such as power, legitimacy and urgency (Mitchell et al., 1997) of the four selected groups of stakeholders. The study also sought to establish the determinants of the stakeholder salience;

determining stakeholder expectations and and how they hold Safaricom accountable and how the firm exercises control over its stakeholders; establishing the relationship between Safaricom's SSCM practices and their TBL measures and establishing how and to what extent Safaricom incorporates stakeholder exposure into their SSCM practices and TBL measures.

The collected data is presented based on the propositions. The research findings are presented in the following order:

i) Safaricom's shift from the insular firm to SCM and Stakeholder View
ii) SSCM practices, KPIs and TBL measures
iii) Stakeholder interests in Safaricom
iv) Stakeholder salience and accountability
v) Firm's Influence and Control over the stakeholders
vi) Stakeholder expectations
vii) Managing customer exposure-SSCM Practices and TBL measures

Various themes as depicted in the conceptual framework are reported in this section. In each of the themes, the views of Safaricom management and various stakeholders, namely, community, regulators, customers and suppliers are presented in that order.

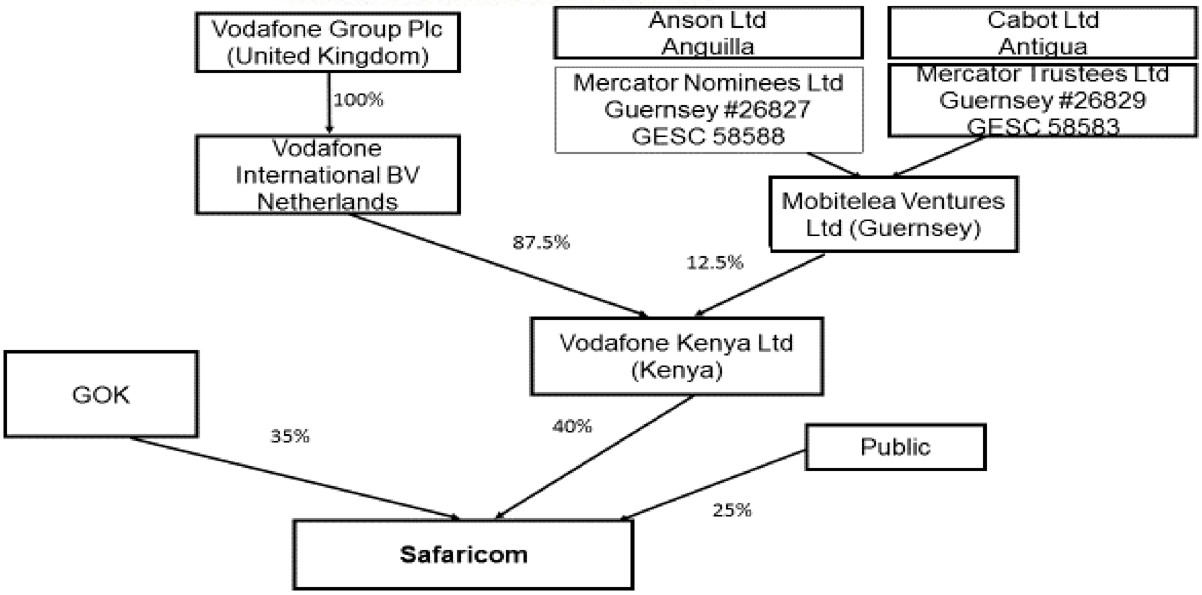
4.2 Safaricom's Shift from the Insular Firm to SCM and Stakeholder View

This section discusses Safaricom's shift from the insular firm to SCM and Stakeholder View. The firm considers its stakeholders as important since it is cognizant to fact that it cannot survive and succeed without them. Due to this, Safaricom's classifies its stakeholders and identifies issues that are important to them. This helps shape the vision, goals and explain how the company intends to realize them. Identification of material issues forms a basis on which different initiatives undertaken by Safaricom are anchored. These initiatives constitute an important part of the sustainable supply chain management practices that are adopted by the firm. The section concludes by considering how these practices are monitored based on the TBL measures.

Safaricom started its operations in 1997 as a private limited liability company under the Companies Act. During this time, the firm was a fully owned subsidiary of Telecom Kenya. In 2000, 40% of shares were acquired by Vodafone Group Plc of the United Kingdom, which assumed joint management obligations with Government of Kenya (GoK). The firm transformed into a public limited company in 2002. The GoK sold 10 billion shares, an equivalent of 25 % of its shares valued at Ksh 51.75 billion in a public floatation. Currently (see Figure 4.1), 35 % of the total Safaricom shares are held by GoK while Vodafone Kenya Ltd (VKL) holds 40% of the shares. The public owns the remaining 25% of the shares (Sutherland, 2015).

Safaricom is one of the leading integrated communications companies in Africa with over 19.1 million subscribers. Currently, Safaricom has 67.9 % of subscriber market share in Kenya. Its competitors include Airtel with 25.0 %, YU-Essar with 8.5% and Orange with 7.2 % market share (Safaricom Sustainability Report, 2014). Moreover, Safaricom provides connectivity to over 70% of Kenyans who use the internet regularly. It has offices in major towns in Kenya including Nairobi, Mombasa, Kisumu, Nakuru and Eldoret with dealerships spread out throughout the country. This ensures easy access of Safaricom products and services for its customers (Barton, 2014).

Figure 4.1: Ownership of Safaricom

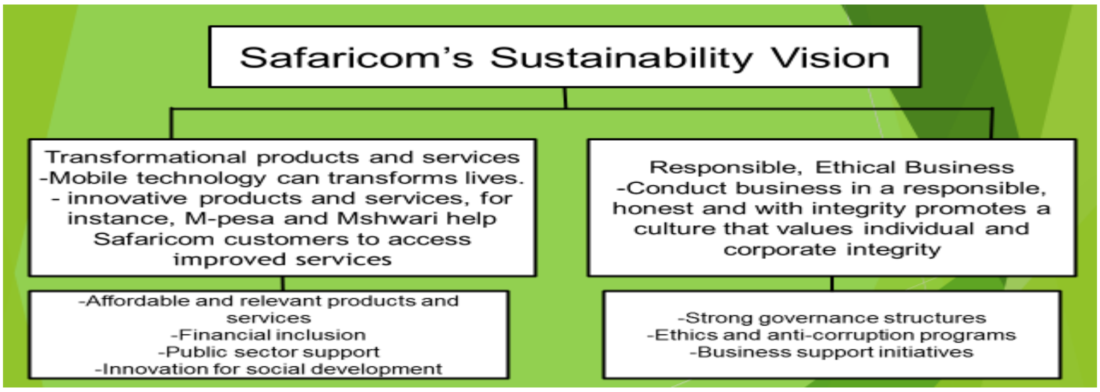


Source: Sutherland, 2015; Safaricom Annual Report, 2014

Safaricom has embraced a product and service diversification strategy by providing a variety of solutions, namely, voice, M-pesa, video and data communications services. This has been made possible through the adoption of the widest 3G network and most expansive WIMAX presence in Kenya. Safaricom is considered the most successful commercial mobile money transfer service worldwide (Holden, 2015). Since 2007, Safaricom's M-PESA usage has grown to be used by over 15 million people. The firm is continuously innovating and connecting communities. For instance, Safaricom has embraced social innovation to boost its business. This involves the creation of products and services that transform the lives of communities. The areas covered by these initiatives are health, education and agriculture (Safaricom Sustainability Report, 2014).

The sustainability department is tasked to drive Safaricom's sustainability agenda. It focuses on providing the customer with affordable and relevant products and services, ensuring the firm's financial stability, strong corporate governance structure and observing ethics and anti-corruption initiatives. Safaricom's goals are achieved through the provision of transformational products and services as well acting responsibly and ethically while doing business. The key areas that "drive" sustainability in Safaricom include public sector transport, innovation for social development, supplier ethics and performance and corporate social investment. Figure 4.2 presents Safaricom's sustainability vision and Table 4.1 indicates how their sustainability goals are achieved (Safaricom Sustainability Report, 2014).

Figure 4.2: Safaricom Sustainability vision



Source: Safaricom Sustainability Report (2015)

Safaricom's vision is to transform Kenyan people's lives by providing transformational products and services while conducting business in a responsible and ethical manner. This is achieved through the firm's ability to provide connectivity and innovative services to the people while ensuring commitment and management of its operation in an ethical and responsible manner. Moreover, Safaricom achieves its vision by maintaining trust and being accountable to its stakeholders (Safaricom Sustainability Report, 2015).

Table 4.1: Safaricom's sustainability goals and how they are achieved

Sustainability issue	Safaricom Sustainability goals
Network quality Satisfaction of Safaricom customers depends on the quality of its network. This increases the number of customers and demand of new technology.	Provide the best network quality by expanding and optimizing network resources.
Energy security The growth of the Safaricom network depends on reliable and cost efficient energy.	Reduce business disruptions due to unreliable energy by introducing alternative energy solutions to guarantee energy security.
Innovation Safaricom strives to transform people's lives by continuously innovating products and services.	Create innovative products and services targeting various customer segments. Continuous engagement in improving financial inclusivity and transforming the lives of Kenyans.
Environmental performance The management of the environment creates value while ensuring compliance with law.	Ensure that Safaricom products, procedures and systems of operation are safe for the environment. Minimize energy consumption and reduce greenhouse gas emissions, conserve water, reduce waste and discover opportunities for reuse and recycling.
Regulatory issues Adherence to regulatory compliance by engaging with the regulators to promote a fair business environment. Regulatory best practices integrate into normal business by being proactive during policy and objectives formulation.	Aims to balance the interests of different stakeholders while minimizing compliance costs.
Customer experience In order to achieve delight in Safaricom customers, there is need for all service points and on all products and services to transform lives.	Safeguard Safaricom's customer privacy and delight customers at all service points.
Safaricom business partners Collaborates with business partners by continuously seeking to know the sustainability issues faced so as to explore opportunities to help them achieve their sustainability goals.	Encourage sustainable activities that boost Safaricom's business.
Ethics and values Safaricom strives to maintain and promote the highest standard of ethics in business.	Advance high ethical standards and good corporate governance initiatives within Safaricom business.

Source: Safaricom Sustainability Report, 2014

Safaricom has been keen to involve various stakeholders in its decision-making process rather than making decisions unilaterally. The stakeholders of Safaricom consist of both internal and external customers, as well as vendors and subcontractors or service providers including suppliers and those in charge of warehousing, transport, clearing and forwarding. Other important stakeholders include shareholders, government, regulators, the community, managers, employees, NGOs and lenders. Safaricom considers all stakeholders to be critical to its success but does not manage them similarly.

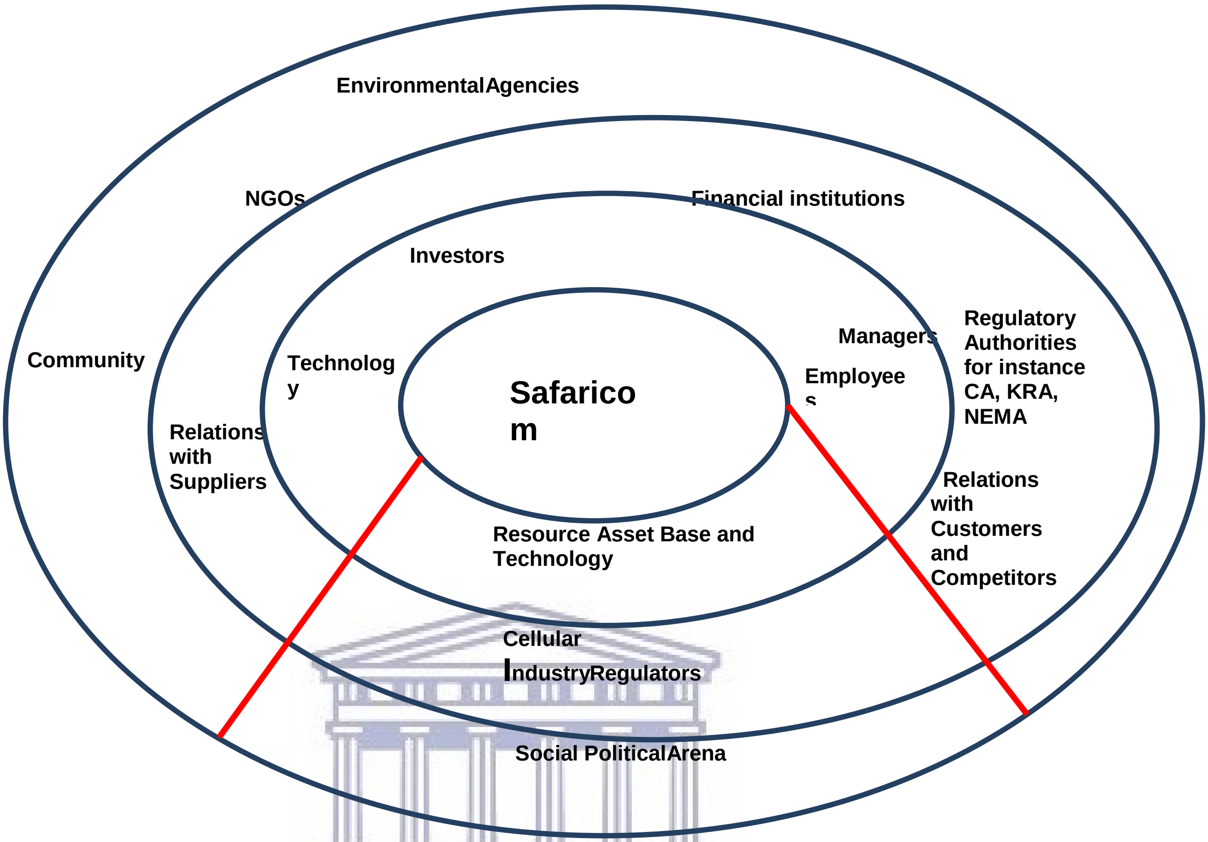
> All stakeholders play a key role in our organization and an action from one party has a trickle effect on the performance of the other parties… However, the rate at which we respond to different stakeholders depends on the nature of the issue raised by a certain stakeholder (Senior Risk Manager, Safaricom).

Interview data suggests that Safaricom classifies its keys stakeholders into three levels (see Figure 4.3). The first tier of the resource base includes human resource asset of both Kenyan and global employees. It also includes the main shareholders such as Vodafone, Mobitelea, the Government of Kenya and other investors. Technology provides of software, hardware and the infrastructure used by Safaricom are also in the first tier. The firm's lenders for instance, the financial institutions are also in this category.

The second tier consists of various regulatory authorities that include the Communication Authority of Kenya (CA) previously known as Communications Commission of Kenya (CCK), the Competition Authority of Kenya (CAK) Kenya Network Information Centre (KeNIC), National Environment Management Authority (NEMA) and the Kenya Revenue Authority (KRA). Other stakeholders in this category include suppliers such as Huawei, Flex enclosure, Linksoft, Kenya Power and Lighting Company, Ericsson, Capital Airtime Ltd, Ellam products and Acceler transGlobal logistics among others. The third tier includes community, NGOs and environmental agencies as illustrated in Figure 4.3.

While Safaricom focuses on maximizing wealth creation, it is also involved in improving the living standards of the community through the provision of services such as education, clean water, electricity, culture and sports, and improving the environment.

Figure 4.3: Safaricom's Stakeholder Classification



Source: Author, 2015

4.3 Sustainable Supply Chain Management (SSCM) Practices, Key Performance Indicators (KPIs) and Triple Bottom Line (TBL) Measures

Safaricom seeks to understand stakeholder expectations and interest in order to manage its exposure. SSCM practices focus on economic, social and environmental issues that the firm seeks to address. The TBL measures are sub-divided into several KPIs that the company uses to gauge supply chain performance. The discussion below details how some of the SSCM practices are measured.

4.3.1 Network stability

Safaricom is committed to the provision of quality network. To ensure customer satisfaction, the firm achieves a sustained network quality through set processes and procedures, such as continuous monitoring of the network, managing outage and offering remedial measures to system failure.

> Safaricom launched the Best Network in Kenya (BNK) in 2012 to provide the customers with excellent network experience in voice… mobile data, and fixed data and value added services… Practices towards achieving network quality include… curbing the grid from power instability and inaccessibility, modernizing the network… improving broadband capabilities, upgrading and optimizing network capacity…the use of core and transport network resilience, adoption of measures to control vandalism and provision of innovative solutions (Senior Supply Chain Manager, Safaricom).

The Communication Authority (CA) ensures that licensed mobile service operators provide quality services to the customers by optimizing on network quality and ensuring compliance with telecommunications policy. To achieve this mandate, CA focuses on eight Key Performance Indicators (KPIs), namely, Completed Calls, Setup Success Rate, Dropped Calls, Blocked Calls, Speech Quality (MOS, PESQ Values), Handover Success Rate, Call Setup Time and RX Levels to assess the Quality of Service (QoS) of mobile operators (CA, QoS monitoring Report for mobile Telecommunications Network Services, 2013-2014).

The outcome of the above-mentioned measurement is made available to the public for awareness purposes. Enforcement of the targets KPIs has been more stringent since 2012 because renewal of spectrum licenses has been pegged on meeting the target. Furthermore, regular meetings, submissions and formal correspondence approaches are adopted to hold Safaricom accountable for their supply chain decisions. Table 4.2 presents Safaricom's Quality of Service for the period 2013-2014.

Table 4.2: CA's Assessment of cellular firms Quality of Service KPIs

Quality of Service KPIs	Handover Success Rate	Rx Lev (Received Signal Power)	Call set Success Rate (CSSR)	Call set up time	Mean Opinion Score (MOS)	Call Completion Rate	Call Block Rate	Call Drop Rate	Overall Compliance
Target	≥ 90 %	102Dbm	≥ 95 %	<13.5 Sec	> 3.1	≥ 95%	≤ 5%	≤ 2 %	80 %
Safaricom score	95	-67	84	6.3	3.6	82	15	2.0	62.5
Status	C	C	NC	C	C	NC	NC	C	NC
Airtel score	96	-67	90	7.7	2.7	87	8	2.0	62.5
Status	C	C	NC	C	C	NC	NC	C	NC
Orange score	97	-64	90	7.6	3.5	88	8	1.0	62.5
status	C	C	NC	C	C	NC	NC	C	NC

Source: Communications Authority of Kenya, QoS monitoring Report for mobile Telecommunications Network Services 2013-2014

Key: C= Compliant, NC=Non-Compliant

Safaricom complied with five out of the eight Key Performance Indicators (KPIs), which includes Handover Success Rate, Rx Lev (Received Signal Power), Call set up time, Mean Opinion Score (MOS), and Call Drop Rate. However, Safaricom was found to be non-compliant in Call Set Success Rate (CSSR), Call Completion Rate and Call Block Rate. Its overall performance was 62.5% compared to the required target of 80%. (CA, QoS monitoring Report for mobile Telecommunications Network Services 2013-2014). This clearly shows that Safaricom needs to improve on its QoS for it to be sustainable in the long run. Compared to Safaricom, Airtel and Orange were also not compliant in Call Set Success Rate (CSSR), Call Completion Rate and Call Block Rate. Their overall performance score was 62.5% respectively as shown in table 4.2. This clearly shows that cellular firm performance as far QoS is concerned is below the set target.

Mean Opinion Score (MOS) is a way to measure the quality of sound once it has been transmitted to the end user. It is measured on a scale of 1 to 5. Generally, the users will feel satisfied if the MOS is higher than 4.0. Table 4.3 shows the range for MOS as shown below:

Table 4.3 Range for MOS

MOS	Quality	Impairment	User Satisfaction
5	Excellent	Imperceptible	Very satisfied
4	Good	Perceptible but not annoying	Satisfied
3	Fair	Slightly annoying	Some users dissatisfied
2	Poor	Annoying	Many users dissatisfied
1	Bad	Very annoying	Not recommended

As seen, network quality and stability evidenced by good KPIs is a necessary requirement to achieve customer satisfaction. Table 4.4 presents the KPIs for Safaricom customers.

Net Promoter Score (NPS) assesses the likelihood that a customer would recommend Safaricom to other businesses or friends, based on their overall experience. NPS measures the degree of happiness of Safaricom customers while accessing the company's services. Safaricom consumer NPS improved from the previous year, although it fell short of the 5% target. Two main areas identified for improvement are:

(i) Accessibility of the customer call center evidenced by some customers' frustration in getting through to the call center.

(ii) Suitability of the company products to serve diverse needs. Consumer customers perceive the company as one that is driven by commercial interests because they flood the market with products that don't address their particular needs.

The company exceeded its enterprise NPS target of a 10% margin in FY15. This is attributed to the business enterprise targeted initiatives that were employed. Brand Equity, measure of company's presence and visibility its brand has remained strong.

Customer experience in the previous years was measured using the Customer Delight Index (CDI) and Enterprise Delight Index (EDI) based on feedback received from customers. Churn is the percentage of subscribers to a service that discontinue their subscription to that service in a given time period (Safaricom Sustainability Report, 2015). Churn is the percentage of subscribers to a service that discontinue their subscription to that service in a given time period. Annual churn rates for telecommunications companies average between 10 percent and 67 percent (Hughes, 2015).

Table 4.4: KPIs for Safaricom Customer Satisfaction

KPI	Target	Score				Status
		2012	2013	2014	2015	
Consumer Net Promoter Score (NPS)	>5%	Not measured	Not measured	3%	4%	Improved
Enterprise NPS	>10%	Not measured	Not measured	8%	28%	Improved
Brand equity	>80%	Not measured	Not measured	85%	86%	Improved
Customer service rating (Retail shops)	9.0	-	8.3	9.3	9.0	Not steady
Customer delight index	>71%	62.2%	73.2%	Stopped	Stopped	Improving trend
Enterprise delight index	>71%	69.3%	75.6%	Stopped	Stopped	Improving trend
Brand value	>80%	81.9%	Stopped	Stopped	Stopped	Improving trend
Churn (%)	10	19.33	19%	17.3%		Improving Trend

Source: Safaricom Sustainability Report, 2015

4.3.2 Dynamic Regulatory Environment

Safaricom adheres to the regulations governing the telecommunications sector. It continues to observe regulatory compliance and engages with its regulators to ensure that a fair business environment is maintained. This is achieved through, among others, the following practices: making sure that it complies with license obligations, legislation, regulations, by-laws and the guidelines from the regulators.

The cellular firm continuously engages with regulators through face-to-face meetings, written submissions and memoranda when changes to the existing business environment are under discussion. It also facilitates workshops and information sessions with regulators, members of the media and affected stakeholders to discuss public policy issues affecting the telecommunications industry; and attends stakeholder workshops and lobbies on behalf of the telecommunications industry (Safaricom Sustainability Report, 2015).

4.3.3 Energy Security

In Kenya, economic growth is constrained by insufficient supply of electrical energy. By the end of March 2015, Kenya had an installed generation capacity of 2,295 Megawatts of electrical energy against a peak demand of 3400 Megawatts (Mbithi, 2014). Energy failure rate contributes to over 50% of all failures in Safaricom network. Table 4.5 shows network failure rate due to power from the year 2013.

Table 4.5: Power Failure as a Percentage of Total Failure

Year	2013	2014	2015
Network Energy failure rate	66%	70%	49%

Source: Safaricom Sustainability Report, 2015

Safaricom's services require energy security. This provides a sustainable and cost friendly energy that ensures reliability and growth of the firm's network.

> …The superiority of our network is solidly influenced by the availability of energy. When there is disruption in energy supply, for instance, grid electricity outages and national shortages of diesel fuel cause a challenge to the continuity of our operations… Safaricom has been keen to abate commercial disruptions by rolling out unconventional energy solutions and augmenting energy security to ensure sustainable growth of the firm (Senior Sustainability Manager, Safaricom).

The firm is committed to generating sufficient energy through installation of operational business continuity Building Management Systems (BMS) and fixing of LED lighting in all Safaricom facilities and shops.

> Safaricom focuses on providing alternative energy sources because the survival and success of our company depends on the reliability and growth of our network which entirely depends on availability, reliability and cost-effective energy. The superiority of our network is directly influenced by the readiness of

> energy… any disruption of energy supply, for instance, outages in grid electricity and national shortages of diesel fuel, has an unswerving challenge to the steadiness of Safaricom processes (Senior Supply Chain Manager, Safaricom).

Safaricom has put programs in place to curb grid power volatility and inaccessibility. These initiatives include investing in back-up power to avoid any interference in the provision of services during grid power disruptions. The company has fitted solar, wind energy solutions at sixty-eight sites, and installed seventy ‘power cubes’ which are considered to be an efficient hybrid energy system. This has been implemented in locations where grid power is inaccessible. Initially, generators were being used to mitigate the challenge of power outages. However, Safaricom installed power cubes in thirty-four sites and later expanded the installation of power cubes to seventy-nine sites. The power cubes are in operation throughout Safaricom sites to ensure that business operations are not disrupted. A power cube is an exceptionally efficient hybrid energy system in which all the power machinery is housed in a common area. The components such as generator, fuel tank, Direct Current (DC) power system, batteries and controller are integrated in the enclosure to minimize generator run-time, human interference, prolong battery life, reduce fuel theft and enable remote monitoring (Safaricom Sustainability Report, 2015).

Safaricom has mandated the Facilities, Safety and Health function the responsibility of managing energy consumption in Safaricom facilities. Conversely, the Regional Network Operations function within the technology domain is responsible for the management of network energy security in Safaricom. In order to achieve efficient energy management, there is need for the two departments to share resources, information and technology. This is because the management of energy security requires easy access to accurate energy data. Currently, the firm is equipping almost five hundred access sites with automatic meter readers in order to reduce meter costs and provide accurate relay of grid power. Safaricom has also launched an energy management initiative that involves energy audits and benchmarking against other Vodafone operators.

> … Free cooling, low voltage auto phase selectors and deep cycle batteries have been adopted as the best supply chain practices to ensure sustainability… Safaricom has installed solar water heating systems in the cafeterias, gyms and in the Jambo Contact Centre (JCC) and HQ1 at Safaricom House… (Head of Facilities, Safety and Health, Safaricom).

4.3.4 Innovation

Innovation is a key component in Safaricom business strategy. The firm has a clear strategy on choosing a partner of choice for its business, delighting its customers, having Best Network in Kenya, democratizing data, encouraging Youthful, Original, Local, Outstanding (YOLO) philosophy, ensuring deepening financial inclusion. Programs that significantly improve the lives of many Kenyan citizens such as *Lipa na M-pesa*, and *Linda Jamii*, an affordable micro-health insurance application offered in partnership with Britam and *Changamka* have been initiated to widen the bracket of the populace with access to medical care. Safaricom has established an innovation department that focuses on how to engage developers, foster strategic partnerships, manages new ideas and inculcates a culture of innovation.

> … Safaricom is committed to transforming people's lives through continuous innovation. The firm has remained competitive by ensuring that it embraces innovation. We have identified areas of innovation … defending Safaricom's core business that focuses on generating and executing incremental improvements in the firm's products and services, processes, improving customer experience and initiating cost reduction strategies… We have built impetus in regard to emerging new business… This ensures extension of the firm's current competencies into new, related markets and builds and supports entrepreneurship…embraced transformational innovation that focuses on finding new markets and capabilities through creation of corporate alliances and partnerships (Senior Manager, Strategy and Innovation, Safaricom).

Safaricom develops tailor-made and transformational products and services that aim to improve people socially, health-wise and financially. For example, both unbanked and banked people use M-pesa to transfer funds.

> …Mpesa is an innovation that would trickle up from developing countries to the rich world… in developing countries with the right regulatory framework; people are

> storing money digitally on their phones and using them to make purchases, as if they are debit cards… Digital banking will help the poor people to have more control over their assets and help them transform their lives over the next fifteen years (Gates, 2015).

Moreover, Safaricom focuses on social innovation, which entails the development of products and services that improve the lives of subscribers in the domain of health, education and agriculture. The firm also embraces business service innovation that encourages Safaricom to develop new products and services to address the needs of its customers.

4.3.5 Supplier Ethics and Performance

Safaricom's sustainable supply chain management practices with regard to suppliers encompass policies that are in line with corporate values of the company. Suppliers and their subcontractors are supposed to sign a code of conduct on adherence and observation of high standards. Once suppliers are selected, they sign a code of conduct that guides them in the course of relating with Safaricom.

> …It's mandatory that every supplier being brought on board in Safaricom has to be vetted for sustainability compliance when joining and when being awarded new contracts…Suppliers are also being advised to practice the sustainability programmes in their organizations (Logistics Director, Acceler TransGlobal).

Every year, Safaricom suppliers are required to complete a sustainability self-assessment that evaluates their performance in the following areas: fraud and ethics; human resources, including freedom of association and employee benefits; health and safety; the environment; the community and corporate giving; and regulatory compliance. Table 4.6 depicts compliance levels on various issues based on suppliers' self-assessment. The scores are from self-assessment questionnaire received from 174 of Safaricom's largest suppliers. The scores show that there is improvement on the performance of both the local and foreign supplies (Safaricom Sustainability Report, 2014).

Table 4.6: Self-assessment metrics by suppliers

KPI	Score				Status
	2013		2014		
	Local	Foreign	Local	Foreign	
Environment	57%	64%	63%	73%	Self-assessed
Regulatory	84%	80%	98%	78%	Self-assessed
Fraud & Ethics	79%	81%	87%	85%	Self-assessed
Human resource	85%	83%	91%	95%	Self-assessed
Corporate social responsibility	62%	53%	57%	55%	Self-assessed
Health and safety	85%	84%	86%	89%	Self-assessed
Child rights			83%	86%	Self-assessed

Source: Safaricom Sustainability Report, 2014

Safaricom also undertakes a performance evaluation on all of its suppliers on a quarterly or bi-annual basis. Suppliers are measured against the following indicators: cost of service; on time delivery of service; flexibility to respond to unexpected Safaricom demands; quality of service; general responsiveness; customer support; value addition; documentation and invoicing; and communication skills. Suppliers whose performance is below the performance threshold of 60% are placed on Performance Improvement Plans (PIP). The average supplier performance score since 2012 has been more than 75%. In 2015, 354 suppliers participated and attained a score of 78%.

Going forward, Safaricom will be assessing its suppliers based on risk and identify the category of suppliers that are higher risk in matters of environmental, human rights and labor. Currently, Safaricom does not require sustainability self-assessments from dealers and agents. They instead monitor the overall performance of dealers using sales targets for airtime.

4.3.6 Environmental Performance

Safaricom measures the impact its activities have on the environment and the pressure they exert on natural resources like water. The firm strives to minimize the negative impacts so as to comply with legislation, save money from reduced waste generation and ensure efficient energy consumption.

There are three broad areas that have an impact on the environment, namely, energy consumption which leads to carbon footprint, water consumption which leads to water footprint and e-waste disposal. To determine how much value is produced for energy used per active subscriber has been calculated as shown in the table.

Table 4.7: Energy Consumption

Source	2013	2014	2015	2016 target
Electricity(Mwh)	96,326	113,800	98,018	Reduce by 10%
Energy consumed/active customers (kilowatts)	6.88	7.31	5.82	Reduce by 0.6
Diesel (Litres)	5,748,197	6,833,590	6 166 942	Reduce by 10%
Quantity used per active customers (ml)	410.3	439.1	366.1	Reduce by 50ml

Source: Sustainability Report, 2015

The global goal is to reduce carbon emissions by 80% by the year 2050. This requires Safaricom and other companies to commit themselves to consciously monitor report and reduce the carbon footprint to help manage the environmental impact of these emissions (Safaricom Sustainability Report, 2015).

Safaricom is working closely with its partners and suppliers to improve the management of carbon foot print. For instance, Safaricom collaborated with Huawei to provide a site energy solution that uses both solar and diesel in areas that are not covered by the power grid. This effectively reduced the duration diesel generators run to just under 1.32 hours per day. As a result, diesel consumption was reduced by over 95% and with a further reduction of 90% transportation and maintenance costs (Lixing & Tao, 2009).

The carbon footprint evaluated using the Greenhouse Gas Protocol includes the gases CO2, N2O and CH4. There are three scopes of carbon footprint emissions. Scope 1 emission is due to the diesel used in generators, fuel utilized by fleet vehicles and emissions associated with air-conditioning equipment. Scope 2 emissions are due to consumption of electricity, while scope 3 emission is associated with air travel and taxi hire. In Safaricom, electricity is the greatest contributor of emissions, followed by diesel consumed in generators and refrigerant gases. In 2014, the reported carbon footprint grew by 22.3% compared to 2013 as a result of improved data collection methods and an expanding network (Safaricom Sustainability Report, 2014). This is as shown in the Table 4.8. To obtain relative performance, CO2 emission footprint per active subscriber has been calculated as shown in table 4.8.

Table 4.8: Carbon Footprint Figures

Type of emission	2013	2014	2015	Status
Scope 1 emissions (tCO2e)	28,922	34,341	24,298	Improved
Scope 2 emissions (tCO2e)	31,655	37,387	32,202	Improved
Scope 3 emissions (tCO2e)	765	3,634	4,953	Deteriorated
Total (tcO2e)	61,342	75,362	61,452	Improved
Emission per active subscriber	0.00438	0.00484	0.00365	Improved

Source: Safaricom Sustainability Report, 2015

Water consumption in Safaricom keeps increasing as shown in the Table 4.9. To make the facilities environmental friendly, the company has undertaken water footprint assessment and identified key areas that can help the firm reduce water consumption. These include, installing water meters, fixing leakages, reducing pump pressure, installation of water-sensor taps and flushing systems and creating awareness on water usage.

Safaricom has been committed to reducing water consumption in its facilities. This has been achieved through installation of twenty-eight sensor taps in the Safaricom Care Centre (SCC). This has been augmented by installing twenty-eight push taps in HQ1 and additional thirty-two push taps in HQ2. In addition, all shredded paper from the business is collected by Chandaria Industries and then recycled for use.

Table 4.9 Water Consumption per year

Water consumption/Year	**2013**	**2014**	**2015**	**2016 target**
Water (M3)	48,963*	56,874*	86,778	Reduce by 10%

Source: Safaricom Sustainability Report, 2015

*adjusted figure from the previous year

With regard to E-waste disposal, the scale of supply chain's E-waste management programme has been increased through educating other supply chain partners such as dealers and distributors on E-waste management, collecting and sending E-waste materials for processing. E-waste collection stations are located in each of Safaricom retail stores, the firm's main buildings, at the National Environment Management Authority (NEMA) offices, and in selected county offices throughout the country. This program was recognized at the World Communications Awards (WCA) in 2013 and received the 'Green Award for an E-waste Management Programme'.

Safaricom conducts continuous Environmental Impact Assessments (EIAs) on its new infrastructure developments and environmental audits as a required by NEMA and legislation on the environment. Safaricom continues to monitor and evaluate its environmental impact also carrying out of its new infrastructure projects Environmental Audits (EAs) of the existing infrastructure (Safaricom Sustainability Report, 2015). Moreover, Safaricom has been able to manage noise levels associated with its operations.

> We have installed twenty-five 'super silent' generators in various BTS sites due to increased frequency of complaints mostly from the urban community regarding noise as …[T]his ensures compliance with noise levels… We also continue to obtain noise permits from the County Government of Nairobi for any Safaricom functions where noise levels are considered unnecessary (Senior Supply Chain Manager, Safaricom).

While environmental parameters, like noise from generators, Electro-Magnetic Frequency (EMF), air quality, and liquid and solid waste management, are measured through Environmental Audits, so far Safaricom has not defined environmental targets. In future, the company plans to use the Isometrix management system to report carbon and EMF parameters at various sites to NEMA. The Isometrix environmental management system is used to improve Safaricom's environmental disclosure in quarterly reports to Board of Directors on environmental sustainability.

A refrigerant gas with a lower environmental impact is being used as an alternative for refrigerant gas R22 that was phased out in Safaricom's air conditioners to minimize gas emissions and hence improve environmental sustainability.

Interests and the roles of four stakeholder groups are discussed in subsequent sections. Their salience attributes namely, power, legitimacy and urgency together with their determinants are highlighted. The different salience levels lead to diverse expectations from the various stakeholders. The section also considers economic and non-economic influence of these stakeholders and their impact on Safaricom exposure.

4.4 Safaricom's Customers

Currently, Safaricom has approximately 23.4 million customers in total representing 67.1 percent of the Kenyan cellular telecoms market. This represents 8.3 percent increase from the previous year, making the firm the largest telecommunication service provider in Kenya (Safaricom Sustainability Report, 2015). The dealers and agents provide a link to a very large customer base to Safaricom.

Customers play an important role in driving social and environmental agenda either directly or indirectly (Sharma and Henriques, 2005). Customers are increasingly conscious about their health and environment. For instance, concerns such as electromagnetic radiation, which have occupied the minds of many people, have directly influenced the rollout of environmental friendly and sustainable sourcing practices by the company (Christmann, 2004; Ehrgott et al, 2011).

In response to allegations that telecommunication masts pose a health risk, especially when erected near residential areas and office buildings, Safaricom’s CEO indicated that all its company’s masts countrywide are within the limits set by the World Health Organization. CA also concurred in this matter:

> … We benchmark our standards on credible institutions whose recommendations have been adopted by the World Health Organisation. So far, we have not established any health issues with regard to the amount of radiation emitted by masts, (Compliance and Standards Director, CA Licensing).

Customers may also be influenced by the media, NGOs and interest groups to exert pressure on the company to address issues related to sustainability and therefore adopt SSCM practices (Bansal & Roth, 2000). Examples are e-waste management, electromagnetic effects of telecommunication systems, general occupational health, safety and working conditions. Specifically, in 2013 when electromagnetic radiation concerns were pointed out by the media customers were influenced and expected more accountability from the focal firm (Herbling, 2013). Social and environmental concerns of customers are highly regarded in order to continue supporting the business. Safaricom is cognizant that when such issues arise, they might pose a material risk to the firm that could lead to exposure.

> Safaricom chooses to approach environmental and social sustainability more strategically than waiting to react when such issues are raised. We have a designated department of sustainability and dedicated budget to monitor and improve environmental, social health and safety (Senior Sustainability Manager, Safaricom).

Safaricom introduced various products and services to enhance their market presence and improve service quality. The firm has collaborated with the public, private and NGO sectors to leverage on technological platforms by building, and integrating new products and services for the general good of the public. Their solutions seek to address economic, social, cultural and environmental needs in order to transform the lives of Kenyans. Some of the social innovations include:

a) **Fertilizer E-subsidy:** This solution enables smallholder farmers to access government fertilizer subsidies directly to facilitate their farming and growing of produce.

b) **Kilimo salama** offers insurance that cushions farmers against adverse weather conditions during planting and germination seasons.

c) **Connected Farmer:** This product has been used to empower farmers to have better quality lives by increasing productivity and revenues for 500,000 smallholder farmers, as well as increasing revenues for agribusinesses and solution providers like Technoserve.

d) **Jihusishe: This is an** SMS and USSD-based platform that helps people get more information from government, exchange information and ideas with state officers and thereby keeping them accountable.

e) **M-tiba:** M-tiba is an application that enables low-income earners to save towards their healthcare expenses by allowing restricted use of funds in their M-PESA accounts. This is because the money, which comes from donors and other funds, is targeted at beneficiaries for medical use only.

f) **Linda jamii** The product helps improve access to quality healthcare and increase medical insurance penetration. Other innovations such as the Jamii start which target pregnant mothers help reduce maternal and neonatal mortality rate. Safaricom has categorized its customers as described in Table 4.10

Table 4.10: Classification of Customers

No.	Customer Type	Description
1	Consumers customer	These are individual buyers of goods and services that Safaricom offers. The focus here is usability and support.
2.	Enterprise customers	Include businesses of all sizes, from small to medium enterprise and large corporate companies. The focus here is on expertise, responsiveness and reliability.

Source: Safaricom Sustainability Report, 2015

Enterprise customers are particularly interested in using the company products such as the internet, cloud storage and M-pesa platform integration. Safaricom has created distinct business units to manage the two categories of customers namely, Consumer Business Unit (CBU) and Enterprise Business Unit (EBU) respectively (Safaricom Sustainability Report, 2015).

Safaricom understands their customers' experiences through surveys conducted by the company's market intelligence teams, and measures of network performance. A well-engineered policy-based network management system is designed to determine both the Quality of Service (QoS) and Quality of experience (QoE) metrics in an end-to-end architecture model. The QoS of Safaricom network is measured by set KPIs which are benchmarked using international standards while QoE are determined by drive and walk tests conducted by Safaricom staff.

Network availability is a precursor to good KPIs, QoS and QoE. Safaricom achieves this by maintaining a power budget plan which enables them to switch seamlessly to alternative sources of power whenever there is outage in the main power grid. Examples include solar and wind, power cubes, free cooling units, deployment of Low-Voltage Auto Phase selectors (APS) and installation of deep cycle batteries (Safaricom Sustainability Report, 2014).

The outcomes of these assessments are used to monitor performance and bridge any gaps identified. This is used to improve the performance different functions within Safaricom and its stakeholders. In order achieve this; customers are assured of different QoS levels depending on the telecom service for which they have subscribed. For example, customers who use internet for streaming are assigned a higher QoS level from those who use internet for chatting and usual browsing (Conversational Class). Similarly, those who use internet for video conferencing are assigned a lower QoS level than those who use it for interactive activities that are critical and time sensitive like banking. The essence of this approach is to ensure a fair usage policy in order to safeguard the interests of various classes of customers. Since different tariffs are charged to each category, it is imperative to allocate a bigger bandwidth to those who pay more for the same duration they access the network resources. By so doing, the operator takes into account the users' concern about QoS.

To experience the quality of the network first-hand, the company conducts planned drive tests and walk tests throughout the country. Where it is found that the quality of experience is lower than what has been determined by KPIs, optimization strategies like improving coverage and upgrading capacity are implemented to improve the network quality.

Safaricom ensures that customers are adequately managed by interacting with them using various avenues available to keep them engaged. For example, the company engages customers through web portals, social media platforms, call centres, interactive voice response system and through various retail centres around the country. This is done in order to avoid unnecessary standoffs and bickering that is common in social media platforms. The company has also provided guidelines on the timeframes and quality standards that customers should expect.

Safaricom customers are a critical revenue driver for the company that is essentially managed to keep them satisfied and delighted in order to retain them in the Company. For instance, in the year 2015, Safaricom organized twenty networking and social events where 3,750 enterprise customers participated (Safaricom Sustainability Report, 2015). The network availability and Quality of Service (QoS) must be guaranteed for all customers. Both categories of customers require Safaricom to deliver consistent and reliable services and also address network failures quickly. They need to be informed of any failure and any planned maintenance on the network. The interviewees in this study include seven enterprise customers and consumer customers as shown in Table 4.11.

Table 4.11: Description of Enterprise Customers Interviewed

Firm	Type of Business	SSCM practices	Outcomes derived	Interviewee Position
Independent Electoral and Boundaries Commission (IEBC)	-Conduct elections in Kenya. -Voter Registration Vote tallying and counting.	-Train IEBC staff on use of electronic voter identification devices. -Integrity of electoral processes.	-Real time transmission of election results for presidential, parliamentary and civic seats.	Chief Executive Officer
Simba Telecoms	-Distribution of airtime -Largest retailer in East Africa with over 100 retail outlets -Collaborated with Nokia to sell mobile phones.	-Advocates for electronic airtime. -Offer incentive to brand and use company logo. -Customer management techniques offered by Safaricom during training seminars.	-Timely delivery of airtime and mobile phones. -Expeditious handling of customer complaints. -Reinforcement of Safaricom corporate image.	General Manager
Onnet Supply Chain Ltd	-Educational consultancy.	-Use Safaricom cloud for storage and backup of data.	-Secure data -Reliable access of information	Director Operations
Mucroid Digital Solutions	-Development of mobile applications. -Partnered with Safaricom in the provision SMS products.	-Safaricom provides (Unstructured Supplementary Service Data (USSD) hosting. -Data integrity.	-Timely customer feedback. -Trust	Technical Director
Kenya Commercial Bank (KCB)	-Safaricom provides the infrastructure to do banking transactions, for instance, account opening, transfer of money and apply for loan using mobile phone.	-Safaricom has an SLA guarantee for the service offered. -Safaricom offer training to KCB staff.	-Seamless integration of M-pesa and banking platforms -Customer confidentiality	Branch Manager
M-farm	Empower farmers with information on agricultural produce by using technology	-Transparency -Information sharing	-Access to information -Accessible markets	CEO and Co-founder
M-Kopa Solar	-Provides an affordable way for Kenyans to purchase clean solar energy.	-Safaricom provides M-pesa platformwhich customer use to pay in installments.	-Helps people get rid of kerosene and other inefficient sources of energy thereby helping protect the environment.	CEO

Source: Author's interview

4.4.1 Customer Interests in Safaricom

The enterprise customers interviewed for this study are summarized in Table 4.11. Their main interest in Safaricom is to achieve value for their expenditure on various telecommunication products and services. The company thus addresses issues like network availability and KPIs for QoS to keep its customers satisfied. The customers are also interested in convenience offered by Safaricom's products. The company is continuously looking for ways to improve systems and processes that deliver customer value and maintain its market leadership. The recent migration of the M-pesa platform from Germany to Kenya marked the greatest improvement so far (Safaricom Sustainability Report, 2014). It is now possible for customers to transfer up to Ksh.50 Million (US $ 500,000) in a single transaction from M-pesa to a bank (Wamathai, 2015). By so doing, convenience is achieved since it offers customers the opportunity to save on time and costs, which poses a major challenge to Kenyan banks.

Safaricom's enterprise customers are also interested in the numerous opportunities that the company can offer. Dealers and M-pesa agents are interested in selling the company's products in order to earn income and grow their businesses using the huge potential that is provided by Safaricom's products and services. For instance, Safaricom's Lipa na M-pesa enables end-user customers to purchase products and pay bills from the comfort of their homes has attracted a large number of users (19.5 million) by end of 2014 (Safaricom Sustainability Report, 2014).

The company is constantly under pressure from customers who demand high quality services, connectivity to different services and applications via high speed broadband, the provision of content creation avenues for mobile applications, network coverage and capacity. To achieve this, Safaricom needs to leverage their own network assets more efficiently to deliver differentiated services that are targeted to meet specific needs that can give value for money.

4.4.2 Customers Salience and Accountability of the Firm

Customers were interviewed on stakeholder salience attributes in order to establish their power, legitimacy and urgency and how they hold Safaricom accountable on its supply chain activities. End user customers' power is illustrated in a situation where customers were switching their loyalty from Safaricom to other Mobile Network Operators (MNOs), for instance, Airtel Kenya due to price discounting. For example, Safaricom was forced to cut prices for calls on its network from KSh 8 to KSh 3 per minute and off network from KSh12 to KSh 4 in 2010, resulting in a 10.29 per cent decline in the operator's Average Revenue per User (ARPU) (Okuttah, 2015).

Safaricom’s decision to change its terms and conditions on data bundles and its loss making *Karibu* postpaid service resulted in customers taking legal action. Both decisions were reversed due to customer pressure. The customers believed they had a claim due to their legitimacy as a stakeholder and therefore applied pressure on Safaricom to re-consider its decision. In March 2014, Safaricom revised its terms and conditions on data bundles by reducing the validity period to 30 days, affecting a large number of prepaid subscribers because any unused bundles could not be utilized after expiry. Customers lost money while the service provider benefited for services not rendered (Oiro, 2015). Similarly, in April 2015, Safaricom altered its terms and conditions of the Karibu postpaid service that had attracted over 140,000 subscribers since 2011. Once again, any unused tariff bundles would be lost at the end of the month and the operator was perceived to gain at the consumers’ expense.

Customers expected the regulators responsible for protecting them to use their powers and condemn Safaricom’s action since it had infringed on their rights and abused its market power. When the regulators did not take any action, agitated consumers took to social media to complain. The upheaval on social media by vexed Safaricom subscribers saw consumers petitioning to take legal action against the operator. This had the desired impact as the mobile operator succumbed to the pressure and reversed its decision in both instances (Oiro, 2015).

A customer decided to institute legal proceedings to compel Safaricom to reveal the loss of his 12,900 "*bonga*" (loyalty) points without his knowledge. On seeking for explanation from Safaricom customer care, he was informed via SMS that "Safaricom does not reveal *bonga* points transfer data" and that he had an option to report the matter the police station as a theft case and let them investigate it and resolve his issue" (see Appendix VI). Safaricom eventually accepted liability, owned up to its mistake and eventually gave back the customer his points. Despite these incidents, Safaricom espouses that it values its customers since they appreciate their role in ensuring that Safaricom’s financial, social and environmental objectives are achieved (Safaricom Sustainability Report, 2014).

Safaricom's close contact with its largest customers has resulted from their recognition of the critical role that customers play in the achievement of company goals and the risk that, in a volatile business environment, they may lose their business to competitors. Although the company considers all customer concerns as legitimate, the speed of their response to address these depends entirely on the significance of the product or service. The reciprocal benefits from this relationship is acknowledged by an important customer

> …We as customers, have power over Safaricom because we contribute to firm's outstanding performance and hence making it a market leader… We are happy to be associated with a company that has outstanding financial, social and environmental performance compared to other competitors… (Technical Director, Onnet Supply Chain Ltd).

Firms like Simba Telecoms provide a number of resources to enable Safaricom to provide various services to large numbers of end-customers:

> Safaricom dealers provide branded premises with the Safaricom name and corporate colours for business…We provide motor vehicles and motor cycles to the company that are branded to meet the company requirements… Dealers also employ sellers of various products and services of Safaricom…. We may not have direct control over Safaricom but the resources we offer… provide us with a platform to pressure the organization to organize forums for voicing our concerns on the company's decisions… The resources also give customers a right to demand accountability concerning the decisions that are made by Safaricom on various issues including SSCM practices (Country Director Procurement & Logistics, Simba Telecoms).

Customers have various ways of holding Safaricom accountable for its decisions. The largest customers can use their position to put pressure to hold the company accountable for its activities because their position touches on the revenue earning capacity of the company. Customers, therefore, rely on this understanding to push their agenda on Safaricom's SSCM decisions.

> The largest customers used to have monthly meetings with the company until the year 2012 to discuss pertinent issues… [and] then disseminate information to the other customers … However, the frequency of the meetings has been deteriorating since the company has resorted to segmentation of its customers. For instance, the company currently segments its customers based on their performance and regions…The high networth customers are given more attention because they contribute a lot to the activities of the company. The frequency of the meetings has also reduced due to the use of area managers by the company to communicate to their customers in various regions (Country Director, Procurement and Logistics, Simba Telecoms).

The company in turn responds by employing accountability management mechanisms geared to supply customers with relevant information and data. For instance, customers hold Safaricom accountable by seeking feedback from the firm through the call center and agents to evaluate the fitness of product and service. This implies use of insight gleaned from customer queries to inform the management on the development of products and services (Safaricom Sustainability Report, 2015) such as QoS commitments, tariffs and new value-added services. If service features or price are similar to competitors, the Quality of Service is an important differentiator in the business market and its parameters and measures provide a basis for comparing services offered by different operators. Operators can use this to improve network quality and present an image of a "respected" provider, resulting in a winwin situation for both customer and operator.

Safaricom understands that any failure to be accountable to its customers may negatively impact on its subscribers. For instance, consumers of petrol stations and merchant shops complained to the Competition Authority because of Safaricom's hidden charges in the *"Lipa na M-pesa"* service. Safaricom was ordered by CAK to reveal to the consumers the hidden charges associated with *"Lipa na Mpesa*", a facility that allows customers to pay for goods and services using their phones. Safaricom markets *Lipa na M-pesa* to its customers as free but charges its merchants 1 percent of transaction value while allowing them to transfer a burden of 0.5 percent of the transaction value to the end-users (Mazer, 2015). Customers understand their pivotal role and leverage this to hold Safaricom accountable for SSCM decisions.

The customers' performance requirements are specified in the form of Quality of Service parameters, so that data received is not corrupted and arrives in a timely manner. On the other hand, the network operator commits its bandwidth making use of different QoS schemes to satisfy the request. Each service model has its own QoS parameters. The customer and the operator then enter into a Service Level Agreement (SLA) whereby the customer can hold Safaricom to account.

4.4.3 Firm's Influence and Control over Customers

Safaricom influence and control over customers results from increased pressure from other stakeholder groups to address social and environmental issues that exist in the supply chain. Due to pressure from rights groups and Vodafone, the parent company, Safaricom has adopted sustainable practices that have positive impact on the environment and better social outcomes (Vodafone Turkey Sustainability Report, 2014).

Consequently, Safaricom has rolled out an e-waste reduction strategy programme that encourages customers to surrender their obsolete mobile phone devices to retail collection centres (Oketch, 2014). The customers deliver their used handset to various retail collection centres where suppliers can collect them for dismantling and recycling. Safaricom has approximately 120 collection points in Kenya, the majority of which are located in Safaricom stores in Nairobi and major towns.

> … Majority of the people are not aware of our e-waste collection centres and as such they rely on public sensitization and incentive programmes in order to act… There is a trend of significant drop in collection volumes when no incentives are being offered… (Senior Sustainability Manager, Safaricom).

Safaricom currently does not offer pick up services at the household level and therefore customers who need to dispose off their e-waste have to travel to the nearest retail collection point. The company accepts any type of e-waste that can fit inside the collection boxes especially, mobile phones, flash drives CDs and laptops. Once in a while, Safaricom conducts "estate stops" where they move through residential estates in Nairobi with a mobile waste caravan, music, road show entertainment and incentives (like mobile chargers, t-shirts, hats and key rings) for people who hand over e-waste (Altai Consulting WEEE Recycling Study Report, 2014).

Majority of the customers are aware of the importance of waste management for health and environmental issues. Most of them are enlightened about potential risks through the media and some have gained information via work-related training. In rural areas, where households have limited access to the media, the level of awareness is lower. Even though most end-user customers have a high degree of awareness of the risks of poor e-waste disposal, e-waste management is not a common practice and most end-user customers dispose their e-waste alongside general domestic waste (Altai Consulting WEEE Recycling Study Report, 2014).

The focal firm also exerts pressure on customers to register their SIM cards with it to avoid being blacklisted. In an effort to curb crime through use of anonymous SIM cards, the regulator ordered mobile operators to register all SIM cards in their network. Safaricom communicated the same to its customers and requested them to duly comply with the directive. Those who didn't heed the warning had their numbers deregistered when the deadline expired. The order was punitive in nature because for every line that remained unregistered would attract a penalty of US $3,000 by the operator (Juma, 2013).

Moreover, the company has a big influence and control on how customer data is managed, stored and retrieved. Vodafone, the parent company, has put emphasis on compliance with international standard, ISO 27001 regarding management of information security and privacy of customer information (Vodafone Turkey Sustainability Report, 2013-2014). It forms part of the Corporate Security Management Strategy whose role is to identify possible threats and vulnerabilities that may damage Safaricom's reputation. Its objective is to facilitate fraud and corruption detection, compliance, business continuity information and customer security. In order to protect Safaricom's ecosystem and customers from damage, the strategy is to assess technical, commercial, ethical and reputational risks and manage them in advance (Vodafone Turkey Sustainability Report, 2014).

In addition, Safaricom exercises control on the supply chain by sharing critical information with its customers to increase their understanding and awareness on Electro-Magnetic Frequency (EMF). Almost all the decisions the customers make depend on the assurances received from Safaricom regarding their health and safety while using mobile phones. With a direct access to over 20 million customers, Safaricom is in a position to influence understanding of critical issues and thus create awareness on sustainability. The Company has conducted awareness sessions in areas where there are perceived EMF concerns (Safaricom Sustainability Report, 2014).

Furthermore, Safaricom influences enterprise customers when setting up Service Level Agreements (SLA). The SLA for enterprise customers defines tangible goals or constraints to be observed and proven, the expectations for all parties involved in the delivery of the service in a customer friendly manner. SLAs for corporate customers are designed to achieve end-to-end QoS, defining how the services are provided, used and priced, plus penalties for not meeting commitments and added options of support.

4.4.4 Customer Expectations

Enterprise customers have several product quality expectations from Safaricom to ensure that their products and associated services meet their needs. Mobile money transfer service is one example of services that have assisted the firm to meet the needs of customers:

> The introduction of Mpesa services… has revolutionized the way most of the customers carry out their business activities and transactions… the customers expect the company to ensure that its products and services offered are based on the kind of market intelligence that focuses on satisfaction of customer needs…The customers expect the firm to maintain a form of just in time system of supply of goods and services… This argument is based on the fact that customers are more informed and would like to access various products or services as and when they need them (Technical Director, Mucroid).

Enterprise customers expect Safaricom to avoid stock outs of various products, as this is likely to interfere with their satisfaction levels:

> We prefer that goods and services be delivered as soon as possible… considering the cost implications of the same… vendors at times give leadtimes that they might not be able to meet deadlines hence causing delays and of course, this has a cost implication on projects... However, this is addressed through consultative meetings to ensure that all understand the importance of efficiency and timely deliveries (Country Director, Procurement & Logistics, Simba Telecoms).

Safaricom's customers also expect the company to provide products and services that are not harmful to the environment. Certain customers have raised the issue of environmental sustainability since they are potentially affected by the company's activities. For example, Court of Appeal judges refused to occupy offices in a building in Upper Hill, Nairobi because of the possibility that antennae on communication masts nearby could have been emitting radiation, which may cause cancer (Herbling, 2013). Similarly, a senior KCB manager noted:

> We expect the firm to be transparent with the nature of contract and costs involved in… products and services that are offered to us… We need accurate information regarding the dangers of usability of various products offered by Safaricom… This needs to be provided beforehand so that we can make decisions that are based on complete information.

Alongside this, end user consumers shared similar sentiments:

> …I expect that when I have a problem, Safaricom shows a serious interest in solving it. We as consumers trust that the company minds our safety by choosing products that do not harm our lives and are environmental friendly (End user consumer, Safaricom).

Enterprise customers, in particular, expect Safaricom to address sustainability issues in distribution and disposal of its products and services as part of its corporate citizenship responsibility to both the government and the larger society it serves as summarized in Table 4.12.

Table 4.12: Expectations of End-user and Enterprise Customers

TBL Dimensions	Expectations Regarding Safaricom's Sustainability Practices
Economic	• Products and services that are not expensive but rather affordable to the majority of subscribers • Company to adopt less expensive supply chains that can reduce costs • The firm to maintain a form of Just InTime system of supply of goods and services • Company to invest in safe products that can not harm customers • The company should invest in consumer protection while using products/services • Safaricom to have enough stock to sustain their requirements. • Company needs to reveal financial implications of SSCM production activities to customers
Social	• Product or service quality needs to meet social needs of immediate society • The supply chains should meet acceptable standards such as avoidance of use of child labour • Company to offer products that can not harm users and the larger community • Both internal and external consumers and society to be protected from any possible harm of using products and services • Information on production processes and resources used needs to meet socially acceptable standards
Environmental	• Company to produce products that are environmental friendly • The supply chain processes should be environmental friendly • Usage of the product including disposal should not harm environment • Protect consumers from potentially environmentally harmful products • Production needs to take into account recyclability and reusability of products

Source: Author's interview

They inform Safaricom of their social and environmental concerns from time to time, to ensure that the products and services provided address all three dimensions of the triple bottom line:

> …We expect that products and services offered by Safaricom… meet social needs such as applications that provide information to the rural communities to access markets for their farm products and must be environmental friendly such as electronic top-up an e-waste disposal mechanism… The supply chain system adopted needs to reduce costs of products and service delivery… meets acceptable social standards and do not degrade the environment… [W]e expect Safaricom to invest in providing products and services that are safe to use, safe to the community and the environment (Country Director, Procurement and Logistics, Simba Telecoms).

4.4.5 Managing Customer Exposure-SSCM Practices and TBL Measures

Safaricom uses its expertise to collaborate with customers to improve their sustainability performance. To meet the network quality expectations of customers, Safaricom embraces other sustainable management practices such as environmental monitoring and pursuance of social reputation. These practices help to manage customer complaints, build long-term customer relationships, and improve their overall satisfaction (Li et al., 2005).

Environmental improvement and social reputation cater for the varied interests and concerns of customers who apart from consumption of Safaricom products and services, form part of the wider society and therefore potential member of other stakeholder groups like the community (Luo & Bhattacharya, 2006).

Safaricom strives to achieve profitability through delivering quality products and services while maintaining social and environmental sustainability. Enhanced product quality and safety improves customers' satisfaction and leads to loyalty of Company products and services that improves sales or reduces cost (Waddock & Graves, 1997). That way, the Company is able to meet the present and future needs of its customer base that derive satisfaction from products and services of companies, which are focused on sustainability.

From the interviews, some customers revealed their expectation on environment management, end of life of mobile phones, safe and energy efficient products. Some customers preferred to purchase solar powered phones which they said were easy to manage. At the moment, the majority of Safaricom customers still hold onto their old cellular phones, even though they are not using them. The current shelf life of mobile phone is 24 months for the average consumer. In order to monitor performance on this front, Safaricom measures number of tonnes e-waste collected against its subscriber base.

> …In 2014, we sold 700,000 phones that translate into 100 tonnes at end of life. With over 21 million subscribers, the number of tonnes of e-waste generated at end of life can go beyond 3000 tonnes. So far, the company has managed to collect 220 tonnes from a programme that it initiated (Senior Manager Sustainability and Social Policy, Safaricom).

Going forward, the firm will need to develop a sustainable model for e-waste collection; transportation and recycling by partnering with suppliers to embrace the end back take back programme.

It still remains a challenge for Safaricom to understand customer needs and respond to their needs with relevant solutions to match their requirements, as opposed to flooding the market with untargeted products that are commercially driven and not focused on specific customer needs. Based on the Net Promoter Score (NPS), the company also noted that it has remained detached from its customers impacting on its ability to correctly diagnose their needs. This being a largely unexplored issue, the research finding could help Safaricom to effectively manage its customers (Safaricom Sustainability Report, 2015).

The company needs to share more information with customers on sustainability programmes that they are engaged in and which have an impact on customers. Engaging customers in socially responsible behaviors is part of the mechanisms through which Safaricom can build and maintain stakeholder influence (Barnett & Solomon, 2012). There is empirical evidence that the firm engages with its customer base on electronic, print and social media, web portals and mobile platforms. There are also a variety of road show activities, promotion programmes and marketing activities targeting consumer customers. This is because customers are both a threat and an opportunity to Safaricom and are best managed through collaboration. Safaricom strives to win the cooperation and loyalty of customers and therefore prevent them from becoming unsupportive or leaving the organization. For instance, the use of “Bonga” points to reward loyalty is a way of keeping customers involved in the organization and thereby minimizing risk.

Safaricom employs an extensive network of 487 dealers and agents across the country to provide various products and services to the customers on behalf of the company. With such a large customer base, dealers and agents play a very significant role in enabling the company to achieve its objectives. Dealers and agents are partners with Safaricom who help avail company products to the market. The dealers stock and sell data, devices and airtime on behalf of the company. It also has a network of 85,756 M-Pesa agents, who administer M-pesa accounts, and process cash deposit and withdrawals for M-Pesa customers. The company has a support system to help dealers and agents achieve high sales volume.

The dealers and agents are keenly interested in sustainability of Safaricom and expect the company to engage them in an ethical and respectful manner by honouring agreements and obligations (Safaricom Sustainability Report, 2015). Dealers and agents are considered as critical intermediaries for Safaricom customers. Hence, it is vital that they comprehend the firm's products and services in order to deliver unique services to the Safaricom customers.

The company host forums each year to listen to its dealers' and agents' ideas, concerns and needs and explore ways to support the business partners to improve service delivery. Customers are important stakeholders that assist in achieving the sustainability agenda for Safaricom. End user consumers are concerned about their health and safety and their privacy which they expect Safaricom to adequately address. Whenever asked, customers may assist the company to avail e-waste products to designated collecting points. They are involved in providing feedback on the firm's products and services and this positively influences the development of innovative programs.

> We have an engagement model with our customers where we seek to understand their opinions on our products and services… their grievances and propositions… [W]e measure this by using the Customer Delight Index (CDI), Enterprise Delight Index (EDI) and Net Promoter Scores (NPS)… For instance, we obtain relevant data by conducting online surveys via Survey Monkey platform… Informally, we have social media presence where we get to know what our customers think about us (Senior Sustainability Manager, Safaricom).

Table 4.13 shows how salience leads to accountability to customers and how Safaricom controls customers due to both economic and non-economic interest. Moreover, it shows that the combination of both accountability and control leads to stakeholder's exposure and how it is managed through SSCM practices and TBL measures.

Table 4.13: Customer Template (ST1)

Accountability to customers		Safaricom's control over customers	
High Customer Power - -Demands of Top 20 enterprise and govt accounts - Equity bank discontinued its collaboration with Safaricom on Mkesho product and switched to orange money and later started its own product equitel - Safaricom's decision to change its terms and conditions on data bundles and its loss making Karibu postpaid service resulted in customers taking legal action **+ High Customer Legitimacy** - Unilateral decisions to revise terms and conditions on data bundles and its loss-making Karibu post-paid service reversed after customers took legal action -Seamless integration of M-pesa and Kenya Commercial Bank platforms to curb fraudulent transactions or hacking of the system - End-user customer sued Safaricom over loss of his 12,900 "Bonga" points. **+ High Customer urgency** - End-user customers use of social media to air grievances - Relaying real time election data from Electoral commission of Kenya -Most issues affecting end customers are addressed jointly before a formal complaint is lodged, for instance, if there is a major network incident it is resolved before customers complain. ***= How Customers hold Safaricom Accountable***	**Low Customer Power –** -M-pesa locks-in customers to Safaricom limiting access to competing phone services –Reduction of market share from 66.6% in 2011 to 65.3% now reversed to 67.1% **+ Low Customer Legitimacy** -Contracts with all customers in relation to environmental and health effects due to usage of mobile devices -Keep customers safe from carbon footprint as well as protect their privacy by conducting its business in an ethical and transparent manner. **+ Low Customer urgency** -Limited progress over many years to improve QoS ***= Why Customers struggle to hold Safaricom Accountable***	**High Economic Influence over customers** -Safaricom's 85,756 M-pesa agents control access to banking transactions of over 20.63 million registered customers representing 88.35% of the total customers. - Uses "Bonga" points to reward loyalty retain & control customers -Signs SLAs with enterprise customers specifying their ethical conduct behaviours **+ Safaricom's Non-economic Influence over customers** -Puts pressure on customers to register their SIM cards -Manages customers' critical data ***= How Safaricom Controls Customers***	**Low Economic Influence over customers** -Investment in m-farm that has indirect social benefits **Low Non-economic Influence over customers** -Engages customers via SMS, call centres, retail outlets, social media and print media -Encourages customers to surrender obsolete mobile phones to retail collection centres for recycling at e-waste collecting points. ***=How Safaricom Seeks to Influence Customers***

Safaricom's Exposure to Customers
1.- Limited by monopoly power (2/3 market share in mobile phones) and dominant role in financial transactions (67.1% of total market share in all financial transactions) 2. -Customer complaints due to unreliable network, down-time, poor quality of service 5.-Law suit arising due to issues such as loss of customer loyalty "bonga" points, poor disposal of e-waste, management of customer data, privacy and security 3. -Customer migration to competitor due to non-competitive tariffs. 4.-A class action suit on Mobile Number Portability by customers who were barred to move to other networks 5. -Environmental degradation 6. --Eroding brand equity

Safaricom's SSCM practices to mitigate Customer Exposure	**Safaricom's TBL Measures for Customers to ensure sustainability**
- Dedicated staff to address demands of Top 20 accounts -Sharing information with major customers - Network down-time addressed promptly -Evaluation of quality related complaints -Market intelligence and surveys -Evaluation of customer satisfaction through Net Promoter Score -Enhanced security and privacy features for data confidentiality -Environmental monitoring and pursuance of social reputation -Recycling of e-waste-Feedback on electromagnetic concerns	-Market share of cellular & financial transactions, - Churn (percentage of those who stop using Safaricom services) -Annual Customer Delight Index and Enterprise Delight Index measurements -Annual quality of Service measurements, determination of the number of penalties due to non-compliance -Understanding customer opinions on Safaricom products and services using Net Promoter Scores (NPS) -Annual customer service rating to measure performance of retail shops -Brand equity to determine the value of Safaricom image

Source: Author's Interview

4.5 Safaricom Suppliers

Safaricom's supplier selection process strives to capture the social and environmental dimension by using the triple bottom line approach. This section focuses on suppliers that aid in the management of the social and environmental ecosystems. This is done by identifying and categorizing social and environmental issues that support Safaricom's operations, with a specific focus on sustainability. The issues include the provision of green energy to reduce carbon footprint, e-waste management, Occupational Safety and Health (OSH) and improved working conditions of suppliers' employees.

To achieve this, the company has developed collaborative relationships with suppliers in the following industries to enhance its energy security, network infrastructure, network site maintenance to ensure network availability and minimize disruptions or outages, environmental performance and adhere to ethics and values.

Safaricom's choice of network infrastructure suppliers is based on cost, maintenance services and end of life support. The Company has settled for Huawei as the main telecommunication equipment vendor. Initially Huawei equipment occupied large floor space and generated a lot of heat energy. Pressure from Safaricom has made Huawei reduce the size of their network equipment with significant saving in power that has resulted in reduced greenhouse emission (Power and Air Conditioning Manager, Huawei).

Safaricom has adopted several initiatives to address its power needs. The mainstream energy supply comes from the Kenya Power and Lighting Company (KPLC) which supplies power throughout the country. In the recent past, KPLC has been extending its national grid to cover rural areas. With this development, Safaricom has switched some of its sites that were previously running on diesel to the mainstream electricity network.

The power energy supply is augmented by alternative energy solutions such as power cubes. A power cube is a hybrid of solar, diesel and grid energy sources that meet different scenarios including single platform design, saving fuel, footprint and maintenance cost with capabilities that makes it an intelligent system. A power cube is a single platform modular design that saves 40%-60% fuel, 30%-70% carbon footprint and maintenance of up to 90%. It is intelligent system designed to achieve high efficiency operation and maintenance management to help operators in Operating Expenditure (OPEX) reduction (GSMA, Green Power for Mobile Report, 2011).

Installation with the implementation of an additional 132% power cubes, it is possible to reduce generator runtime and human interference while running the power operations of sites. The system also helps extend battery life, minimize fuel theft and improve remote supervision of the site. In addition, supplies of free cooling units to Safaricom increased by 46%. These cooling units make use of natural air leading to saving in energy cost (Safaricom Sustainability Report, 2014). Safaricom also assesses its sub-contractors based on percentage of local employees in the supplier firm, gender balance and equal opportunities for people with disabilities.

Eight suppliers of different items were interviewed and their feedback was carefully analyzed. The selection of the suppliers mentioned in Table 4.14 was based on the degree of their engagement with Safaricom in sustainability issues such as energy, infrastructure and logistics (Wu & Pagell, 2011). The following discussions relate to the findings based on the responses provided by the suppliers:

Table 4.14: Profiles of Suppliers Interviewed

Supplier	Items/Services supplied	Sustainability issue	Outcome	Interviewee position
Huawei	-Hybrid power system (solar, diesel and grid energy sources). -Network Infrastructure	-Carbon footprint. - Ethics and values.	-Reduced greenhouse emission. -Improved living conditions.	Power and Air Conditioning Manager
Flex enclosure	Hybrid power system (solar, diesel and grid energy sources).	-Carbon footprint.	-Reduced greenhouse emission.	-Product Manager
Linksoft	-Network Infrastructure	- Ethics and values.	-Improved living conditions.	-Network Engineer
Kenya Power and Lighting Company (KPLC)	-Grid power	-Energy	-Reliable energy	Customer service Engineer
Ericsson	-Network Infrastructure	- Ethics and values	-Improved living conditions	-Product Engineer
Acceler transGlobal Logistics	Logistics	-Carbon footprint -Energy	Reduced greenhouse emission -Improved in energy saving	Logistics director

Source: Author's Interview

4.5.1 Supplier's Interest in Safaricom

Suppliers from diverse markets compete to provide the products, materials and services required to deliver Safaricom's wide range of telecommunication products and other supporting services. Safaricom's dominant market share in Kenya, coupled with its innovation and ongoing transformation is the driving force behind suppliers' interest to capture financial returns from their engagement with Safaricom, as summed up by a supplier:

> … They contribute to our profitability and sustainability as a company. They act as an avenue for our products to access the market. They also give feedback on how to improve our service offering. For instance, our packaging of equipment supplies is done using sustainable and environmental friendly materials. This means the success of Safaricom is also our success (Product Manager, Huawei Technologies).

To avoid disruptions of business operation, two key suppliers are singled out to help understand sustainability risks and how to mitigate them. These are energy and technology suppliers.

Among the most important technology suppliers are the manufacturers and suppliers of network infrastructure equipment who help design and rollout Safaricom's GSM network. These are global vendors who manufacture equipment and ship them according to customer requirement. As all the manufacturers are global players and there are no domestic assembly facilities in Kenya, the focus of the research on technology suppliers is with domestic role-players. The vendor now more than ever has increasing interest in Safaricom. They have made substantial investments through their equipment and software licenses. They are increasing finding efficient ways to reduce network complexity and thus reduce operating costs through network rollouts, upgrades and simplification.

4.5.2 Role of Suppliers and their Importance to Safaricom

Safaricom ensures that it has mutually beneficial and sustainable relationships with its suppliers who are critical partners in the supply chain from an operational perspective and also enhance Safaricom's reputation and corporate image. For instance, the company has taken advantage of rural electrification to power its sites thus avoiding generating their own power and reducing dependency on diesel which poses a threat to environment due to carbon emissions. By working with Kenya Power, the network service is much more reliable.

> …Customers requiring more than 25kVA supply are now being connected within 30 days and their applications for power connection are being handled by dedicated team of contact officers in order to address their issues quickly… (Customer Service Engineer, Kenya Power).

Safaricom suppliers are evaluated using the following indicators: cost of goods and service; timeliness in delivery; responsiveness to unforeseen Safaricom demands; quality of service; customer support; value addition; documentation and invoicing; and communication skills. A performance target of 80% is set and suppliers who fail to achieve the set target are put on performance improvement plans Safaricom Sustainability Report, 2014). Other considerations in the supplier prequalification process are employment relations such as child labour, forced labour, disciplinary practices and discrimination and freedom of association (Safaricom Sustainability Report, 2014). Safaricom's supplier engagement approach has greatly changed with the introduction of safety as a key pillar in Supply Chain Management practices. For instance, Safaricom has made OSH a requirement in the supplier pre and requalification process which is accorded 15% weight.

An annual sustainability self-assessment exercise is also undertaken by Safaricom suppliers to evaluate their performance in the following domains: corruption and ethics; human rights such as freedom of association and employee benefits; health and safety; the environment; Corporate Social Responsibility (CSR); and regulatory compliance. Safaricom evaluates suppliers on safety together with the technical and financial facets of the tender. In awarding contracts, the OSH requirements are communicated by using the OSH schedule and Key Performance Indicators (KPIs). According to Safaricom's OSH Schedule (2013), the supplier performance metrics required by Safaricom include:

i) Number of OSH incidents and OHS incidents frequency rate
ii) Number of serious incidents and serious incident frequency rate
iii) Number of lost time incidents and Lost Time Injuries (LTI) frequency rate
iv) Number of product failures and percentage of actions successfully completed
v) Number of site inspections / audits undertaken and percentage of actions successfully completed
vi) Number of breaches of onsite OSH controls detected

The company requires that suppliers undertake sustainability self-assessments to help identify and profile those able to provide quality products and services in a responsible and ethical manner.

> … [T]he suppliers selected influence the quality of good and services… that is why we are careful in the supplier selection process… our suppliers are vetted thoroughly during a prequalification process… [W]e use different criteria when selecting them… [T]his include whether the suppliers have the prerequisite accreditations and licenses, legal compliance, insurance and regulatory standpoint (Senior supply chain manager, Safaricom).

The suppliers offer a variety of resources, including human resources, capital equipment such as machinery, trucks and other branded equipment. The resources the suppliers offer to Safaricom give them influence in the decisions that are made by the focal company since they determine the quality of service rendered to customers and sustainability of the Company. Most suppliers confirm that they will remain in business with the company because of its strong brand and its efforts to help achieve mutual growth and deliver sustainability objectives.

4.5.3 Supplier Salience and Accountability of the Firm

The research set out to investigate suppliers' power and legitimacy and their role in influencing the SSCM decisions that are made by Safaricom. Supplier power is derived from the stakeholder's distinctive expertise and Safaricom's dependence on their inputs to deliver a service. Whereas suppliers depend on the firm in order to achieve their business goals, the firm depends on suppliers for its existence.

> ...We operate most of the electricity transmission and distribution system in the country and therefore nearly everyone is a potential customer… We are the only company of this kind. Safaricom therefore depends on us to provide safe, reliable and cost effective electric power, a critical resource for their survival (Customer Service Engineer, Kenya Power).

Suppliers and the focal firm have mutual dependence of power so none can claim to have dominance or subservience.

> …We have a cordial relationship with the customer… [W]orking with Safaricom has developed long-term relationships with mutual benefits. The resulting innovation has not only benefited Safaricom customers but also given us a chance to deploy same solutions to other mobile operators (Product Manager, Huawei).

Safaricom power is derived from numerous opportunities it presents to suppliers to help them meet their business goals. Suppliers' dependence on the firm is driven by their own self-interest and goals.

> ...Working with Safaricom is a great opportunity to serve a prestigious company. Our esteem is attained whenever we propose diverse solutions that contribute to making Safaricom a great company (Power and Air-conditioning Manager, Huawei).

Supplier legitimacy is based on their contracts to supply critical resources so that their interests can be satisfied. Legitimacy is achieved when the organization operate within accepted norms (DiMaggio & Powell, 1983). Legitimacy of suppliers enable them receive managerial attention from Safaricom.

> …Our power is manifested when there is a signed contract. If no contract, we withdraw service and license until contract is renewed (Account Manager, Flexenclosure Limited).

The urgency that Safaricom's management accords to suppliers depends on the issue at hand, thus some issues are considered urgent while others are not. Time sensitive issues and critically important issues receive immediate managerial attention.

…Urgency in addressing an issue depends on the nature of the issue and its importance to Safaricom business. There are short term and long-term concerns and each is idiosyncratic (Product Manager, Huawei).

The relationship that exists between Safaricom and its suppliers is that of dependence; however, the company responds to supplier concerns depending on the type of product or service they offer to the company and the criticality of the issue at hand. The Logistics Director from Aceeler TransGlobal Logistics explained,

Suppliers who offer more critical services such as freight forwarding… logistics and other critical items have their concerns responded to faster… compared to those supplying rather ‘less critical’ items and services…Safaricom normally addresses our concerns faster due to the fear of losing our services… [W]e are a few of us who shows consistency in flexibility and commitment in providing such services. This is what makes the company address our concerns with speed.

Another participant stated:

….When time for renewing contract and software licenses arrive, we advise Safaricom to act quickly and consider upgrade and recommendations we make to continue using our service (Account Manager, Huawei).

External and internal factors have focused Safaricom management attention on particular social and environmental issues. The importance that suppliers attach to that which is at risk determines the exposure. Over time suppliers have seen the need to embrace sustainability because their survival depends on the success of Safaricom.

...Safaricom is a very successful company so they want to set example to the rest in the industry. Management practices continue evolving as the company matures. Initially we supplied network equipment, but later on [we] added power system into our portfolio due to frustration of power outage that affects network availability. Recently the company has been pushing for energy saving and clean initiatives. It seems the demands of yesterday are not the same as those of today (Power and Air-Conditioning Manger, Huawei).

Safaricom management responds in a way to reduce exposure and pursue the path to sustainability. Initiatives such as smart power and Power cubes for environmental sustainability and reduced energy consumption aim to project the company as a green organization. The supplier code of conduct and ethics used for supplier evaluation is focused on sustainability. In addition, through monitoring and collaboration, innovative products are created.

Due to the perceived high supplier salience by Safaricom management, the extent to which the focal firm is expected to justify its sourcing decisions and actions is high. When Safaricom is held accountable for social and environmental outcomes supplier dependence is high because supplier can develop innovative solutions to mitigate negative results. This is because the firm is ultimately held responsible for all outcomes including those caused by suppliers like power outages and defective products.

> ...Safaricom has devised alternative source of power to cover in the event of grid energy failures. However, pressures from industry leaders have led to initiatives like Boresha umeme by Kenya power. It started this programme to rapidly refurbish the power distribution network to enhance system reliability, customer service through comprehensive repair and upgrade of the electricity network. In addition, special emphasis is placed on improvement of supply to industries and other large power and essential service customers like Safaricom. Kenya Power has designed alternative and dedicated lines for the largest 200 and essential service customers in order to reduce power interruptions to this category of consumers. Further, 78 auto-changeover units are installed to facilitate switching of these premier customers to alternative supply feeders during power outages (Senior Manager Installations, Kenya Power).

Safaricom's choice of suppliers is anchored on the importance of these stakeholders to the company. Suppliers are highly salient stakeholders because they help the firm to achieve sustainability and so are considered important. Stakeholder salience creates more accountability by Safaricom by linking it to supply chain behaviours that demand action – even against the wishes of the suppliers.

> ...In recent times, Safaricom is exploring energy saving ways. They have their own alternative power when the main Kenya power is unavailable (Customer Service Engineer, Kenya Power).

However, Safaricom has some flexibility to alter supplier salience, and therefore their own accountability for supply chain issues (Parmigiani et al., 2011). Interactions with stakeholders results in the firm influencing the views and actions of suppliers (Klassen and Awaysheh, 2006). Due to its large size, Safaricom is closely scrutinized by stakeholders and this scrutiny has extended to supply chain partners. To manage calls to accountability, Safaricom uses collaboration to create dialogue among stakeholder.

> ...We hold regular meetings as need arise. This is where the customer discusses what objectives they want to achieve and how we can help them. We use this forum also to address quality of service concerns raised by the firm, the regulator's demands and how they can be met (Product Manager, Huawei).

Dialogue is important because if the Safaricom's supply chain generates large carbon footprint and high social costs, stakeholders can respond by increasing pressure in the supply chain. The legitimacy and hence sustainability of the focal firm is thus threatened by these salient stakeholders, who make claims that must be addressed urgently. In response, the company collaborates with these stakeholders by involving them in its activities, thus increasing the amount of information available in the supply chain.

Therefore, supplier salience does more than just requiring firms to justify their actions and behaviors in the supply chain but it can help the company embrace more sustainable goals.

According to Safaricom Sustainability Report, 2014, suppliers hold Safaricom accountable on their supply chain decisions through the following ways:

a) Supplier forums that are held on an annual basis.
b) Suppliers are issued with Safaricom Supplier Code of Conduct when first engaging with Safaricom.
c) Conducting annual supplier sustainability self-assessments.

d) Quarterly Principal forums, where agents are invited to discuss topical issues with Safaricom employees.

4.5.4 Supplier Influence and Control by the Firm

Safaricom has control over suppliers and this gives the firm authority to make decisions and put pressure on suppliers to achieving economic, social and environment triple bottom line outcomes (Parmigiani et al, 2011). The determinants of control are influence, information and distance. Control is highest when influence and information are high and distance between firm and supplier is small. Management requires disclosure on code of conduct and ethics from suppliers thus its influence and information about suppliers becomes high.

> …We can't apply force on a supplier to disclose commercial or proprietary information but we trust they will be responsible. We rely on their cooperation to furnish the relevant information (Senior Sustainability Manager, Safaricom).

Safaricom sources 84% of its supplies locally which significantly reduces distance between firm and stakeholder (Safaricom Sustainability Report, 2015). As a result, the firm's control over local suppliers is very high due to high influence, reduced distance and almost complete information. However, Safaricom has less influence and limited information regarding overseas suppliers due to large geographical and cultural distance.

> …Concerning suppliers in far flung areas, we look for information from third party certifications in aspects of sustainability to corroborate the information provided by respective suppliers (Senior Sustainability Manager, Safaricom).

Interaction with suppliers influences them directly and indirectly. Through actions, Safaricom management is able to transfer pressure from itself to upstream suppliers which results in change in their operations. On the other hand, inaction and indifference on the side of management does not induce the desired outcomes. For instance, OSH management was introduced and made a key criterion in pre and re-qualification stage of supplier evaluation (Safaricom Sustainability Report, 2014).

The firm thus promotes sustainable business practices across the business ecosystem. Apart from their financial soundness, suppliers are assessed on their legal and regulatory compliance, OSH policies, customer service, staff integrity, code of conduct and ethics, environmental sustainability, Corporate Social Responsibility (CSR) and waste management practices. The suppliers are also assessed on issues such as bribes, conflicts of interest, gifts, employment relations, including child labour, and zero tolerance to discrimination (Safaricom Sustainability Report, 2014).

With high dependency on the focal firm, Safaricom has greater influence on suppliers. For instance, a contract awarded to Mobinet was terminated when the Lebanese firm colluded with Safaricom employees to inflate the cost (Michira, 2015). Moreover, several implications for social and environmental issues have emerged. For example, to address energy security and reduce greenhouse gas emissions, Safaricom has added an environmental dimension while sourcing for its power needs. This has led to introduction of power cubes discussed under 4.5 above.

To demonstrate its commitment to social issues, supplier development through collaborative activities such as training has helped the firm to achieve sustainability goals. The availability of information to Safaricom about its overseas and distant suppliers as regards practices in employment relations, use of child labour, corruption and bribery is difficult to ascertain. This is because increase in distance makes it difficult for management to confront problems associated with limited, incomplete information and slow feedback. Therefore, information on social performance of these suppliers is assessed or certified against ISO 9001 quality standards provided by third parties (Safaricom Sustainability Report, 2014).

Safaricom's continuous monitoring and performance evaluation of suppliers enables the firm to control outcomes by putting non-performing partners on improvement plans (Safaricom Sustainability Report, 2014). For instance, monitoring of suppliers' working conditions as reported in self-assessment evaluations enables the firm to gather supplier information and the social factors that produced the products supplied. Thus, monitoring provides some assurance that minimum acceptable standards are maintained for working conditions, labor practices and environmental compliance.

Based on monitoring, areas of potential collaboration have been identified. For instance, due to collaboration with Huawei, the vendor was engaged during the migration of M-pesa platform from Germany to servers in Kenya.

> ...Over the last three years…, we have built a strong partnership with Vodafone, and this has resulted in many successful programmes with Safaricom… (Programme Manager, Huawei).

As a result of this collaboration, Safaricom contracted Huawei to roll out CCTV security surveillance system in Nairobi and Mombasa (Mayton, 2015). With collaboration, opportunities to develop new products or services that address the social and environmental needs have arisen. For example, innovative developments such as inexpensive mobile phones and mobile Value-Added Services (VAS) platforms from Huawei support short codes programs that provide information to smallholder farmers, thus improving agricultural productivity. Mobile solutions such as M-farm which are supported through this initiative offer significant market opportunities for individuals and simultaneously provide important social benefits related to education and access to information (Wakoba, 2013).

Similarly, solar panels and inexpensive wind generators from Huawei have been deployed in Safaricom's remote sites. Solar energy and wind power provide a stable and reliable power supply for sites, while the diesel generators serve as the backup. Solar and wind are two natural energy sources that complement each other to yield a consistent power supply during day and night as well as in rainy and dry seasons. Retaining the diesel generators improves flexibility, and further guarantees uninterrupted power supply. In this way, the green energy solution addressed the problem of unreliable electricity across the entire network thus significantly reducing Operating Expenditure (OPEX) (Lixing & Tao, 2009). This shows that by considering the social development needs as well as the limited resources and difficult operating environment, opportunities for new markets are discovered. In these aspects, Safaricom has a big influence to control the outputs.

The source of goods and services is a strong factor that needs to be considered in making decisions concerning social responsibility issues. The suppliers have a contractual responsibility to advise the company that products meet acceptable social standards. Since social responsibility demands that the corporate person needs to be a good corporate citizen, the supplier draws power from the fact that the company is accountable to the society in which it operates.

> …We make sure our products are of superior quality that guarantee stable and reliable network for Safaricom. We respond quickly to customer needs and so they take our advice seriously (Product Manager, Huawei).

The goods and services provided by suppliers would also be considered key in the provision of timely services to customers. If a supplier provides goods or services that are time bound, influencing the decision made by Safaricom may be possible since the company needs to strike a delicate balance between customer satisfaction and addressing the concerns of a supplier of some critical good or service.

Depending on the type of good or service supplied, the company may consider the concerns voiced by the supplier of a critical item. In this case, there may be some level of value addition achieved.

4.5.5 Supplier Expectations

One of the expectations of the suppliers relates to payment from Safaricom. The suppliers indicated that, sometimes, payments are delayed and this does not meet the expectations.

> …We need the introduction of an online claim tracking system that will assist in tracking our claims. This will facilitate the payment process to avoid unnecessary delays. We are not comfortable with the existing dictatorial form of relationship with Safaricom…The suppliers expect a lot of support and capacity building in order to support the existing

relationship with the company…[W]e expect the company to reconsider changing the current relationship and adopt one that is more consultative (Logistics Director, Acceler TransGlobal logistics).

The company does not strictly adhere to the contractual terms in relation to payment. Suppliers expect the company to observe contractual terms to the letter but occasionally, Safaricom delays paying the supplies on the goods or services delivered. The suppliers also expect Safaricom to stick to the established Key Performance Indicators (KPIs). While suppliers have monthly meetings with Safaricom, these meetings have not achieved a lot in improving the relationship between them and the company, which remains largely skewed to one side. However, the suppliers lament that Safaricom is very rigid in acting on their concerns although they are valid.

The suppliers believe that they have a significant level of knowledge that can assist the company to adopt more sustainable supply chain management practices if they are provided with an opportunity to give their input during new product development. The suppliers indicated that more 'egalitarian' kind of relationship with the company is more appropriate and beneficial to the company and its customers.

…Initially our relationship was at arm's length but this has evolved into a more collaborative one to take advantage of multiple win-win scenarios. We grow together as we develop our capabilities for mutual benefit (Service Delivery Manager, Nokia Solutions Network).

4.5.6 Managing Supplier Exposure - SSCM Practices and TBL Measures

Safaricom selects and develops prospective suppliers to maintain quality and long term strategic relationships and gain competitive advantage (Chen & Paulraj, 2004; Li et al. 2005). By forming strategic partnerships with suppliers the company has been able to build mutual trust which has helped in sharing vision and information for monitoring and developing suppliers (Mentzer et al., 2000).

…Safaricom supplier assessment is done in advance to mitigate against any risk that may happen. They use a cautionary approach rather than reactionary

> approach. For example they take vendor conduct and ethical issues very seriously (Power and Air-conditioning Manager, Huawei).

The focal firm is increasingly recognizing the strategic importance of incorporating sustainability considerations in managing major suppliers' performance. The management of Safaricom suppliers is based on supplier evaluation, supplier development and information sharing with suppliers.

> …We hold joint forums with Safaricom and other industry leaders to share our power plans to deepen our engagement with various stakeholders, and to identify additional business opportunities. These engagements help create awareness about our products and services, and to promote safety and conservation as well as highlighting pertinent issues like vandalism, which affect Safaricom as well (Customer Services engineer, Kenya Power).

Supplier Evaluation

There has been an increasing interest towards assessing and monitoring of Safaricom's suppliers' performance in social and environmental sustainability (Safaricom Sustainability Report, 2014). This is because risks of causing environmental damage and not upholding social standards due to suppliers' activities can lead to supply chain inefficiencies in the short term. In evaluating its suppliers, Safaricom uses an evaluation system with clear and structured guidelines.

> …Safaricom monitors its systems and processes by using Key Performance Indicators set by the organization. As an organization, we seek to understand all our partners, what they do, how they do it and the values they uphold. We periodically assess their suitability and if one falls short, there is opportunity for performance improvement, failure to which a decision is made to drop that supplier (Senior Sustainability Manager, Safaricom).

The firm makes evaluations of suppliers based on the following indicators: cost of service; on time delivery of service; flexibility to respond to unexpected Safaricom demands; quality of service; general responsiveness; customer support; value addition; documentation and invoicing; and communication skills. Supplier performance is determined by evaluating them on fraud and ethics; human resources, including freedom of association and employee benefits; health and safety; the environment; the community and corporate giving; and regulatory compliance.

There is also an OSH assessment into this evaluation process which is a key performance indicator. In this case, the company request safety-related information from suppliers on leadership responsibility for OSH, information systems on OSH, safety statistics, sub-contractor safety management, OSH risk management process, competent personnel and provision of appropriate Personal Protective Equipment (PPE) and safety equipment (Safaricom Sustainability Report, 2014).

Environmental standards are achieved through environmental practices (policies and procedures) and environmental performance indicators (e.g., carbon footprint and energy efficiency) (Safaricom Sustainability Report, 2014).

Safaricom management recognizes suppliers through providing constructive feedback about the economic, environmental and social results of their evaluations and offering sustainability related awards to serve as a powerful tool in monitoring suppliers. Safaricom meets with its suppliers every year to hear their concerns and exchange ideas and information with them. During these meetings, a survey to assess their perceptions and levels of satisfaction and confidence regarding Safaricom is conducted. The feedback so gained is used to adjust the company processes and offerings to partners (Safaricom Sustainability Report, 2015).

Safaricom implements a number of regulatory regimes or voluntary standards to ensure that materials received from suppliers conform to environmental guidelines (Awasthi et al., 2010). One example is the ISO14001, which is used by third parties for verification. Safaricom engages with Government-approved auditors, as well as with approved ISO 14001 and OHSAS 18001 auditors, to undertake audits of its business operations for compliance or certification purposes. These include audits of company safety and health standards and performance, environmental audits, energy audits and testing of EMF levels (Safaricom Sustainability Report, 2014).

Monitoring the social dimension of sustainability is much more complex. Supplier social issues like illegal and unfair labor activities in particular illegal child labor, deficient safety facilities, low wages, unreasonable working hours, and gender discrimination have so far been undocumented. Evidence was identied on use of Social Accountability 8000 (SA 8000) and Accountability 1000 (AA 1000) (Koplin et al., 2007) standards. For example, the use of Kenyan child labor in e-waste collection and dismantling was largely unreported in Safaricom Sustainability Report 2015.

Supplier Development

Supplier development is achieved through the company's collaborative activities that help advance the sustainability agenda. Collaboration with suppliers along the supply chain has helped Safaricom to identify multiple sustainability challenges. Effective long-term partnerships with suppliers are crucial to make the transition to sustainability and have helped the company to reduce its carbon footprint and improve energy efficiency.

Safaricom often visit the supplier's premises and sites and in the process knowledge transfer takes place. In this case sensitive and critical information is exchanged as the two parties work towards sustainability. Suppliers increase their technical knowledge by gaining firsthand experience on how their products function.

> …We visit Safaricom site to share knowledge and baby sit the network. During this period, we get to understand their experience with our solution offering. Therefore, these meetings give us first-hand experience on the challenges faced by the customer (Product Manager Huawei).

Knowledge sharing has helped the focal firm and suppliers to cope with business uncertainty and inevitable business disruptions. Thus, developing suppliers is important since regular audits and monitoring alone is not sufficient to stop suppliers from engaging in dishonest or unethical behaviors. Hence Safaricom invests in building the capacity of suppliers so that suppliers are properly assisted to meet sustainability standards (Safaricom Sustainability report 2014).

Information sharing with suppliers

Information sharing practices among Safaricom's supply chain trading partners are an important requirement for making effective decisions related to sustainability. The extent in which critical and proprietary sustainability information is communicated among supply chain partners is vital for conformance to environmental regulations, improvement in environmental performance, and accounting for environmental costs (Erlandsson & Tillman, 2009; Montabon et al., 2007). By sharing information, Safaricom suppliers have gotten involved in different parts of the organization and which has yielded positive results.

Social information, such as how suppliers treat employees to ensure employees' wellbeing (i.e., health and safety) and equity (e.g., child labor, fair wages, etc.) and details of their relations with communities and society are also shared in order for both parties to be more transparent.

Management of mobile waste

E-waste products are electronic equipment and gadget that have reached their end of life. These products contain heavy metals like lead, chromium, mercury, polychlorinated biphenyls (PCBs) and the ozone-depleting chlorofluorocarbons (CFCs) whose exposure have side effects on human health and the environment when handled without adequate safeguards (Tsydenova & Bengtsson, 2011). Exposure to some of these metals can lead to long-term health problems even neurological and endocrinal disorders or cancer (Agarwal, 2012).

In Kenya, there has been no law guiding management and disposal of e-waste thus huge volume of the waste is dumped in garbage collection pits and other dump sites around residential estates of major cities and countryside making recovery and recycling difficult (Chern, Lei & Huang, 2014). In addition, most products that have neared their end of life in developed countries are exported to Kenya as second-hand goods, where they end up in landfills or burned in incinerators, putting lead, arsenic and mercury into the environment. Mobile e-waste also comes from low-end mobile phones which are sold based on a low-cost model that aim to serve consumers in Kenya who are looking for cheap and affordable phones.

Furthermore, the lack of a sustainable e-waste management infrastructure means that e-waste is collected and recycled using crude methods, causing the release of toxic chemicals to the environment and exposing those refurbishing and dismantling e-waste to health risks. For instance, impoverished residents of Nairobi’s slums collect end-of-life electronics and carry them to processing sites for a small fee. In Nairobi's Dandora slum, street children pick through dumpsites to look for discarded electronics and carry them on their backs oblivious of the danger they are exposed to.

> ….Many Kenyans leave their discarded phones unattended. Others give dead phones to their children as toys, who break them without much thought. People generally get exposed to many dangerous chemicals that are used in manufacturing these electronics (Director of Public Health and Safety, NEMA).

In 2010, Kenya generated 11,400 tons from refrigerators, 2,800 tons from TVs, 2,500 tons from personal computers, 500 tons from printers and 150 tons from mobile phones (United Nations Environmental Program Report, 2011).

Safaricom has partnered with Nema and Waste Electrical and Electronic Equipment (WEE) Centre and availed its retail centres as the collection points for the disposed e-waste items. Handset makers such as Nokia and Samsung are running e-waste programmes with Nokia having set up collection points in its outlets. Samsung has also partnered with Safaricom, Airtel, Phone Link, Tuskys, Nakumatt and Naivas Supermarkets to serve as dropping points for electronic waste products.

E-waste collection, dismantling and recycling presents opportunities to generate revenue while ensuring preservation of environment. The company largely sets standard terms to relate with all suppliers. Despite this type of relationship with its suppliers, Safaricom provides full exposure of its SCM practices and TBL measures to suppliers because (a) the company appreciates their role in assisting the company to achieve its objectives and (b) this encourages suppliers to come up with more innovative products that can benefit both parties, (c) they are the source of various inputs used by the company in its operations, (d) this is one way of disclosing the effect of the materials they supply, (e) this is a way of ensuring that suppliers are moving together with the organization in ensuring that the entire supply chain is made sustainable, and (f) suppliers can then evaluate their input into the SSCM practices and TBL measures as implemented by the organization.

Table 4.15 illustrates how salience leads to accountability to suppliers and how Safaricom controls suppliers due to both economic and non-economic interest. Moreover, it shows that the combination of both accountability and control leads to stakeholder's exposure and how it is managed through SSCM practices and TBL measures.

Table 4.15: Supplier Template (ST2)

<table>
<tr><th colspan="2">Safaricom's Accountability to Suppliers</th><th colspan="2">Safaricom's Control over Suppliers</th></tr>
<tr>
<td>High supplier Power -
-Dependence on expertise of Huawei & Ericsson for Network Infrastructure
-Kenya Power for provision of electricity transmission and distribution system
+ High supplier Legitimacy
-Supplier relationships governed by binding contracts
+ High supplier urgency
Kenya power disruptions issues require immediate attention
Periodic renewal of contracts and software licenses with Huawei & other infrastructure suppliers
= How Suppliers hold Safaricom Accountable</td>
<td>Low supplier Power
-Vendors like Huawei, Ericsson and Nokia depend on Safaricom for Kenyan survival
-Migration away from Kenya Power to Flex enclosure supplies with hybrid power system
-Safaricom dictates terms and conditions of engagement
+ Low supplier Legitimacy
- Mobinet contract terminated after collusion with Safaricom employees to inflate costs
+ Low Supplier urgency
Huawei and Ericsson issues (including payment) neither critical nor demanding immediate attention
= Why Suppliers struggle to hold Safaricom Accountable</td>
<td>High Economic Influence over suppliers
- Supplier dependence on Safaricom influences them to embrace sustainability
-To reduce greenhouse gas emissions and ensure energy security Safaricom added an environmental dimension to sourcing power needs
+ Non-economic Influence over suppliers
-Safaricom promotes the adoption of social programs like improved working conditions and avoidance of child labour
-Safaricom holds regular meetings with suppliers.
= How Safaricom Controls Suppliers</td>
<td>Low Economic Influence over suppliers
-Safaricom has limited influence over Kenya Power to prevent electrical supply breakdowns
+ Low Non-economic Influence over suppliers
-Safaricom has little influence on multinational suppliers like Hewlett Packard who have alternative markets.
-Safaricom shares information with its suppliers regarding its supply chain activities
=How Safaricom Seeks to Influence suppliers</td>
</tr>
<tr><th colspan="4">SAFARICOM'S EXPOSURE TO SUPPLIERS</th></tr>
<tr><td colspan="4">Dependence on network infrastructure suppliers to deliver high levels of customer service
-Unreliable electricity from Kenya Power undermines customer service reliability
-Non co-operation from suppliers of critical goods and services when called upon to embrace social and environmental sustainability
-Suppliers like Ericsson withdrawing their supply of infrastructure equipment and maintenance
-E-waste collection not adequate in reducing carbon footprint, yet the collectors receive payment</td></tr>
<tr><th colspan="2">Safaricom's SSCM Practices to Mitigate Suppliers Exposure</th><th colspan="2">Safaricom's Tbl Measures for Suppliers to Ensure Sustainability</th></tr>
<tr><td colspan="2">- Migration to hybrid power system to mitigate dependence on Kenya Power and reduce service disruptions
Suppliers self-assessment and evaluation on social issues like child labor
-Supplier pre-qualification
-Supplier monitoring
-Collaboration with Kenya Power to ensure reliable connections
-Signing of code of conduct and ethics with Safaricom
-Conducting joint training with selected suppliers
-Installation of e-waste collection points</td>
<td colspan="2">- Number/percentage of stations supplied with alternate and/or hybrid power
-Amount of e-waste collected and dismantled
-Energy saved as a result of using supplier's products
-Number of jobs created in e-waste collection, dismantling and recycling industries
-Number of cases of human rights abuse such child labour</td></tr>
</table>

Source: Author's interview

4.6 Regulators in Kenya

Among the most important regulators that shape Safaricom's operational issues such as the environment, provision of frequencies and competition regulation are the Communication Authority of Kenya (CA), the Competition

Authority of Kenya (CAK) and National Environment Authority of Kenya (NEMA). CA controls the allocation of frequencies to cellular firms, sets network quality targets and monitors operators' performance to ensure compliance and that firms engage in fair business practices that are not detrimental to competitors. CAK addresses issues to do with trade practices, market dominance and other concerns of consumers. NEMA is involved in carrying out Environmental Impact Assessments (EIA) to approve any construction, including the installation of Base Transceiver Stations or office buildings that are undertaken by the firm, and the evaluation of e-waste disposal methods (Safaricom Sustainability Report, 2015). There are also other regulatory agencies, such as the Ministry of Labour, which ensures that companies adopt fair labour practices in their operations.

4.6.1 Interest of the Regulators

CA is mandated to regulate market dominance to avoid monopoly power and ensure efficiency in the telecommunication industry. The latest sector reports show that Safaricom dominates all market segments with 75.6% in voice, 93% in SMS, 70% in mobile data and 66.7% in mobile money (Wokabi, 2015).The CA is ensures that Mobile Network Operators (MNOs) remain good corporate citizens which do not violate stipulated rules and regulations: MNOs are required to continuously strive to maintain a high level of QoS of the agreed network KPIs.

> … Our main objective is not to frustrate the efforts made by the firms in the telecommunication industry but rather to support them through existing legislation to achieve what they intend to achieve. We actually provide a roadmap to guide them so that they can be able to achieve their goals within the provided legal framework (Director Licensing, CA).

The regulator is keen to ensure that the cellular industry comprises competitive firms with the equipment required to meet international telecommunications standards, a prerequisite for license renewal. To meet internationally accepted standards their equipment should adhere to electromagnetic compatibility requirements to avoid unnecessary radiation effects which may be harmful to the community and environment. Safaricom's licence was initially meant to last

15 years (from 1ST July 1999 to 30th June 2014) and the company sought its renewal for another 10 years from 1st July 2014 to 30th June 2024 at a cost of USD 27 million (Safaricom Sustainability Report 2014).

The political and regulatory framework determines radio spectrum regulations and allocations that affect Safaricom business and technological evolution of communications networks. Network sharing policies and regulations have a critical impact on the company as radio equipment is designed and built to operate on a specified spectrum (Waema & Ndung'u, 2012).

The primary interest of the regulator in Safaricom is that the spectrum regulation drives the technological development and determines the terms of how the mobile operator and their vendors can tackle the current and future business challenges and opportunities. Many of Safaricom's future strategic and investment decisions, as well as their technological choices and future network deployments, depend on the regulator's decisions to release additional spectrum (Miriri, 2014).

The regulator also keeps Safaricom from abusing its dominant position in the market place. To safeguard its interest, the regulator must not adjust the regulatory rules at the expense of the regulated firm. The current regulatory issues include the following: Market dominance and its abuse, uncompetitive behavior, monopolistic tendencies and unfair trade practices. Safaricom differed with CA on a proposed set of rules to curb the abuse of market dominance. The firm indicated that the regulator did not take the public opinions during consultation stage and that the proposed rules will automatically render it a dominant player without evidence (Okuttah, 2015). In April 2015, Competition Authority of Kenya (CAK) also differed with CA by stating that the regulator must also not declare an operator dominant without proving abuse of dominance by an operator as this negates the tenets of competition law and international best practice. The CAK further advised CA needs to appropriate ex-ante remedies to dominant licensee because the dominant position may have resulted from innovation (Kedode, 2015).

4.6.2 Role of Regulators and their Importance to Safaricom

a) Communications Authority of Kenya (CA)

The Communications Commission of Kenya (CCK) was founded in 1999 through the Kenya Information and Communications Act, 1998. The Act was later amended by the Kenya Communications (Amendment) Act, 2009 to create CA, which provides the framework that regulates the communications sector in Kenya. The Authority is mandated by the Kenyan law to protect and safeguard the interests of customers and communities in regard to the provision of Information Communications Technology (ICT) services and equipment.

The Authority is responsible for the issuance of licenses for telecommunications, multimedia, electronic commerce, postal, courier and broadcasting services and ensures that conditions attached to licences are complied with. CA also allocates the frequency spectrum and provides numbering plan and resources. Non-compliance with regulations can lead to fines or the loss of an operating license. The urgency in license renewal is critical because without it, the organization will not be able to operate (Okuttah, 2015). The Authority is also responsible for regulating retail and wholesale tariffs in the telecommunications sector. Finally, CA monitors the activities of licensees to ensure compliance with the license terms and conditions as stipulated by the legislation.

Moreover, CA ensures that operators behave in an ethical and responsible manner. It focuses on initiatives that promote the uptake of ICT, for instance, by helping Persons with Disabilities (PWDs) to access ICT services. This has been achieved by rolling out a project to connect training institutions for PWDs with rehabilitative ICT equipment with a view to ensuring digital inclusion for persons with special needs. According to the Licensing and QoS Regulations, 2010, licensed operators are required to provide telecommunication services that comply with the following:

i) Maintain over 80% QoS in eight major KPIs.
ii) Ensure 99.9% network availability. In case of network service failure or an impending outage the Company should promptly inform the regulator and the public.

iii) Engage in fair competition and pricing, and guard against anti-competitive behaviour.
iv) Maintain the highest level of confidentiality and privacy of customer data in compliance with relevant law.
v) Advance the interest of consumers and ensure that customers are not unduly overcharged and subject to poor quality services.
vi) Not cause interference to other radio communications services.

Without the license, the company will not be able to operate.

> … [O]ur work as a regulator is not to micromanage the operations of cellular firms but rather to ensure that the law governing telecommunication industry is followed to the letter… The influence is purely based on compliance to the law or withdrawal of the license as a consequence for any violation (Manager of Telecomms Licensing, CA).

The provision of spectrum frequency provides a lot of power to the regulator as the company has to urgently address the regulator's concerns. For instance, in 2014 Safaricom and the CA clashed over claims that the regulator's assessment of the Quality of Service (QoS) was not accurate. CA's findings on Safaricom's QoS level revealed that the firm scored 50% instead of the required 80%. Safaricom disagreed with regulator, in particular CA's predecessor CCK's 2011/12 FY results as there were several discrepancies between the outcome of the Commission and similar tests carried out by an independent firm. Safaricom claimed they were based on an international benchmarking methodology. The firm argued that network quality is one of their key obligations Safaricom Sustainability Report, 2014). Safaricom engaged the CCK in an effort to understand these discrepancies as shown in Table 4.16.

Table 4.16: Discrepancies in Safaricom's QoS outcomes

KPI	CA Target	2013/14	2012/13	2011/12
Completed calls	95%	82%	79%	78%
CSSR	95%	84%	81%	80%
Dropped calls	<2%	2%	1.9	1.7
Blocked calls	<5%	15%	12%	13%
Speech quality	>3.1	3.6	2.9	2.8
Handover succes rate	90%	97%	95%	93%
Call setup time	<13.5second	6.3	7.4	6.8
Rx levels	<102dBm	67dBm	73dBm	71dBm
Overall QoS score	80%	62.5%	50%	50%

Source: CA reports 2013/14 and Safaricom Sustainability Report, 2012

Throughout that year, CA was reluctant to renew Safaricom's operating license, which had expired, claiming that they had not satisfied the 80 per cent threshold of their QoS license obligation. Apart from requiring the mandatory spectrum frequency fee of Sh 2.3 billion, CA tied the renewal of Safaricom's license, to attaining the minimum quality standards. Safaricom disagreed, arguing that punitive measures would not make them achieve better QoS measures as this would divert resources that could have been applied towards network optimization. They reckoned that CA could adopt a more collaborative approach to allow the operators to be responsive to customer needs (Okuttah, 2015).

Safaricom argued that their QoS was below standard due to scarce spectrum and an enormous growth in their customer base. However, the firm indicated its readiness to improve its performance to ensure customer satisfaction (Kamau, 2014). Safaricom successfully acquired radio frequency and infrastructure of Yu mobile which provided more spectrums to help expand their network and hence improve its network quality (Kaibunga, 2014).

b) The Competition Authority of Kenya (CAK)

The Competition Authority of Kenya (CAK) plays a significant role to ensure that firms do not abuse their position as the dominant player and regulates the way mergers and acquisitions are conducted as pointed out by one of the senior managers:

> CAK protects other… firms in the industry from unfair business practices that will lead to unfair competition… This is the reason why we regulate how mergers and acquisitions in the cellular industry take place… We equally have to monitor carefully the rates that are charged by the firms to ensure the consumers are protected (Manager of Competition, Tariffs and Market Analysis, CAK).

The Competition Act governs various issues of fair competition across all industries and responds to complaints from various parties. For instance, Airtel filed a petition with the CAK condemning Safaricom for setting the cost of Mpesa mobile money transfer service to Airtel Money customers at twice the price charged on Safaricom-to-Safaricom customers. Airtel argued that Safaricom was abusing its dominance in terms of mobile subscribers and mobile money transfer services (Mutegi & Fayo, 2014). The Authority ruled that Airtel Kenya had legitimate claim that Safaricom must allow Mpesa agents to deal with the competitor's financial services. Safaricom argued that it made that decision based on the high cost of investment incurred in creating its agency network. The firm concluded that it would not be fair to be forced to accommodate its competitors in its agency network (Mutegi & Fayo, 2014).

In mid-2014 CAK ordered Safaricom to open up its Mpesa agent network to rival mobile money firms (Mwenesi, 2014; Nleya & Robb, 2014). This initiative will allow all competitors to enter into the mobile money transfer services market. CA and CAK also signed a memorandum of understanding with the International Finance Corporation, to reinforce their influence to investigate and enforce abuse of dominance in the cellular industry, and agree on the parameters to consider (Ochieng, 2015).

c) National Environment and Management Authority (NEMA)

National Environment and Management Authority (NEMA) ensures the natural resources and environment of Kenya are managed in a sustainable way. The Authority focuses on the following specific areas: Environmental Impact Assessments (EIAs), E-waste management and regulations on Energy management (Safaricom Sustainability Report, 2015).

NEMA provides approval of all the projects that are perceived to have some impact on the environment. The law gives the Authority power to grant or deny the right to proceed with a proposed project such as erecting Safaricom transmission stations in order to adhere to environmental requirements and avoid a threat to the ecosystem. NEMA is thus in a position to influence sustainable supply chain management decisions that the company makes.

Safaricom has collaborated with the National Environmental Management Authority (NEMA) by signing a Memorandum of Understanding (MoU) to help manage the environment in the country for the next two years. The MoU focuses on various sustainability issues including promoting sustainability and its reporting in the public sector, create awareness on climate change and promote awareness on telecommunications issues. Based on the MoU, NEMA and Safaricom employees have been trained on ElectroMagnetic Radiation (EMF) by an expert. This initiative will help NEMA and Safaricom staff to understand how to manage public concerns in this regard (Safaricom Sustainability Report, 2015).

4.6.3 Regulator Salience and Accountability by the Firm

The regulators are increasingly demanding accountability on all activities the firm engages in. There is a requirement of environmental friendly and safe products which indirectly benefits the society. For instance, the company uses third party verification like ISO 14001 to screen its major suppliers on safety compliance (Safaricom Sustainability Report, 2014).

The power of each regulator is defined by the relevant Act of Parliament that outlines what they are supposed to do. The power of the regulators is mainly concerned with the issue of compliance, as the explained below:

> … Our work as CA is not to control the activities and operations of Safaricom… we only ensure that the law is followed to the letter by all the mobile phone service providers. Our power is largely drawn from the law… (Assistant Director, Competition, Tariffs and Market Analysis, CA).

The power of the regulator was demonstrated when Elgon Place, a newly constructed multistorey building situated next to a Safaricom telecommunication transmission station was declared safe for habitation. Court of Appeal judges were supposed to relocate there but were apprehensive about their safety, stating that intense exposure to the telecommunication equipment, which releases radioactive emissions, could result in sickness or even death. The Chief Justice requested that the CA (then CCK) audit the premises to establish its suitability for use. The CA declared the building safe but the Radiation Protection Board (RPB) as well as Roniel Enterprises, an independent consultant, had reservations on the building's safety.

RPB is a State-funded agency charged with protecting the public from the harmful effects of ionizing radiation, and its qualified opinion suggested that there were gaps in the studies by CCK, NEMA and Roniel Enterprises. Moreover, RPB faulted the method employed in taking measurements. The board further stated that the globally accepted practice is a six-minute averaging time but the Roniel study used a two-minute averaging time, against the standards set by the International Commission on Non-Ionizing Radiation Protection (ICNIRP) (Herbling, 2013). In addition, the allocated frequency spectrum should be managed in a responsible manner that guarantees OSH. As a result the Court of Appeal judges declined to move to the building.

> … Frequency spectrum is a prerequisite to formally operate and provide the telecommunication services…The regulator routinely checks those who contravene this requirement and are operating illegal transmission frequencies. We have the authority to withdraw the frequency if we ascertain beyond reasonable doubt that the use of the frequency has been violated by the company (Manager Telecomms Licensing, CA).

The regulators simply expect Safaricom to operate according to provisions of the law. The law requires the firm to adhere to certain requirements within specific timeframes. The concerns raised by CA can be extremely urgent and could attract adverse consequences if not addressed immediately. These consequences include withdrawal of the license to operate, and imposing heavy fines. In most cases Safaricom has responded with an appropriate degree of urgency to avoid any conflict with the law.

There are three main reasons why Safaricom addresses CAs' concerns urgently. Firstly, the firm operates within the legal framework and needs to address any alleged illegal activities and warnings from the regulator. Secondly, Safaricom needs to comply with spectrum frequencies specified in their license to ensure uninterrupted operations and stable relationships with other industry players and stakeholders. Thirdly, Safaricom must avoid the possible consequences of non-compliance as the regulators have the power to withdraw a license to operate (in extreme cases).

Safaricom commands a sizable market share and practices good corporate citizenship which contributes to ensuring that all the regulator's concerns are addressed adequately to avoid such extreme scenarios. Fear of the negative impact on the firm's public image, customer service and revenues resulting from action (such as the potential withdrawal of frequencies by CA) induces Safaricom to address their concerns as a matter of urgency.

In the case of Mpesa, a mobile money transfer war has been waged on two fronts. As previously discussed, rivals have lobbied for Safaricom's agents' network to be opened to other players, and for the Mpesa platform to be opened up so that mobile users can choose any mobile network and not be forced to use a Safaricom line. In July 2014, Safaricom succumbed to pressure from CA and opened up its MPesa agents' network to rival operators. This move was seen as a big win for other operators who have previously accused Safaricom of dominance. Agents are now free to engage with anyone for mobile money services. The effect of this is an increasing number of agents co-hosting the Mpesa service with competing mobile money transfer services.

CAK has declared Safaricom a dominant operator on many occasions. Safaricom's competitor, Airtel, labelled them as such and, for a long time, has been pushing for Safaricom to be split and Mpesa to be a National platform so that subscribers can choose the network operator freely. Safaricom has objected saying it is being declared dominant in an arbitrary manner. Proposed regulations intend to make anyone who has significant market share dominant and proposes to automatically penalize them without having to demonstrate any abuse of dominance. Safaricom argues that controlling 50% market share alone is not enough reason to declare an operator dominant. Further, they state that this not only goes against international best practice but also against the Kenya's competition laws.

In July 2015, CAK, backed by the Ministry of Information and Communication, pushed through rules to declare any companies in telecommunication, broadcasting and postal business with more than 50% market share as dominant in terms of fair competition and tariff regulations. The ramification is that any firm that has been declared dominant will have to wait at least 45 days for regulatory approval of its tariff changes, while its competitors can vary their rates within a day (Mutegi & Fayo, 2014).

The regulator will have the power to direct a dominant player to change its business model, for instance, splitting its business into smaller independent units or setting floor prices. This means that Safaricom could be barred from reducing its prices unilaterally, which could affect its business and therefore disadvantage its stakeholders. Under the Statutory Instruments Act of 2013, regulators such as CA are required to seek approval from National Assembly's committee on delegated legislation before they enforce new rules, orders, regulations, directions and guidelines. Safaricom is expected to appeal this decision and has indicated that it is ready to make its submissions before the National Assembly. It also hinted at seeking a legal redress, arguing that Sections 23 and 24 of the Competition Act already deal with abuse through market dominance.

Regarding accountability for Safaricom's activities and whether it meets the sustainability threshold, CA's standards have been set clearly by the law, which has detailed explanations and guidelines on what firms in the telecommunications industry are supposed to do:

> The telecoms regulator… has set the boundaries within which… cellular firms are supposed to operate in terms of sustainability of their activities...The regulators cross check the activities carried out by the company with what is outlined by the law to ensure compliance (Assistant Director, CA, Competition, Tariffs and Market Analysis).

The telecoms regulator may demand a detailed explanation from the firm to ensure that the firm is held accountable for its activities, and exercises due diligence when carrying out its activities.

4.6.4 Regulator's Expectations of SSCM Practices and TBL as a Measure of sustainability

a) Communication Authority of Kenya (CA)

The telecomms regulator's expectations relate to three main areas. The first area relates to applicable tariffs. CA expects Safaricom to charge reasonable tariffs to avoid the problem of unfair competition in the industry. Safaricom may not violate existing regulations and must fall within the authorized rates, except during short promotion periods. Second, the regulator expects that the frequencies used meet international standards:

> We provide the frequencies but mobile phone service providers bear the responsibility of ensuring that the frequencies they use are not harmful to those who are exposed to them…Even though Safaricom has the sole responsibility of providing better services to its customers…It is expected that the rights of the customers are observed at all times by cellular firms… especially in terms of the frequency spectrum and tariffs that are charged by the firm (Manager Telecoms Licensing, CA).

The regulator inspects the frequency exposure levels of all telecommunication equipment to certify that it is fit for purpose according to the international standards. Safaricom is expected to make application to the regulator before the company concludes the purchase arrangements for equipment that it has not procured previously. The frequency spectrum management information needs to be provided to the regulator to ensure that the frequencies used do not exceed the allocated limits and are not harmful to the environment or to people living in these environments. CA also requires that Safaricom keeps all customer information confidential:

> The firm is not expected to reveal customer's information or details to any third party without any legal authority to do so… The regulator… expects customer information to be safe in the hands of the cellular company… any violation of this clause will attract punishment as provided for in the law (Director, Licensing at CA).

b) Competition Authority (CAK)

Safaricom is expected to provide information transparently concerning its tariffs and certain business practice, such as calling rates within the same network and across other networks, to assist the Competition Authority CAK to establish whether the company is involved in any practices that may lead to unfair competition. The Manager of Competition, Tariffs and Market Analysis at CA remarked:

> The regulator… [also] expects the cellular company to provide information regarding promotions and prices that are applicable during their promotions and the duration the promotion will take… it is mandatory to reveal such information to the authority before the company commences any promotion exercise.

c) National Environment Management Authority (NEMA)

The other regulator, NEMA, requires information relating to the impact of various activities carried out by the company on the environment and expects Safaricom to conduct a comprehensive Environmental Impact Assessment before proceeding with any activity that may have an impact on the environment. NEMA demands to know the measures the company has put in place to curb environmental damage that may have been caused by its activities. The regulator also expects the company to provide information concerning disposal of obsolete equipment in order to ensure that they do not end up polluting the environment.

The regulators also work together to ensure that Safaricom operates in a sustainable way, in a way that will not harm the environment. NEMA expects

Safaricom to carry out Environmental Impact Assessment before proceeding with any projects that are likely to interfere with the ecosystem:

> … Before Safaricom acquires any telecommunication equipment... approval must be sought from NEMA to ensure that such equipment meets the internationally acceptable environmental standards (Director Licensing, CA).

Different regulators thus have different expectations from Safaricom. Regulations on the registration of SIM cards require that all firms keep records of the customers registered in their networks. Table 4.17 summarises the expectations of the regulators as far as SCM practices are concerned.

Table 4.17: Regulator expectations

TBL dimensions	Expectations regarding SSCM practices
Economic	Charge reasonable tariffs that will not violate existing regulations on tariff setting Exposure of all the equipment that Safaricom uses for telecommunication purposes Provide information regarding promotions and prices that are applicable to the promotions
Social	Compliance with the law Ensure the use of frequencies that meet international standards on frequency exposure Carry out activities that do not cause harm to the society Observe customer rights, especially with regard to frequency spectrum and tariffs Keep mobile phone providers' customers' information confidential
Environmental	Carry out activities that do not cause harm to the environment

Source: Author's interview

4.6.5 Safaricom Influence and Control over Regulators

Focal firms need to co-operate with its supply chain partners and regulators (Fabbe-Costes et al. 2011). Safaricom has an obligation to abide by the laws of the land, as a sign of good corporate citizenship. CA has the power, legitimacy and urgency to hold Safaricom accountable by expecting and requiring the firm to justify its decisions and actions and therefore exercise control over its supply chain.

Control emanates from express or implied economic and non-economic influence that a firm has, regarding specific issues, business decisions, or outcomes. Control gives the focal firm authority to make decisions and thus exert pressure on suppliers or customers (Malon and Benton, 2010). For example, in 2010 CA then CCK required all mobile operators to implement number portability within a specified timeframe (Obura, 2010) in order to enhance competition between operators. Based on this requirement, Safaricom, and all other operators, exercised its high level of control on suppliers to ensure the service was rolled out in time.

In 2013, Safaricom switched off over 1.2million SIM cards that were unregistered in its network. The Minister for Information Communications and Technology then indicated that mobile companies would be penalized Ksh 300,000 ($3,000) for every unregistered active subscriber found in their respective network (Juma, 2013). The power of the regulator to penalize firms who didn't comply with this order put pressure on Safaricom to exercise control over its customers by disconnecting SIM cards that remained unregistered. In essence, Safaricom had control because it was able to effect conditions set by CA through actions that resulted in blocking of unregistered subscribers. In this case, control emanated from legal obligations and ethical conduct.

Additionally, CA has set Quality of Service goals which Safaricom endeavors to meet but sometimes lacks full control to ensure that its partners in the supply chain move with speed to meet the set goals. QoS improvement entails massive investments in projects that are largely dependent on company strategies (Safaricom Sustainability Report, 2015).

CA has established the Universal Service Fund (USF) which it is managing to help with network rollout and service delivery in rural and economically unattractive areas. This will have social benefits because it targets marginalized areas where companies do not prefer to invest due to lack of economic viability. The regulator has been collecting 0.5 percent of the annual gross revenue from Safaricom which has prompted the firm to start pushing to have representation on the Universal Service Advisory Council (USAC). To ensure compliance, regulator will peg annual spectrum renewal to contribution to the USF (Wanjiku, 2014).

The regulators' demands affect Safaricom's sourcing decisions. Currently, there are no laws in Kenya guiding e-waste management although Kenyan leaders are working on it (Chern, Lei & Huang, 2014). NEMA has however, set guidelines for e-waste management that has caused Safaricom to partner with Waste Electrical and Electronic Equipment company (WEEE) to collect, dismantle and export waste that cannot be handled locally. WEEE collects waste from different collection centres located in Safaricom retail shops, other government institutions and individual collectors. A Safaricom caravan goes around Nairobi estates and major town collecting e-waste which is in turn processed by WEEE. The increasing accountability demand on Safaricom regarding e-waste management seems to originate from the parent company, Vodafone. As a result, the company has been able to influence communities in cities and rural areas to surrender their e-waste that has reached end-of-life for recycling (Altai Consulting WEEE Recycling Study Report, 2014).

Safaricom employa incentives such as supplying branded items to encourage people to give up waste that they store in their homes (Mbuvi, 2013). In addition, 15,000 tons of used computers and mobile phones are shipped to Kenya every year, from the Western countries such as the United States (Director General, NEMA). This has made Safaricom to collaborate with NEMA and other supply chain partners to educate the public on the impact of improper disposal of e-waste (Corporate Affairs Director, Safaricom). Thus, Safaricom considers how regulators affects its actions and performance and thus adopt initiatives related to social and environmental expertise through supply chain configuration, and triple bottom line performance.

4.6.6 Regulator Exposure, SSCM Practices and TBL Measures

The regulators exercise high levels of control and demand accountability. Safaricom therefore has the highest level of exposure. The high level of control emanates from both economic and noneconomic influence. This is an outcome of the need for the regulators to influence the distribution of both frequency numbers and spectrum frequency. The regulators also charge a license fee for these resources. This set of stakeholders is considered critical by Safaricom. Regulators hold Safaricom accountable for its decisions through consultative meetings, gazetting key decisions, communication through emails and other channels as dictated by the Kenyan law.

The regulator considers Safaricom as having the ability to control outcomes by exerting pressure along supply chain activities and so they hold it accountable for any problems that may arise. This is because of its market share and leadership position which gives it the wherewithal to address and report environmental and social issues. In addition, growth of market share means Safaricom must operate within a regulated environment. In this case, stakeholder exposure is high and the company adopts SSCM measures to keep the regulator satisfied.

> The law gives us power to demand for full disclosure of information on... activities that are being carried out by the company… This must be done within the law and within the expected duration…[Y]ou need to understand that we have made known to Safaricom and other cellular companies their expectations on disclosure concerning the activities they are involved in… This is very important in ensuring that the company is aware beforehand of what is expected of it by the regulators even before engaging in any activity (Director licensing, CA).

When Safaricom was small, it had little control and conformed to norms and customs of industry. Its level of accountability was low and issues did not generate stakeholder pressure. At that time, there were no benefits from developing and deploying SSCM practices and reporting on performance (Senior Risk Manager, Safaricom).

With time, stakeholder exposure increased and the company started focusing on social and environmental issues, a move that was seen to have generated economic benefits. A noteworthy initiative was the launch of the first Annual Sustainability Report in 2012. For instance, in e-waste management regulations have been enacted which require cellular firms and other electronics companies to meet certain thresholds for e-waste collection and treatment. As a result, economic benefits have been realized from job opportunities created in e-waste collection, dismantling and recycling industries.

Stakeholder exposure means e-waste collection is managed in a structured manner and that no human rights abuse such child labor are witnessed. This addresses social issues through legislation on child labor. Child labor in Kenya is defined as work undertaken by children aged 5-16 years, which prevents them from attending school, and which is exploitative, hazardous, or inappropriate for their age.

> We are a law enforcement agency… Our work is to ensure that the law is followed to the letter by all the mobile phone service providers... We exist because there is a legislation that created them and the same legislation has given them guidelines on what is supposed to be done... The relationship therefore revolves around compliance with the law and its provisions by the company (Assistant Director, Compliance and Licensing, CA).

There are over 0.5 million Kenyan children who are engaged in child labor practices (Hagemann et al. 2006) as a result of poverty and need to supplement family income. A number of these children scavenge at dumpsites and become garbage collectors which they deliver to recyclers. These children are engaged in dismantling of e-waste at the collectors' sites, normally located in high population density areas. Stakeholder exposure has made Safaricom to take a more proactive role in management of e-waste. The company has partnered with Waste Electrical and Electronic Equipment, a recycling company where Safaricom has a lorry that moves around residential areas collecting e-waste garbage and consequently delivering it to the recycler (Mbuvi, 2013). This has consequently achieved job creation and reduction of child labor.

Due to stakeholder exposure, Safaricom has a greater degree of control based on its economic, non-economic influence and SSCM practices to mandate and direct meaningful change within the supply chain. Communication Authority exposure gives the firm sufficient control over the quality of its network and thus report on QoS performance metrics. It also mandates the company to do business in a responsible manner because of the risk of withdrawal of license. In this case, stakeholder exposure poses a big risk to Safaricom. It has mitigated this by embracing collaborative approach of building constructive, respectful and transparent relationships with the regulators to ensure no drastic actions affect its sustainability (Safaricom Sustainability Report, 2015).

Stakeholder exposure affects the link between SSCM practices and TBL measure (key performance indicators). It moderates the connection between

SSCM practices and TBL measures. There is evidence that stakeholder exposure strongly causes SSCM practices result to improved TBL measures. High stakeholder exposure has led to Safaricom adopting SSCM practices which in turn have led to improved performance in areas such as carbon footprint, energy and water consumption and supplier evaluation and monitoring (Safaricom Sustainability Report, 2015). Stakeholder exposure significantly affects the connection between SSCM practices and TBL measures of economic, social and environmental performance.

4.6.7 Regulators Management

Maintaining relationships with regulators has been and continues to be difficult because of the range of actions and strategies these stakeholders employ to influence the firm and the impact this can have on service delivery. Regulators by virtue of their salience attributes can actually or potentially affect or be affected by the achievement of Safaricom's outcomes. It still remains a challenge to determine when and how to engage with the regulators and to effectively manage these relationships to achieve results and derive benefits. Dealing effectively with the regulator is not quite easy because the regulator can employ a range of influencing strategies such as threatening to impose fines for non-compliance.

> …. As a firm we ensure that the regulator is notified of new products that are deployed and ensure necessary approvals are obtained… we continuously audit our network to ensure that all equipment are functioning normally within the allowed frequency band and no interference is caused as a result of our operation (Head of Radio Access Network, Safaricom).

Furthermore, the number of regulators who gets interested in the firm keeps increasing as the Company grows in size. Initially, Safaricom was regulated by CA and NEMA but as it matured the Competition Authority started to assert it control, as well as the Central Bank to regulate M-pesa.

Given the pressures being applied by the regulators on Safaricom and challenging environment, there is evidence of the focal firm employing collaborative approach in engagement with regulators. For instance, Safaricom holds regular meetings with the regulators gives advice on critical legislation issues (Safaricom Sustainability Report, 2014). Similar collaborative approaches are witnessed in its collaboration with NEMA to do proper e-waste management. Safaricom reports on a number of issues which makes regulators understand them better. Some of the areas reported are annual reports, sustainability (environment and social) reports, a set of integrated key performance indicators (i.e. ratio of total amount of waste generated to value generated), and social and environment performance. Through this reporting, Safaricom provides regulators with necessary information to assess the general performance of the firm and its sustainability.

Safaricom engages with regulators on various issues such as allocation of frequency spectrum, EIAs, energy management regulations and e-waste management (Safaricom Sustainability Report, 2015). There is increasing dependence on each other hence a convergence toward interdependence. A move to interdependence between regulators and Safaricom will result in benefits such as favorable terms and conditions of service, reduced business uncertainty, knowledge transfer and exchange, joint learning opportunities, and hence a greater chance to drive the sustainability agenda. Table 4.18 illustrates Safaricom's accountability to regulators as well as its control over the regulators. It also indicates Safaricom's exposure to regulators and the SSCM practices and TBL measures adopted by the company to mitigate exposure to regulators.

Table 4.18: Regulator Template (ST3)

<table>
<tr><th colspan="2">ACCOUNTABILITY TO REGULATORS</th><th colspan="2">Safaricom's CONTROL OVER REGULATORS</th></tr>
<tr>
<td>High Regulator Power

-The CA provides spectrum allocation and renewal

-CA granted of Mobile Virtual Network

Operators (MVNO) licences to the operators

+ High Regulator Legitimacy

- Safaricom succumbed to pressure from CA to allow other mobile users from any mobile network to use Mpesa platform and not be forced to use a Safaricom line

-NEMA carries out EIA to approve installation of Base Transceiver Stations

+ High Regulator urgency

-CAK engages with Safaricom to develop a framework to share infrastructure

-Spectrum and licenses are critical and time sensitive with strict deadlines = How Regulators hold Safaricom Accountable</td>
<td>Low Regulator Power

-In 2015, Safaricom was fined for not meeting eight Quality of Service (QoS) targets. The non-punitive penalty (Kshs 500,000 or US$5000) reflects the regulator's limited power

+ Low Regulator Legitimacy

-CA monitors abuse of market dominance and ensure fair play

-In 2014, Safaricom disagreed with CA's findings on the firm's QoS that showed a score of 50% instead of the required 80%.

+ Low Regulator urgency

-Politics frustrate the work of the regulator for instance; CA's powers to independently monitor dominant cellular players were stripped off through Kenyan parliament. = Why Regulators struggle to hold Safaricom Accountable</td>
<td>High Economic Influence over Regulators

-The firm remits the lion-s share of operator fees towards the CA's Universal Service Fund (USF)

-Safaricom is the country's largest tax payer to the Kenya Revenue Authority

-The firm has improved the network quality due to its economic muscles

+ Safaricom's Non-economic Influence over Regulators

-Engages independent consultant to verify QoS findings by CA

-The firm championing of environment through e-waste recyclingis acknowledged by NEMA

= How Safaricom Controls Regulators</td>
<td>Low Economic Influence over Regulators

-Safaricom not able to influence CA to extend the deadline for SIM card registration

Low Non-economic Influence over Regulators

-Safaricom failed to restrain CA from implementing Mobile Number Portability (MNP)

-CAK has limited influence over competition rules is

= How Safaricom Seeks to Influence Regulators</td>
</tr>
<tr><th colspan="4">SAFARICOM'S EXPOSURE TO REGULATORS</th></tr>
<tr><td colspan="4">-Safaricom must meet CA and CAK requirements for licences and sprectrum
- Penalties due to non-compliance and not meeting QoS targets.
-Market dominance if proven affects the firm's bottom-line due to fines and legal costs incurred
-Reduction in brand equity as a result of environmental damaged due to usage of obsolete cellular phones –NEMA, bad publicity
-Greenhouse Gas emission due to network expansion</td></tr>
<tr><th colspan="2">Safaricom's SSCM practices to mitigate Regulators Exposure</th><th colspan="2">Safaricom's TBL Measures for Regulators to ensure sustainability</th></tr>
<tr>
<td colspan="2">-Purchases telecommunication equipment whose frequency exposure levels are not harmful to the environment
-Conducts a comprehensive Environmental Impact Assessment before installation of installation of Base Transceiver Stations
-Continuously tracks and monitors QoS
- Provides information transparently to CAK concerning its tariffs
-Keeps all customer information confidential
-e-waste recycling
-Carbon footprint and greenhouse gas emissions management programme
- Provides information to NEMA concerning disposal of obsolete equipment</td>
<td colspan="2">- QoS KPIs targets
-Amount of greenhouse gas emission
-Number of legal actions lodged for non-compliance
Number of legal actions lodged for anti-competitive behaviour
Number of fines for non-compliance
Cost of fines for non-compliance</td>
</tr>
</table>

Source: Author's interview

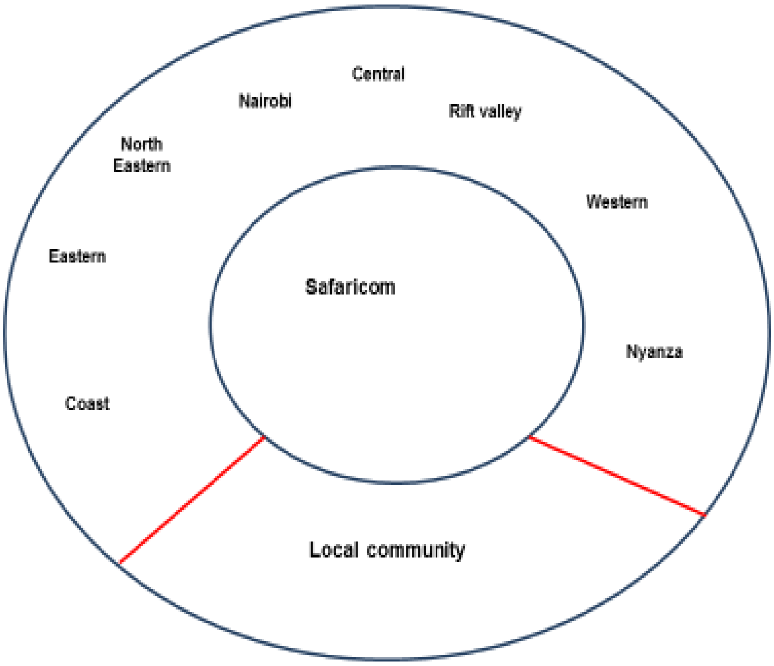
4.7 Community where Safaricom Operates

Safaricom engages with communities through meetings when initiating projects, as part of the public participation process during the EIAs (Safaricom Sustainability Report, 2015). The firm involves communities, especially, when it requires space to build facilities and install communication towers. For instance, the firm has 2167 sites on grid power supply, 235 on diesel generator power and 83 on Remote Power Solutions (RPS). This means that there are 3.34% of green power sites (Ponde, 2011).

A community provides a conducive environment that helps the firm to deliver a service and thereby create value for other stakeholders. In turn communities benefit from the firm's tax and social contributions. Some of social contributions provided by Safaricom include construction of schools, for instance, M-pesa Academy that provide scholarships to bright and needy students and construction of dams to supply water to communities. For example, Safaricom Foundation, in collaboration with Action Aid Kenya (AAIK) partnered with Ngogithi community in central to support them in improving their water system and reduce water losses by channeling furrow water into a pipeline (Safaricom Foundation Strategy, 2014-2017).

Safaricom adopts initiatives such as the installation of super silent diesel generators to minimize noise to the community, the replacement of refrigerant gas R22 with refrigerant gases with lower emissions, increased ewaste management programs targeting all regions in Kenya and awareness creation on ElectroMagnetic Frequency (EMF) concerns where towers are erected (Safaricom Sustainability Report, 2014). Safaricom segments its community broadly into eight groups whose needs are diverse but with similar roles. This relationship is shown in figure 4.4.

Figure 4.4: Local Segmentation of Safaricom Communities



Source: Author's interview

Safaricom segments the local community into eight regions (see figure 4.5). For the study interviewees were selected from communities in five different regions, namely, North Eastern, Nairobi, Central, Rift Valley and Western Kenya (see Table 4.18). Respondents were selected to cover varying community interests and Safaricom's role in that particular community. The researcher visited communities where Safaricom installed towers and where it initiated CSR initiatives. Views were solicited from Members of County Assembly, the local chief, Deputy County Commissioner and activists.

Table 4.19: Selected Community Interventions

Safaricom intervention	Interviewee's position	Region/ County	Community profile	Community economic position
A. Gather information on weather patterns to broadcast via sms to farmers to assist decision-making on planting and harvesting.	Local chief	Rift Valley, Kajiado County	Area coverage 21,292.7km^2 with wealth/poverty level of 11.6%. Characterized with scarcity of water	Considered to be the richest County in the country. Dependent on farming and livestock as economic activity.
B. CSR - Maji na uhai Water project	Deputy County Commissioner	North Eastern, Samburu County	Pastoralist majority of citizens are uneducated - Sparsely populated community	Poorly developed Dependent on livestock as economic activity
C. CSR - Construction of schools Scholarships	Member of County Assembly	Western	Majority of the people are knowledgeable Densely populated community	Moderately developed Dependent on agriculture as economic activity
D. CSR - Construction of school for needy students called Mpesa Academy.	Activist	Central	Area coverage 13,191 km^2 and is located to north of Nairobi and west of Mount Kenya.	Dependent on agriculture as a source of income.
E. Telecommunication infrastructure to roll out education and health software solutions.	Member of County Assembly	Nairobi	Area coverage 694.9km^2 Capital city with majority of the people informed. Literacy level is very high.	Wealth/poverty level of 22.0 %. Majority of the population depends on employment as a source of income.

Source: Author's interview, Schneider, 2015; Mukunga, 2015; Safaricom Sustainability Report, 2014

Safaricom's social impact is felt across rural communities in Kenya. These communities who are largely poor are peasant farmers and farm laborers lack access to information such as prices, available markets and weather patterns. The outcome of this deficiency is exploitation by the middlemen who take advantage of the lack of transparency in the market. In addition, the farmers are unable to access markets and often depend on local markets or middlemen who buy their produce at throwaway prices. Furthermore, these farmers have challenges in accessing affordable farm inputs which hinders their yield (Solon, 2013).

Safaricom has come up with several interventions targeting local communities in seeking to add value by information dissemination. For example, Safaricom, in partnership with Syngenta Foundation for Sustainable Agriculture and UAP Insurance have initiated a mobile application (Kilimo Salama which means “safe agriculture”) to procure “pay as you plant” insurance to cover farmers against adverse weather conditions. The application also disseminates information on the farmer’s policies and payouts through Safaricom’s cloud in form of SMS messages (Schneider, 2015). In addition, Safaricom has partnered with ActionAid to initiate the ‘Maji na Uhai’ project in Kanini Kaseo community to improve food production and food security (ActionAid Report, 2013). A second mobile application called iCow helps dairy farmers track each cow’s gestation period, monitor the type of feeds and feed schedules, and keep their veterinary doctor’s contacts as well as the market value of cows (Schneider, 2015).

By leveraging its technology platform, the company has worked with organizations such M-farm to provide information to farmers. M-farm empowers small holder farmers to access up to date market information on prices via a mobile app. It also connects these prospective farmers to buyers without going through a middle person thus enabling them to save on cost. The farmers also have challenge with storage facilities and buyers interested in their produce hop from one farm to another thereby denying them access to market opportunities. By teaming up together, the small farmers can have visibility in the market place which offers a host of benefits (Solon, 2013).

The third application called “Sema Doc” enables patients to consult with medical practitioners without having to visiting a hospital. Using this application, a patient can receive prescriptions via text message. In addition, this application provides free daily healthy living tips to keep track on one’s health and fitness (Mukunga, 2015).

Finally, the Safaricom Foundation’s educational programs target needy students. The “MPesa” Academy has classrooms, accommodation blocks and a conference facility. The Academy has a farm where students can grow food (Safaricom Sustainability Report, 2014).

In the places where Safaricom sets up its infrastructure and operations it is obliged to continuously engage with the community in matters affecting them. For example, local communities are consulted when Safaricom investigates proposed designs and conducts environmental impact studies during these investigations. This is part of the Environmental Impact Assessment (EIA) process prescribed by NEMA as well as instituting mitigation measures. The firm improves the environment around their sites. It sets up schools, installs motion lights to improve security and offers free phone-charging booths. For example, Safaricom, through its Foundation has built a secondary school in Thika, Central Kenya dubbed M-pesa Academy that targets bright and needy students from all over the country.

4.7.1 Community interest in Safaricom

Safaricom champions community interest from project inception, project implementation and project maintenance. This process was not developed arbitrarily but is a result of lessons learnt in their dealings with communities. A case in point occurred in 2011 when the local Maasai community in Maparasha Hill refused Safaricom access to their towers, arguing that the company owed them Ksh400, 000. This, they argued, were accrued earnings from their goodwill, hospitality and security accorded to Safaricom people and premises. Land in this part of Kenya is communally owned and whoever carries out activities is required to engage the community. As a result of the standoff, the site could not be accessed for eight days until the firm acceded to their demands, as explained by

> ... [T]hey have to recognize our existence… they must pass through us … they must pay what we agreed… or else we shoot them with our bows and arrows if they go against our demands (Local elder, Kajiado County).

To guarantee that Safaricom’s interests are secured, they entered into MOU to support the community. Since then, Safaricom has cultivated good relationships with the locals who have guaranteed that routine maintenance visits are not hindered.

The launching of the third phase of World of a Difference in July 2012 by Safaricom Foundation was partly informed by these experiences and the need to empower communities where Safaricom does its business. Former Safaricom Foundation Chairman, Les Baillie said:

> … [T]he scheme was voluntary and it was targeted to change the lives of Kenyans and the volunteers…This program provides individuals who are passionate and committed to working with local organizations to volunteer to work in community programmes of their choice… contributing their knowledge, skills and expertise in the implementation of the organization projects (Gichane, 2012).

The same sentiments were echoed by Safaricom CEO Collymore who said:

> … The initiative is more than just writing a cheque or donating a shilling… rather it's about asking what one can do as an individual to make a difference using their skills and talents… The foundation work is about what we can do to give more back to the community and we benefit from it because our staff comes back more developed by having worked in more challenging environments and they gain a better understanding of some of the challenges the communities face... It enhances knowledge and skills in community-based service through first hand experience and helping partner organizations implement life-changing programmes (Gichane, 2012).

The community is looking up to Safaricom for empowerment through opportunity creation. The community is deeply interested in their environment that when all is said and done they leave a safe and secure place for their children.

4.7.2 Role of Community and its importance to Safaricom

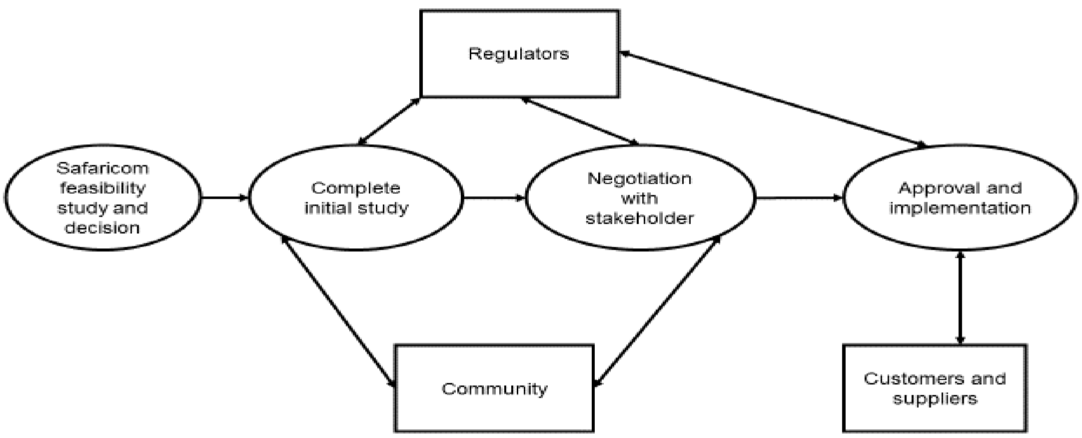
The discussion below focuses on community engagement in installing Base Transceiver Stations (BTS) in communities as well as selected CSR projects. A community provides "social license" or goodwill for Safaricom to operate and carry out its activities such as the construction of BTS in return for financial gains. However, community feels that they are not compensated fairly. For example,

> Our people have been playing a vital role in Safaricom's success… These efforts require commensurate compensation, for example, those who have previously offered the land to Safaricom for infrastructural development are not compensated accordingly… [Y]ou know, our people are voiceless because of the escalating poverty levels (Member of County Assembly, Kajiado County Government).

Safaricom engages with the community right from the inception of the programs that affect and involve them, and continues to encourage participation as appropriate throughout the program's lifecycle. The firm engages communities through public participation (Safaricom Sustainability Report, 2014).

This makes the company more cognizant of the people that could lose business or whose livelihoods may be affected as a result of the programs. The communities continue to inform and guide them and ask for reciprocity where necessary to uplift communities. This engagement has helped to offset any potentially negative outcry or backlash that might derail their programs. An overview of a typical tower installation is presented in Figure 4.5 and discussed below.

Figure 4.5: Initializing towers



Source: Author's interviews

a) Design of a tower

Before installation of a tower in a particular community, Safaricom conducts a feasibility study to determine the need, based on the benefits derived by both the firm and the community, and the costs involved, including the purchase of land and equipment. After the completion of the initial feasibility study, Safaricom negotiates with the community for compensation for their land where BTS would be installed. The regulators are also involved in the negotiation regarding health and safety measures to be put in place by Safaricom to safeguard customers and the community.

When NEMA and CA are satisfied that Safaricom has met all the requirements, approval and implementation of the installation is granted. Before design and installation of a tower, the marketing team of Safaricom proposes a site based on customer demand requirements of good coverage. The site location coordinates are established. In arriving at the nature and design of a tower, a number of issues are looked at. The site could fall on a green-field site that has no physical structures or on rooftop where there are already existing physical structures. When constructing the site on green-field or rooftop the target traffic is established based on the surrounding population. It is also necessary to consider installation of indoor sites to target occupants inside buildings like shopping malls, hospitals, organizations and hotels.

b) Site acquisition and Permitting

The example of Kisii community installation is used as an illustration in the discussion below. The case highlights a number of environmental issues that Safaricom needs to consider such as radio frequency safety, product safety and assurance and green site is as close as possible to mains electric energy supply from Kenya Power to reduce reliance on diesel and thereby minimize carbon emission.

Space available, location: To reduce the environmental intrusion of its telecommunications masts, Safaricom assesses the suitability of tower construction by considering location, design and appearance. In finding the best solution for an individual site, environmental considerations are taken into account. Therefore, the design of the development should be sympathetic to the surrounding area, so as to minimize the impact on the environment. Proliferation of multiple masts and sites in one area is normally resisted if it is considered to harm the visual amenities of the locality.

An application to the county government is made to evaluate if the need to fill in the deficiency in a network outweighs any harm to the landscape or the environment. Protection from visual intrusion like blocking existing structures will be an important consideration in evaluating proposals for tower development. This means large numbers of antennae and support structures on a building are not encouraged. Although a large number of antennas provide an efficient engineering solution, such development can have a cluttering effect and could potentially harm the visual qualities of the skyline/townscape. To mitigate negative effects of visibility, Safaricom installs wall mounted camouflaged antenna or antenna hidden in appropriate architectural forms such as chimneys and towers. In addition, antennas are positioned beside roof structures such as lift housings, thereby helping to limit any harm to the visual amenities.

The sensitivity of the location of the proposal site for the telecommunications mast is also a material consideration. Flat topography requires more ground-based aerial masts than in areas with a more varied terrain.

In other instances mast or site Sharing becomes necessary. In this case, the Council expects Safaricom, and the other operators, to provide certification that the combined output from the site and the output of equipment used by other operators comply with International Commission on Non-Ionising Ration Protection (ICNIRP) and EMF exposure guidelines.

Technical aspects: Soil investigations are also carried out to determine the type of foundation to be constructed. Foundation design is done on the basis of soil parameters and the forces generated by the tower on the foundation

Installation Power plans: Safaricom aims to create energy efficient site solutions. For remote sites, where the electricity grid is unavailable or unreliable, local power solutions are needed, and solar, biofuel, wind and other alternative energy sources are employed because they are both economically as well as technically feasible alternatives. Tapping into alternative energy sources is sustainable way to manage costs of expanding into remote areas which keep escalating to cover road and infrastructure development, fuel transport and security. Safaricom has well-established and commercially operational green site solutions in a number of regions, including solar, biofuel, fuels cells, and battery and diesel hybrid sites commonly known as power cubes.

c) Safety regulations

OSH regulations need to be observed when working at heights. Safaricom would assess, manage and where possible eliminate the risks associated with work at height. The site was designed and constructed with suitable fall prevention measures like fall arrests system, guard rails and restraint points. Radio frequency safety is also implemented on site. Product Safety and Assurance is implemented by the Supplier before the commencement of civil works. Prior to conducting any excavations, ground conditions are assessed and steps taken to prevent incidents for instance, collapse, flooding, and contamination. When tower construction is finished and upon inspection, the site is accepted.

4.7.3 Community Salience and Accountability of the Firm

The community is instrumental in providing services required in project implementation such community water projects, under Safaricom's "Maji na Uhai" program. This is an initiative where Safaricom, through its Foundation has partnered with Kenya Red Cross (KRCS) and Action Aid International based in Kenya to fund community water projects in arid and semi-arid areas such as Makueni, Katalwa and Samburu. An example below describes this:

> ... The community provides the much-needed services required to roll out the Safaricom [CSR] programs and … expertise and capabilities form an important aspect of their project execution. Without our input… Safaricom cannot effectively execute its water projects in our jurisdictions. This power has often been recognized, utilized and has therefore had significant impact on Safaricom activities (Deputy County Commissioner, Samburu County).

The community dedicates their time and resources to assist whenever they are needed to help implement CSR projects:

> Safaricom has been engaging this community on matters of environmental and wildlife conservation… right now, if you try to kill even one of those wild animals, we will take action against you… Safaricom, through its foundation…conserves the environment and wildlife through participatory conservation accomplishments, community education and sustainable conservancy of natural resources… (Local chief from Kajiado County).

The community and their local representatives also help to ensure that Safaricom installations are secure:

> …We support Safaricom projects, secure its installations and report any cases of vandalism of its assets, for example, BTS, fibre optic cables and Safaricom shops … we contribute knowledge, labour, insight and support in shaping a project brief as well as supporting its execution. The community is brought in to the fold to engage with the firm at the inception stage of any program that is launched by Safaricom. This aspect together with reciprocity accords… community some legitimacy *viz-a-viz* the firm (Member of County Assembly, Nairobi County).

Safaricom does not necessarily address all community issues urgently but does address some to avoid disruption to their operations. This ensures that Safaricom's business operates in a supportive environment, and builds long-term relationships where trust is achieved.

> …Communities generally don't have urgent claims or power to press their claims. To a larger extent, they are beneficiary of corporate philanthropy arising mainly from their only attribute of legitimacy. Legitimacy is due to indebtedness of Safaricom by virtue of carrying out its activities among communities uninterrupted (Senior Sustainability Manager, Safaricom).

From a community perspective, people, environment and profit are all part of Safaricom's community social responsibility obligations, as summed

> … We require fair and beneficial business practices toward labour and the community in which Safaricom conducts its business... Sustainable environmental practices means Safaricom endeavours to benefit the natural

order as much as possible… or to at the least minimize harm (Local elder, Kajiado County Government).

The community uses their legitimacy to influence Safaricom's decisions through exerting moral suasion over project development or change initiatives. With limited power and urgency, there is no real pressure on Safaricom management to engage communities in an active relationship. However, Safaricom chooses to engage and support communities on the basis of TBL measures in which case its performance not only meets the financial bottom line but also its environmental and social responsibilities (Safaricom Sustainability Report, 2014).

Safaricom addresses community concerns based on two aspects, namely, time sensitivity and criticality. Time sensitive issues, such as of e-waste management are addressed urgently and critical issues that are an operational or health hazard are regarded high priority that are addressed in a timely fashion. For instance, the firm's e-waste collection and disposal programme is carried out periodically and in a timely fashion. Community concerns are addressed by Safaricom for two reasons: firstly, due to their positional power, the community may terminate, derail or impede a project. Secondly, Safaricom often requires the community cooperation and support to access their projects.

The following aspects were found to be the sources of community time sensitivity claim: Environmental conservation, OSH and Community Empowerment projects. Sometimes the community influences Safaricom indirectly but doesn't necessarily put pressure on Safaricom to demand specific claims. However, Safaricom, through its corporate social responsibility initiatives has in the past collaborated with other organizations to drive community initiatives. For example, in 2011, together with Kenya Red Cross it spearheaded the *Kenyans for Kenya* campaign to help relieve hunger in northern Kenya. The group was able to collect over Ksh 500 million towards relief for 3 million Kenyans faced by starvation (Kenya Red Cross, 2011).

4.7.4 Community Influence and Control by the Firm

Safaricom has power over communities to the extent that it has or can have the ability to impose its will in the community-firm relationship. Communities typically possess only one stakeholder attribute and are therefore not particularly salient to management. To influence Safaricom, this one attribute need to be combined with at least one other attribute, in order to alter the relationship and increase the salience perceived by the company's managers. For example, the neighbors to Safaricom tower may have a serious claim from the side effects of continuous exposure to electromagnetic waves, but are not necessarily aware of the time sensitivity and criticality of the issue. Safaricom has an onerous responsibility to furnish information through various avenues and portals which are likely to sway the perception communities have on electromagnetic radiation (Safaricom Sustainability Report, 2015).

Community influence and control depends on resources deployed by the firm to addressing legitimate claims and supporting CSR activities. Safaricom being at the centre of a nexus of contracts between stakeholders and managers, its managers have the responsibility to reconcile divergent interests by making strategic decisions and allocating strategic resources in a manner that is most consistent with the claims of all stakeholder groups. This is because it is the company's managers to determine which stakeholders are salient to receive management attention and which ones are not. Therefore, managerial behavior moderates the relationship with the community and controls its future. This is due to the reality there is no obligation to engage communities who have legitimate interests, but may have limited power to influence the firm and its decisions. Therefore, the community typically exerts limited pressure on Safaricom managers to engage them in an active relationship. However, due to external pressure from other stakeholders, Safaricom has decided to undertake various activities that benefit the community.

4.7.5 Managing Community Expectations - SSCM Practices and TBL Measures

The relationship between Safaricom and the community extends beyond exploitation and reciprocity to incorporate an element of mutuality. Communities respond whenever they are called upon by attending Safaricom road shows because the firm has invested in the communities. This offers a win-win situation. The community engages with Safaricom on local employment, Health and Safety, sustainable construction, standoffs and petitioning to demonstrate time-bound priority to influence Safaricom's decisions, as suggested below:

> … Safaricom's supply chain activities meet community value addition expectations… through various initiatives to support our community, for instance, building schools, constructing local health centres, and promoting sports and culture, for example, Safaricom Lewa Marathon… The Safaricom Foundation allows individuals to showcase their talent and skill to strengthen community programmes in Kenya (Local chief, Kajiado County Government).

Safaricom has also partnered with Africa Cancer Foundation (ACF) and Hope For Orphan's Rescue Centre (HOREC), a home for HIV/AIDS Orphans and vulnerable children to help uplift the vulnerable groups. It also assists the needy students to access to education.

When acquiring land, Safaricom ensures that the rights of individuals are not violated. The firm operates to ensure the rights of indigenous people and their cultural heritage are respected and upheld (Safaricom Sustainability Report, 2015). In the case of waste management:

> The community… expects Safaricom to avoid or minimize adverse effects on the environment, hold consultations as an ongoing relationship strengthening with the affected communities… which should be culturally appropriate; sharing development benefits, impacts on traditional or customary lands avoids relocation of indigenous people… The community also asks the firm to inform surrounding communities of potential hazards associated with operations and collaborate with the community and local government agencies in preparing to respond effectively to emergency situations (Member of Parliament, Narok North Constituency).

The aspects of environmental safety that the community expects Safaricom to deal with, *viz-a-viz* its supply chain management practices include Safaricom's focus on built environment. This constitutes a safe working environment for injury prevention, worksite hazard prevention and control, health surveillance to assess impact of company operations, public health standards upheld to prevent hazards, safety and health training and sound environmental, health and safety policies.

The community is concerned with issues such as environmental and natural resource sustainability, community exposure to disease, pollution and proper waste disposal methods, hazardous material safety, for instance, from microwave equipment, land acquisition and settlement. The community also expects Safaricom to initiate poverty reduction strategies to improve their living standards and enhance cultural heritage. For instance, Safaricom has built Vihiga Educational Assessment Resource Centre (EARC) through its foundation. The centre has been instrumental in improving the living standards of children with disability such as mentally retarded cases as stated below:

> … Both children and parents are now able to get access to drugs and treatment curtesy of Safaricom… a fact that has improved the living standards of the people here… (County Commissioner, Vihiga County).

The firm has also constructed a dormitory for Asilong primary school in Pokot County in conjunction with Constituency Development Fund (CDF). The conducive environment created by Safaricom has boosted learning of boys in this community, especially, when their pastoralist families migrate to other areas in search of grass for their animals as explained:

> … The number of school dropouts in this community has greatly reduced… the boarding school that was constructed by Safaricom saved our young boys who could have otherwise become pastoralists… you know… this is a nomadic community…(Local leader, Kacheliba location).

Safaricom focuses on the measures geared towards improving the environment.

> The community… anticipates Safaricom to engage in the recycling and reuse of materials rather than using virgin materials in the provision of services. The community expects the company to explore ways through which reuse and recycling can be enhanced since this will assist in environmental conservation efforts… we expect Safaricom … to use more environmental friendly packaging materials and minimize the use of polythene packages… that do not easily decompose once they are dumped by the end users. The community expects the firm to use materials that can easily decompose safely within a short

> duration and with no effect on the environment (Member of County Assembly, Kajiado County Government).

The community expects Safaricom to come up with a reverse logistics plan to assist consumers in disposing off electronic items originally sold by the company that have outlived their usefulness. The community is aware of various electronic products offered for sale by the company but no plan yet is available for their proper disposal once they outlive their useful life. Improper disposal of these items is an environmental hazard and the company needs to address it as one of the community concerns.

Notwithstanding, all the above expectations, the community does not have the ability to put pressure on Safaricom to address these concerns with the urgency they feel they deserve. However, they rely on the fact that the firm has to embrace better supply chain management practices and hence it ought to be sensitive to the concerns of the community in which it operates.

4.7.6 Managing Community exposure, SSCM Practices and TBL measures

Communities are external stakeholders to Safaricom. They are Marginal stakeholders in the sense that they are neither highly threatening nor especially cooperative. As external stakeholders, they are generally not concerned about most issues in the company. However, social and environmental issues such as safety, pollution and fairness could trigger their move for cooperation or threat (Savage et al. 1991).

Safaricom uses monitoring as a strategy to help in managing the community stakeholder because their potential for both threat and cooperation is low. By so doing the company targets their resources on activities that are of interest to community and on issues that are likely to be salient. For instance, the firm undertakes public relations advertising to highlight its various corporate social responsibility activities. The Safaricom Foundation is involved in charity activities and other drives like the Kenya for Kenyans initiative to fundraise for marginalized communities (Kenya Red Cross, 2011). The foundation has also pioneered the construction of the Mpesa academy school for the disadvantaged and needy students (Herbling, 2016).

In addition, to empower and manage local communities, Safaricom strategically sources 84% of its supplies locally. Local companies are locally bred and thus provide employment opportunities to local workers. The company also sponsors various sporting activities, such as the Safaricom Sevens Rugby team, donates to NGOs and local governments for provision of health and education. Furthermore the Company is helping to promote and preserve Kenyan culture and art; safeguard the country's natural heritage like the Lewa wildlife conservancy and champion operations in a safe and environmentally friendly manner (Safaricom Sustainability Report, 2015).

> Safaricom has been engaging this community on matters of environmental and wildlife conservation… right now, if you try to kill even one of those wild animals, we will take action against you… Safaricom, through its foundation…conserves the environment and wildlife through participatory conservation accomplishments, community education and sustainable conservancy of natural resources (Local Chief, Kajiado County).

Safaricom is also committed to issues of social justice, human rights, labour, environment and anti-corruption. For example, the firm has been involved in the preparation of the Kenya Private Sector Alliance anti-bribery bill which mandates private sector companies to adhere to an ethical code of conduct when doing business with the government (Muriithi, 2015). Therefore, by monitoring the emerging issues in and around the communities, the firm through analysis is able to identify gaps and opportunities presented. Adequate mechanisms to respond to issues have helped to combat other social ills like Gender based violence and children rights violations (Safaricom Sustainability Report, 2015).

By involving the community in decisions affecting them, positively impacts on supply chain activities and influences the TBL measures. For instance, a local chief said,

> … [B]efore Safaricom initiates new projects, it involves the local community and compensates the local people affected… it engages us on the type [of social responsibility] projects we prefer Safaricom to implement in this community… The type of supply chain practices adopted by Safaricom in a

community has an effect on the number and type of projects implemented in those communities.

Due to little awareness and limited technical knowledge, most community interviewees were apprehensive about their social and environmental concerns such as environmental and natural resource sustainability, community exposure to disease, ElectroMagnetic Compatibility (EMC) and proper waste disposal methods, hazardous material safety, for instance, from microwave equipment and land acquisition.

Safaricom is willing to share information to the community since the company intends to avoid negative publicity that may hurt its image and overall business performance. To safeguard against any extreme or undesirable reactions against it from the community, the company keeps the community informed of its SSCM practices and the TBL measures through annual sustainability reports. These reports are meant to inform about SSCM practices and TBL measures being implemented and how they are likely to benefit the society at large.

Table 4.20 illustrates Safaricom's accountability to community as well as its control over them. It also indicates Safaricom's exposure to community and the SSCM practices and TBL measures adopted by the company to mitigate exposure to community.

Table 4.20: Community Template (ST4)

Accountability To Community		Safaricom's Control Over Community	
High Community Power - - Appeal Court judges put pressure on Safaricom to address their personal concerns about electromagnetic radiation from Elgon building in Nairobi - Standoff with the Maasai community when erecting and maintaining towers **+ High Community Legitimacy** - Makueni community provides expertise and capabilities for Safaricom to roll out CSR programs in its jurisdiction - Conserves the environment and wildlife through participatory conservation projects, community education and sustainable conservancy of natural resources **+ High Community urgency** -Community petitions, standoffs and engages with Safaricom on local employment, Health and Safety, to demonstrate time-bound priority to influence Safaricom's decisions **= *How Community hold Safaricom Accountable***	**Low Community Power** -- Community supports Safaricom projects, secure its installations and reports cases of vandalism BTS, fibre optic cables and Safaricom shops **+ Low Community Legitimacy** -No contracts are maintained with community **+ Low Community urgency** -Safaricom has discretion over most infrastructure extension decisions that affect communities. **= *Why Community struggle to hold Safaricom Accountable***	**Strong Economic Influence over Community** -Financial power is used to improve the lives of people and influence them positively. **+ Non-economic Influence over Community** -Safaricom initiated projects to (a) construct boreholes in arid and semi-arid areas, (b) establish a national academy in Kiambu County -Safaricom encourages communities to be environmentally conscious through (a) "the think green initiative" dustbins and (b) the disposal of e-waste in designated centres. **= *How Safaricom Controls Community***	**Weak Economic Influence over Community** -Communities are diverse, so is difficult to reach every corner of the country. **+ Low Non-economic Influence over Community** - In remote areas there is no access to media, internet, communication and transport so it is difficult to communicate their agenda **= *How Safaricom Seeks to Influence Community***

SAFARICOM'S EXPOSURE TO COMMUNITY
- Withholding approval to construct new infrastructure -Social ills and poverty among communities' limits business opportunities and affects the firm's bottom-line. - Reduction of the firm's brand equity and image due to bad publicity - Vandalism of Safaricom's assets such as BTS, fibre optic cables and Safaricom shops

SAFARICOM'S SSCM PRACTICES TO MITIGATE COMMUNITY EXPOSURE	SAFARICOM'S TBL MEASURES FOR COMMUNITY TO ENSURE SUSTAINABILITY
- Installation of water sensors -Innovation in Power cubes and solar energy	-Energy consumed due to operations -Amount of water consumed -Amount of greenhouse gas emissions

Source: Author's interview

4.8 Chapter summary

Safaricom, like many other organisations have different stakeholders with different interests and varying levels of salience. The levels of accountability by the firm to its stakeholders regarding its supply chain decisions and actions also differ. In this study, for instance, the regulators and customers are more salient than suppliers and community and hence they have the highest propensity to hold safaricom accountable for its supply chain decisions. On the other hand, the firm has different levels of control to its stakeholders. Overall, Safaricom has more control over the suppliers and customers than the regulators and community stakeholder group. This is due to its economic and non-economic influence.

Proper stakeholder prioritization and their management can result in outcomes that can lead to better supply chain decisions and hence improved firm value and increased profitability. Examples of outcomes are saving in energy saving and water consumption, reduced carbon footprint emission, efficiency in communication that guarantees predictability of any change in the external environment, higher percentages of successful innovative products and services and improved corporate image due to improved relationships and trust.

CHAPTER FIVE: CROSS-CASE COMPARISON

5.1: Introduction

Safaricom and the four sub-cases in the preceding section were separately described. This resulted in a database based on the study objectives which was subsequently used as the empirical evidence for both within case and cross-case analysis phase. Various matrices and pattern matching methods were applied in this stage which made it possible to draw valid and meaningful conclusions as well as bringing out the emerging theory (Yin, 1994; Miles, Huberman & Saldana, 2014).

The analysis across the cases is based on the conceptual framework formulated earlier in chapter 2 and reproduced as figure 5.1. The four sub-cases were separately discussed first by focusing on the topical themes such as, accountability of Safaricom to the stakeholders that was largely influenced by stakeholder Power, legitimacy & urgency and Safaricom's Control of stakeholders that was determined by the Economic and Non-economic interest. Safaricom's stakeholder exposure, Safaricom's Management of its stakeholder Exposure through SSCM and TBL Measures Alignment and misalignment of stakeholder exposure with SSCM practices and TBL measures were also discussed.

Figure 5.1 Conceptual model

5.2 Safaricom's Stakeholder Exposure

Safaricom management responds differently to different stakeholders depending on (a) stakeholder ability to hold Safaricom accountable and (b) the degree of control Safaricom exerts over each of the stakeholder group. The level of salience by the stakeholders and degree of control by the firm are the determinants of stakeholder exposure. Whereas stakeholder salience depends on the level of power, legitimacy and urgency of a specific stakeholder, Safaricom's control over stakeholders is determined by the economic and non-economic influence possessed by the firm.

Focal firm's control over stakeholders is evidence that the stakeholder attributes have been properly identified and used to prioritize stakeholders to either minimize stakeholder exposure or avoid potential problems.

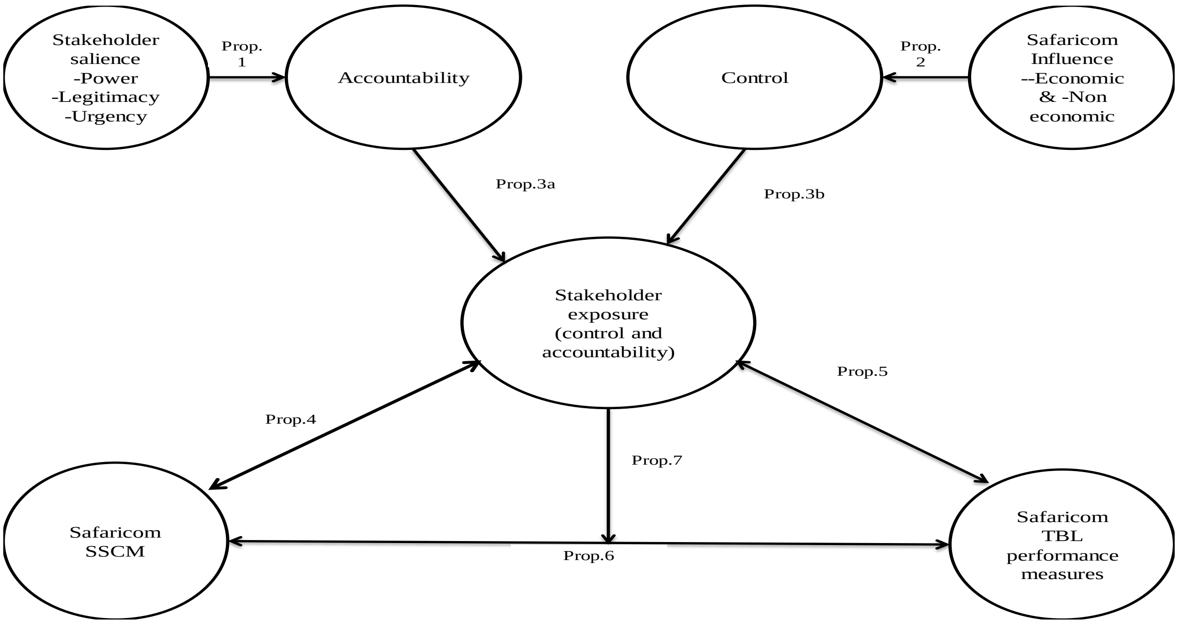
5.2.1 Customers

In the previous chapter the most significant empirical evidence regarding Safaricom's relationship with its customers is summarized in Table 4.13. The discussion below focuses on these key aspects.

5.2.1.1 Accountability to Customers - Power, legitimacy & urgency

Safaricom customers are classified into two categories namely, enterprise customers and end users. Enterprise customers are further classified as SMEs and corporate customer. While enterprise customers' high level of power is illustrated in the demands made by top twenty corporate and government accounts, low level of customer power is demonstrated where M-pesa locks-in customers to Safaricom limiting access to competing phone services as evidenced reduction of market share from 66.6% in 2011 to 65.3% which now reversed to 67.1%.

Notably, customers' high level of legitimacy was illustrated when Safaricom took unilateral decisions to revise terms and conditions on data bundles and its loss-making Karibu post-paid service and had to reverse these decisions after customers took legal action. An end-user customer also sued Safaricom over



loss of his 12,900 “Bonga” points. In addition, the seamless integration of M-pesa and Kenya Commercial Bank platforms to curb fraudulent transactions or hacking of the system shows the high level of legitimacy possessed by customers. On the contrary, Safaricom signs contracts with all customers in relation to environmental, health and ethical standards. Consequently, this safeguards customer from carbon footprint as well as protecting their privacy by conducting its business in an ethical and transparent manner. Table 4.13 illustrates level of customer legitimacy.

Incidences demonstrating high customer urgency include end-user customers preferring to use social media to air their grievance because through this platform, their concerns are urgently addressed unlike the use of traditional approaches to communication. Relaying real time election data from Electoral Commission of Kenya also lies in this category. Furthermore, most issues affecting end-user customers are addressed jointly before a formal complaint is lodged. For instance, if there is a major network incident, it is resolved before customers complain. Conversely, progress over many years to improve Quality of Service (QoS) by Safararicom shows low customer urgency.

5.2.1.2 Safaricom’s Control of Customers – Economic and Non-economic

In order to retain the existing and attract potential customers, Safaricom uses both economic and non-economic approaches to influence them directly or indirectly on products and services. For instance, the firm has invested in setting up Safaricom Advantage and Business centers to serve its enterprise customers. Safaricom’s high economic influence emanates from its ability to incorporate 85,756 M-pesa agents in its business who control access to banking transactions of over 20.63 million registered customers representing 88.35% of the total customers. The firm also uses “Bonga” points to reward loyalty that helps it to retain and control its end-user customers. In addition, the cellular firm signs SLAs with enterprise customers specifying their expected ethical conduct behavior standards. Safaricom’s non-economic influence over customers is as result of the firm’s ability to put pressure on customers to register their SIM cards and manage customers’ critical data.

Safaricom seeks to influence its customers indirectly through initiatives like m-farm that has indirect social benefits. Notably, some of the activities that Safaricom uses to exercise influence over customers include engaging customers via SMS, web portals, call centres, retail outlets, social media and print media. Through one Short Message Service (SMS), for instance, Safaricom can reach an audience of more than 20 million end customers. With access to this audience, Safaricom can communicate its agenda and exert influence on customers to help the firm achieve its sustainability goals. The firm also encourages customers to surrender obsolete mobile phones to retail collection centres for recycling at e-waste collecting points.

5.2.1.3 Exposure to Customers

Customers are important and critical stakeholders to Safaricom's continued operation and hold Safaricom accountable in diverse ways. As reported in the previous chapter, Safaricom exerts both economic and non-economic influence on downstream customers as well as upstream suppliers to address their concerns. Examples of Safaricom's exposure to customers are summarized in Table 4.13 are briefly discussed below.

Limited by monopoly power (2/3 market share in mobile phones) and dominant role in financial transactions (42% of Kenya GDP is transacted via M-pesa).Currently, Safaricom controls 67.1% of the market share by subscribers and plays dominant role in financial transactions as 42% of Kenya GDP is transacted via M-pesa. For instance, if there is *en masse* withdrawal of end customers from the consumption of innovative products such as M-pesa, the system that can have devastating economic effects. The firm needs to remain innovative in order attract and maintain customers. The risk of losing its market share and revenue are high if does not retain its competitive edge and ensure continuous growth.

As the top twenty enterprise customers are highly salient to Safaricom, management has a dedicated staff to manage their accounts and address their issues promptly. They command a lot of attention and their issues are addressed according to a Time to Repair Matrix (TTR) and Service Level Agreements (SLA). TTR is average time required to correct or fix a failed network element and return it to its normal status. The priority given in resolving issues depends on the nature of the incident and the impact on business.

Safaricom employs both economic and non economic influence to exert control on the downstream customers. For enterprise customers that distribute and market Safaricom services, the firm has SLAs requiring them to adhere to working conditions, environmental and social principles championed by Safaricom. To satisfy the enterprise customers, the firm works closely with its upstream suppliers to resolve key network issues that are escalated. For end users the firm employs its extensive retail network and a collection of over 87,000 M-pesa agents to reach the customers.

Safaricom's end user customers are important and salient but not at the same level as enterprise customers. For instance, in 2011, Safaricom increased its calling rate by 33.3% making it the most expensive operator. This resulted in a loss of market share the following year (from 66.6% to 65.3%) which it has subsequently regained. End customers have discretion over their resource allocation and usage since they had power to choose to stay with the firm, reduce their usage of the firm's products and services, or shift to a competitor. They have been able to exercise their power although the outcome has not always resulted in favourable benefits to them.

End customers have leveraged their legitimate interests by taking legal action when the terms and conditions of the Karibu post-paid tariff were changed; this made the firm reconsider its decision. Customers filed a class action suit compelling the firm to pay damages due to delayed processing of number portability requests. In the long run number portability was implemented according to CA requirements. Many customers have taken to the social media to air their grievances and put pressure on the focal firm to address critical issues. All these actions have brought about favourable outcomes for the benefit of customers.

However, there are also court cases which customers have lost to Safaricom. This is made worse by the fact that litigation processes against a big firm are expensive, cumbersome and laborious, hence discouraging customers who might have legitimate issues. As a result, customers have faced frustrations in challenging the firm to act on their concerns and struggle to hold the focal firm accountable. Furthermore, critical products such as M-pesa tend to lock in majority of the end customers making it difficult for them to exit the relationship and exercise their market power. Due to the firm's controlling market share of 67.1% in the year 2015, customers tend to remain in Safaricom because it is favourable to call other subscribers within the same network.

In addressing environmental concerns, the firm has set out e-waste collection containers in the retail outlets where customers can drop their used and obsolete devices. Stakeholder exposure due to enterprise customers arises from Safaricom's insistence on SLA and being held accountable whenever the focal firm doesn't meet its end of the bargain. This can be in form of claims arising from law suits and penalties due to breach of contract. Exposure from end customers arises from complaints due to poor network quality, down time and poor quality of service. Customer migration due to non-competitive tariffs is also a reality that Safaricom contends with. Though prohibitive, end customers may also initiate suits that may dent the image of the focal firm.

5.2.1.4 Safaricom's Management of its Customer Exposure through SSCM and TBL Measures

Customers provide a market to Safaricom for its products and services and therefore they are considered critical to the firm's sustainability. They provide feedback that allows the firm to develop innovative solutions. The company engages with its customers either directly using retail outlets or call centres or indirectly through business partners. Distributors and agents provide the expansive network that enables the cellular firm to achieve huge sales volumes that impacts positively bottom-line.

Safaricom mitigates exposure due to end customers by using SSCM practices such as evaluation of quality related complaints, giving feedback on electromagnetic concerns, recycling of e-waste and carrying out market intelligence and surveys. To manage exposure due to enterprise customers, the firm employs a dedicated staff to ensure that at least the top twenty enterprise accounts are kept satisfied and their performance monitored. While ensuring security, privacy and data confidentiality, the firm has also an open door policy of sharing information with their top enterprise customers as well as ensuring that network down-time is addressed promptly. In addition, the firm evaluates customer satisfaction through Net Promoter Score and ensures environmental monitoring and pursuance of social reputation.

Safaricom uses the following TBL Measures for Customers to ensure sustainability: Market share of cellular & financial transactions, Churn (percentage of those who stop using Safaricom services), annual Customer Delight Index and Enterprise Delight Index measurements, annual quality of Service measurements, determination of the number of penalties due to non-compliance, understanding customer opinions on Safaricom products and services using Net Promoter Scores (NPS), annual customer service rating to measure performance of retail shops and brand equity to determine the value of Safaricom image.

5.2.2 Suppliers

5.2.2.1 Accountability to Suppliers

As indicated in Table 4.15 suppliers possess varying degrees of power, legitimacy and urgency. The variation of the suppliers' power depends on the firm's dependence on the resources provided by a particular supplier. For instance, Safaricom's dependence on expertise of Huawei and Ericsson for installed Network infrastructure and Kenya Power for provision of electricity transmission and distribution systems illustrates high supplier power. On the contrary, relatively low supplier power as Huawei, Ericsson and Nokia depend on Safaricom for their business survival in Kenya. Safaricom migrating away from Kenya Power to Flex enclosure who supplies the firm with hybrid power system and the cellular firm dictating terms and conditions of engagement with the suppliers.

Suppliers' high legitimacy is due to their contractual and commercial relationships with the cellular firm. Suppliers voice their concerns to Safaricom on the acceptable social standards regarding various goods and services. Notably, low supplier legitimacy was seen in the case where the Mobinet contract was terminated after collusion with Safaricom employees to inflate costs.

The level of urgency varies depending on the type of supplier. For instance, electricity breakdowns by Kenya Power demand a high level of urgency and calls for immediate attention and are therefore classified under high urgency. In addition, the periodic renewal of contracts and software licenses with Huawei and other infrastructure suppliers can be categorized as relatively high supplier urgency. Conversely, Huawei and Ericsson issues such as delays in infrastructure building and their payment are neither critical nor demand immediate attention**.** These issues are considered to have a low level of urgency because their issues are not necessarily critical and time sensitive. Safaricom involves its suppliers in issues regarding product and service development. Involvement of suppliers is achieved through daily Safaricom emails, sharing ideas and encouraging them to give their feedback and express their interest.

5.2.2.2 Safaricom's Control of Suppliers

Safaricom exercises a high level of economic and non-economic influence over many suppliers to push its agenda. Supplier dependence on Safaricom influences them to embrace sustainability. For instance, in order to reduce power consumption, reduce greenhouse gas emissions and ensure energy security, Safaricom added measures of carbon footprint as a sourcing criterion. In addition; the firm is able to control energy situations using economic influence strategies like the purchase of power cubes to mitigate the absence of reliable electricity supplies and power failures. The firm also uses its non-economic influence to promote the adoption of social programs like improved working conditions and the avoidance of child labour.

However, as its customers can attest, Safaricom seems to have limited economic influence over Kenya Power to prevent electrical supply breakdowns. Safaricom also has little influence over multinational suppliers like Hewlett Packard who have alternative markets although the Kenyan market is very important in the East African region. However, if the expectations from the downstream customers change, Safaricom exerts pressure on suppliers upstream in order to cause the necessary change that addresses the emerging need.

5.2.2.3 Exposure to Suppliers

Safaricom has differing levels of exposure to different suppliers. Examples of exposure from suppliers are summarized in Table 4.15 and are briefly discussed here. Safaricom depends on network infrastructure suppliers to deliver high levels of customer service. The importance of these suppliers is derived from the expertise in their field of specialization which they can withdraw if there is no satisfactory contractual engagement with the firm. High level of dependence on these suppliers poses a risk to Safaricom and hence calls the firm to manage the suppliers appropriately.

Due to its monopolistic nature as a supplier of a critical product or service, Kenya Power stands out as a highly salient stakeholder in the operations of Safaricom. The sole reliance of cheap and affordable energy for Safaricom operations exposes the focal firm to losses as the result of all power failures or disconnections.

Safaricom experiences a risk of critical suppliers not cooperating to adopt social and environmental practices such as not using child labour and minimizing their carbon footprint. In managing these stakeholders, Safaricom helps suppliers to integrate sustainability in their various solution offering. Furthermore, Safaricom empowers its suppliers to be more sustainable thereby reducing their turnover rate because it is more beneficial to work with traditional suppliers who understand the company business than changing to new ones.

The focal firm terminated its contract with its critical suppliers like Ericsson who supplied infrastructure equipment and maintenance to Safaricom. The firm was forced to source alternative suppliers such as Huawei. The process of changing suppliers tends to be costly to the firm.

E-waste collection is not adequate in reducing carbon footprint, yet the collectors receive payment. Installation of e-waste collection points as well as collaborating with Kenya Power to ensure reliable connections are also practices geared to minimizing exposure due to suppliers.

5.2.2.4 Safaricom's Management of its Supplier Exposure through SSCM and TBL Measures

Safaricom manages exposure to Kenya Power by the purchasing power cubes from Flex enclosure reduce service disruptions and failures. Safaricom has also embarked on various wind power projects to attain energy security and clean energy to be a sustainable corporate.

To mitigate exposure to its suppliers, the firm employs SSCM practices such as suppliers' self-assessment and evaluation on social issues like child labour. Safaricom also performs supplier pre-qualification assessments and supplier monitoring to ensure that high standards are upheld. The company has a code of conduct and ethics that it signs with all suppliers while conducting joint trainings programmes with selected suppliers.

Safaricom clearly communicates what they expect from their suppliers. Suppliers are required to complete self-assessment questions and have to sign supplier code of conduct and ethics as pre-requisite to acceptance of bid documents. Supplier TBL performance metrics are used in self-assessments and are contingent to good SSCM practices that are clearly communicated by the focal firm.

Safaricom has established a supplier code of conduct that commits the company to build beneficial and sustainable relationships with suppliers in an environment of equity, mutual respect and integrity. The supplier charter is part of pre-qualification, Request for Proposal (RFP) documentation and signed contracts.

In ensuring sustainability, Safaricom has a set of TBL measures that are frequently monitored. They include: number/percentage of stations supplied with alternate and/or hybrid power, measuring the amount of e-waste collected and dismantled, energy saved as a result of using supplier's products, the number of jobs created in e-waste collection, dismantling and recycling industries and the rate of human rights abuse such child labor.

5.2.3 Regulators

5.2.3.1 Accountability to Regulators

The Communication Authority of Kenya's high power emanates from Kenyan legislation, the allocation of spectrum frequencies and numbering resources. In addition, the CA's power to grant Mobile Virtual Network, issuance and renewal of Operators (MVNO) licences to the mobile operators gives the regulator high power to hold Safaricom accountable. In 2015, Safaricom was fined for not meeting eight Quality of Service (QoS) targets. However, the non-punitive penalty (Kshs 500,000 or US$5000) reflects the regulator's limited power.

CA's legitimacy originates from the laws governing cellular firms and its ability to ensure that the cellular firms adhere to the set QoS in the products and services offered. High regulator legitimacy was illustrated in a case where Safaricom succumbed to pressure from CA to allow other mobile users from any mobile network to use the Mpesa platform and not be forced to use a Safaricom line.

NEMA also carries out EIAs to approve the installation of Base Transceiver Stations. Notably, CA's low regulator legitimacy is demonstrated when it monitors abuse of market dominance and ensures fair play. Additionally, in 2014, Safaricom disagreed with CA's findings on the firm's QoS that showed a score of 50% instead of the required 80%.

High regulator urgency was illustrated when the competition regulator CAK engaged with Safaricom to develop a framework to share infrastructure with other Mobile Network Operators (MNOs). The allocation of frequency spectrum and issuance licenses is also critical and time sensitive with strict deadlines. However, regulator's issues do not necessarily call for immediate attention but are handled within an existing legal framework. A case in play is where politics frustrate the work of the regulator.For instance; CA's powers to independently monitor dominant cellular players were stripped off through Kenyan parliament.

5.2.3.2 Safaricom's Control over Regulators

Safaricom engages regulators on a plethora of issues that touch at the core of its existence. The firm controls regulators by using its extensive economic and non-economic influence. Direct economic influence emanates from the firm's ability to remit the lion's share of operator fees towards the CA's Universal Service Fund (USF) and by being the country's largest taxpayer to the Kenya Revenue Authority. The firm also has improved its network quality due to its economic muscle.

Safaricom has high non-economic influence over regulators due to its brand equity and goodwill as a respected corporate citizen that it has accumulated over time. The firm uses this non-economic influence to exert pressure on the industry regulator CA whenever issues that may lead to stakeholder exposure are imminent. For example, the firm's role in championing environmental sustainability through e-waste recycling is acknowledged by NEMA. Whenever issues about Quality of Service (QoS) or regulatory compliance have come up, the firm takes up the challenge to voice its concerns by engaging an independent consultant to verify the QoS findings by CA.

Safaricom also seeks to influence regulators in situations where it has less economic and non-economic influence. In one example Safaricom was not able to influence CA to extend the deadline for SIM card registration. Similarly, Safaricom failed to restrain CA from implementing Mobile Number Portability (MNP). CAK having limited influence over competition rules demonstrates that Safaricom has low non-economic influence over regulators.

5.2.3.3 Exposure to Regulators

Regulators hold Safaricom accountable for their activities in various ways. The Communication Authority of Kenya is the most salient regulator whose accountability concerns are addressed expeditiously by the focal firm. For instance, Safaricom has a system in place to monitor 8 major KPIs of network quality and report on them periodically. By so doing, the firm is held accountable to the regulator and failure results in the regulator exercising its power by imposing sanctions and penalties to ensure compliance. Issuance of spectrum and licenses and their renewals is pegged to the firm's compliance.

The Competition Authority of Kenya and NEMA also monitor Safaricom activities but they don't have power over licensing. In the event they discover areas of non-compliance, they can penalize Safaricom but cannot withdraw its license. This makes their power and accountability demand less than that of CA. However, they may be more independent of Safaricom's sectoral power and influence.

All regulators have legitimacy within their sphere of action. This is primarily because they are established by an act of parliament and any action they take is mandated by law. In exercising their jurisdiction, the law in precise terms directs the regulators on what to do. Therefore, their accountability is mandated by law. Whereas all Regulator issues are urgent, those of CA tend to demand more immediate attention. For instance, the focal firm has been able to comply with a directive to register SIM cards within its networks and those which remained unregistered were switched off when the deadline expired.

Safaricom uses both economic and non-economic means to address accountability concerns by the regulators. For instance, Safaricom has previously purchased number portability equipment in order to comply with CA's directive. To comply with NEMA requirement of conserving the environment, the firm uses non-economic mechanisms like encouraging citizen to surrender their old and obsolete phones for recycling. The most important examples of stakeholder exposure are summarized discussed below:

Safaricom entirely depends on CA for issuance of spectrum and operating licenses and their renewals thereof. The firm has to comply with requirements set forth in order to secure a license to operate.

The Competition Authority periodically monitors dominance of the market to ward against any abuse, malpractices and dominance of the industry. If abuse of dominance is proven, the firm will be put under more scrutiny and forced to operate in a controlled environment. This kind of exposure is likely to affect the firm's bottom-line.

The firm could be subjected to monetary penalties and even risk withdrawal of license if it doesn't comply with QoS targets. Reduction in brand equity is due to environmental degradation which is as a result of usage of obsolete cellular phones –NEMA, bad publicity.

Finally, NEMA is concerned with the environmental impact that Safaricom network expansion and operations have and thus continuously monitors its activities to ensure that the firm operates without endangering the ecosystem. To mitigate exposure due to CA, the firm continuously tracks and monitors Quality of Service (QOS), Keeps all customer information confidential and holds regular meetings and symposia with the CA for advice on critical legislation issues. To mitigate exposure to NEMA, Safaricom has embraced e-waste recycling and Carbon footprint and greenhouse gas emissions management. The firm is also conducting a comprehensive Environmental Impact Assessment before the installation of every Base Transceiver Station while providing NEMA with information concerning disposal of obsolete equipment. To address exposure from CAK, Safaricom provides information transparently to CAK concerning its tariffs.

5.2.3.4 Safaricom's Management of its Regulator Exposure through SSCM and TBL Measures

The industry regulators expect Safaricom to comply with legislation, offer quality services and meet their licensing and tax obligation. Furthermore, the regulators expect Safaricom to partner with them to shape policy geared towards growing the industry and making it more competitive. Safaricom's SSCM practices to mitigate regulator exposure are as follows: Purchasing telecommunication equipment whose frequency exposure levels are not harmful to the environment, conducting a comprehensive Environmental Impact Assessment before the installation of Base Transceiver Stations, continuous tracking and monitoring of QoS, providing information transparently to CAK concerning its tariffs, keeping all customer information confidential and ensuring e-waste recycling.

In ensuring sustainability, Safaricom's uses the following TBL Measures for Regulators: Tracking of major QoS KPIs, the amount of their greenhouse gas emissions, the number of legal actions lodged for non-compliance, the number of legal actions lodged for anti-competitive behaviour and the number of fines for non-compliance.

Safaricom is required to vindicate their decisions or actions regarding product design, disposal of waste, network stability, energy and water consumption, sourcing and distribution of products to these stakeholders. As a result, the firm has found it necessary to report on these issues. However, where the expectations from regulators are not met, Safaricom uses its regular meeting to state its position and air their grievances as regards the challenges encountered while adhering to certain regulations.

5.2.4 Community

5.2.4.1 Accountability to community

Whereas the community has low power and urgency to influence Safaricom, its legitimacy turns out to be the dominant attribute. In some instances, the community possesses high power emanating from their importance and ability to hold up or delay implementation of projects. For instance, Appeal Court judges put pressure on Safaricom to address their personal concerns about electromagnetic radiation from Elgon building in Nairobi. Also, Safaricom had standoff with the Maasai community when erecting and maintaining towers. Examples of low community power include community support Safaricom projects, secure its installations and reports cases of vandalism BTS, fibre optic cables and Safaricom shops.

High community legitimacy is illustrated when the community is consulted as part of the public participation process during the EIAs of proposed projects. Safaricom engages with the community at the inception stage of any public participation program (Safaricom Sustainability Report, 2014). This is done through regular meetings as required. Moreover, Makueni community provides evidence of expertise and capabilities for Safaricom to roll out CSR programs in its jurisdiction. Community also conserves the environment and wildlife through participatory conservation projects, community education and sustainable conservancy of natural resources. However, the fact that there are no contracts maintained with communities is an illustration of low community legitimacy.

While the community claims do not call for immediate attention from Safaricom, some of the issues affecting the community are nevertheless addressed urgently to avoid any disruption of the firm's operations. For instance, community petitions, standoffs and engagement with Safaricom on local employment, health and safety, to demonstrate time-bound priority to influence Safaricom's decisions illustrates high community urgency. An example of low community urgency is where Safaricom has discretion over most infrastructure extension decisions that affect communities. Thus, the community has some nascent power inherent by virtue of its presence in the areas where Safaricom conducts its business.

5.2.4.2 Safaricom's Control of Community

Safaricom controls communities due to its strong economic and non-economic influence due to the use of Safaricom's financial power to improve the lives of people and influence them positively. However, due to the widespread nature of communities and diverse societal needs it is difficult for the firm to reach every corner of the country.

Safaricom's strong non-economic influence over community is illustrated in a case where Safaricom initiated projects to (a) construct boreholes in arid and semi-arid areas, (b) establish a national academy in Kiambu County. Safaricom also encourages communities to be environmentally conscious through (a) "the think green initiative" dustbins and (b) the disposal of e-waste in designated centres. Notably, in remote areas where there is no access to media, internet, communication and transport it is difficult for Safaricom to communicate their agenda.

5.2.4.3 Exposure to Community

The Community is not particularly salient to Safaricom management primarily due to its low power. However, Safaricom has an engagement standard which entails communicating and listening to issues touching on communities because they are affected by the firm's business. The firm therefore consults local people to help understand and address any concerns they may have with the deployment of Safaricom network in their communities. Examples of stakeholder exposure are illustrated in Table 4.20 and briefly discussed below:

The construction of new infrastructure in some communities such as the Maasai may lead to potential standoff, especially if the concerned community's interest is not well considered by the firm and they withhold the approval of construction new infrastructure. To avoid the delays in the construction, the firm involves communities during the early stages of project implementation.

Social ills and vicious cycle of poverty among communities affects the firm's bottom-line. To address community exposure, the firm explores ways to expand electric power to communities. The company uses its network infrastructure to bring additional benefits to communities by increasing access to electricity in remote areas. The electrical energy helps in a number of ways, among them pumping water to remote villages, hence eliminating the need to walk long distances to look for water. It also helps them charge their phones resulting in saving money spent in to re-charge the phones. This in effect eliminates any potential standoff as experienced from the Maasai Community.

The firm has other initiatives that address social problems that communities experience in the areas of agriculture and health. Through m-farm, barriers to trade are eliminated as information is freely disseminated and communities are thus brought to become big players in the market. The health application, m-tiba helps individuals save for medicare. An SMS based application also send alerts on vaccination days thereby helping improve maternal and child health.

Safaricom has subscribed to the Mobile Operators –Child Rights Impact Assessment (MO-CRIA) to assess the impact of mobile technology in children and come up with strategic social investments that ensure that children rights are promoted and not violated. By so doing, the firm positions itself as responsible corporate citizen.

Vandalism of Safaricom's assets such as BTS, fibre optic cables and Safaricom shops. Safaricom secures its premises and has 24-hour surveillance across major facilities. The firm has collaborated with law enforcing agencies, the community and the police to apprehend offenders and site vandals.

5.2.4.4 Safaricom's Management of its Community Exposure through SSCM and TBL Measures

The communities where Safaricom operate expect the company to partner with them in a mutually beneficial manner. They also expect the company to carry out its business operations in environmental friendly manner that upholds their values and preserves culture. Safaricom's adopts the following SSCM practices to mitigate community exposure: Initiation of CSR Programmes such as providing scholarships to needy students, reduction of greenhouse gas emissions and reduction of water consumption. In addition, Safaricom has initiated collaboration with Africa Cancer Foundation (ACF) and Hope For Orphan's Rescue Centre (HOREC) to help uplift the vulnerable groups to access to education as well as involving communities through consultations as an on-going relationship strengthening with the affected communities.

Safaricom uses the following TBL measures to ensure community sustainability: energy consumed due to the firm's operations, amount of water consumed as well as CSR expenditure and number of CSR activities. The firm also ensures reduction in number of school dropouts in marginalized communities where Safaricom has constructed schools such as Pokot County and improvement in the living standards of children with disability such as mentally challenged cases where Safaricom has built Vihiga Educational Assessment Resource Centre (EARC) through its foundation.

5.3 Cross-Comparison of stakeholder Exposure and Management through SSCM and TBL Measures

In this section, the overarching question address the similarities and differences across the four stakeholder groups in terms of accountability and control, the connection between them (similarities and differences) and the basis of these similarities and differences. While there is not necessarily a one-to-one relationship, the tables seek to match the stakeholder attributes with associated outcomes.

5.3.1. Accountability to Key Stakeholders

Accountability to key stakeholders (Table 5.1) tends to vary depending on their salient attributes. Large enterprise customers possess much higher salience levels than their end consumer counterpart and hence demand more attention. Consequently, the overall accountability due to enterprise customers is high but moderate for end customers. Suppliers have high level of salience attributes but, due to the availability of alternatives and the nature of their contracts, their salience is significantly reduced, thereby resulting in moderate accountability by focal firm.

Table 5.1 Accountability to Key Stakeholders – Key Aspects

Stakeholder	Power	Legitimacy	Urgency	Overall accountability
Customers	-High power by the top 20 customers -End-user customers have moderate power since they are locked in by M-pesa product. The lost market share due to their shifting loyalty has been reclaimed by firm	-Top 20 customers have inherent high legitimacy -End-user customer legitimacy increases when they come up with suits organised in form of class action.	-Top 20 customers and enterprise customers' issues receive immediate attention. -Safaricom's pro-active approach to address incidents aims to preclude most potential end-user customer complaints.	Overall, accountability to enterprise customers is high. -Accountability to end customers is moderate.
Suppliers	-Expertise of main infrastructure suppliers is high but there are alternatives. -Small, vendors depend on Safaricom for their Kenyan business -Kenya Power is monopoly but Safaricom mitigating exposure with expensive alternatives. **Therefore, suppliers have moderate power**	-Contracts with suppliers can be terminated at any time but this has not happened as it is a rigorous, expensive and length process determined by the parent company. **Therefore, supplier legitimacy is high**	- Normally addressed according to contract to maintain long lasting and cordial relationships. **Thus, Supplier urgency is moderate**	-Accountability to Ericsson, Nokia and Huawei is moderate. -Accountability to Kenya Power is moderate. **Thus, overall accountability to suppliers is moderate**
Regulators	-CA has power due to critical spectrum resource but lacks ability to withhold spectrum. Political interests also frustrate the regulator in exercising power. -Safaricom dominance constrains CA's power but also exposes firm to additional political pressure. -Symbolic penalties for non-compliance with QoS standards is trivial and non-punitive, indicating regulator's limited power -Pressure to open M-pesa platform and allow other MNOs merely enforce industry regulations but not a succinct illustration of power. Therefore, regulator power is moderate	-Regulator has exclusive right to fine operator in case of non-compliance -SIM card registration was a government directive that was not within the purview of CA. Its role was to ensure compliance. -Compliance and law enforcement are determined and defined for the regulators by the Legislative bodies. Thus, legitimacy of regulator is moderate	-Political interference on behalf of Safaricom frustrates the work of regulators. -Slow litigation processes hamper the regulators. -However, quarterly returns, license and spectrum renewals are based on strict timelines. Thus, regulator urgency is high	Accountability to CA is moderate Accountability to CAK is moderate Accountability to NEMA is moderate. Overall, accountability is moderate
Community	Communities support Safaricom projects, secure its installations and report any cases of vandalism of its, BTS, fibre optic cables and Safaricom shops. -Communities generally do not provide critical resources but are dependent on the firm's investment decisions for their benefit. -Isolated standoffs with Maasai communities when towers are being constructed. Therefore, community power is low	-Communities are a source of social capital where Safaricom conducts its business -Safaricom doesn't have formal contracts with communities. -By virtue of their position and status in society, communities have low legitimacy	-In a few celebrated cases issues are addressed expeditiously e.g. imminent danger of electromagnetic radiation from towers, in Elgon building to be occupied by judges. -Issues of e-waste disposal are considered high priority by the firm. Therefore, communities have moderate urgency	-There are isolated cases of petitions and standoffs when communities have moderate accountability. Overall, accountability is low

Source: Author's interview

The existence of external factors such as politics and the economic dominance of the focal firm in Kenya puts a limit on the power of regulators and their perceived salience to act on issues within Safaricom's sphere of influence. The inability to withhold spectrum, for instance, and other political interests plus the sheer size of Safaricom tend to frustrate its work. Slapping fines and penalties on Safaricom is trivial and portrays a regulator as lacking meaningful power. Furthermore, the regulator doesn't initiate actions on its own motion but relies on relevant provisions of law. Thus, Safaricom's overall accountability to regulator is moderate.

Communities exist to provide social capital and support corporate projects and, if need be, report any cases of vandalism of Safaricom infrastructure. Communities generally do not provide critical resources needed to run Safaricom operations but are dependent on the firm's investment decisions to benefit them. There are isolated cases of standoffs with communities such as the Maasai Communities whenever towers are being constructed but these have been handled case by case. Except in a few celebrated cases where issues are addressed expeditiously e.g. where there was imminent danger of electromagnetic radiation from towers, in Elgon building to be occupied by judges many other communities' issues don't demand immediate attention. Thus, Safaricom's overall accountability to communities is low.

5.3.2. Control of Stakeholders

Safaricom has a strong influence over enterprises that distribute the firm's products and services and sign SLAs that detail employee working conditions and environmental principles. For the top 20 customers who could take their business to competitors the firm's influence is moderate.

End consumers depend on financial services provided by the firm through 87,000 Mpesa agents who register accounts and process cash. Safaricom also influences end consumers through engagement via web portals, bulk sms and call centres. As a result end customers benefit from products such as M-farm and M-tiba which address their diverse needs. The firm has been influential in encouraging end-user customers to surrender their old phones for recycling thereby becoming a champion for environmental sustainability. Notwithstanding the economic and non-economic influence that Safaricom has over the consumers of its products, the overall control over end-user consumers, enterprise and top 20 customers is moderate as shown in Table 5.2

Table 5.2 Control over stakeholders –key aspects

Stakeholder	Economic Influence over stakeholder	Non-economic Influence over stakeholder	Overall Control over stakeholder
Customers	-Strong influence over enterprises that distribute firm's products and services and sign detailed SLAs. - Moderate influence over Top 20 customers who could take their business to competitor -Many consumers depend on financial services provided by Mpesa agents. -Safaricom influence through engagement with end-customers via web portals, bulk sms and call centres	-Safaricom acts as a medium through which government pressurises end customers to register their SIM cards or risk deregistration -End customers benefit from products such as M-farm and M-tiba which address diverse needs -Safaricom encourages customers to surrender their old phones for recycling.	-High economic influence over M-pesa agents and distributors but moderate non-economic influence. **Therefore, control is moderate.** -Moderate influence over Top 20 customers. -Overall economic and non-economic influence is moderate. -**Thus, overall control over customers is moderate.**
Suppliers	-Suppliers contractually required embrace sustainable practises such as working conditions and labour practices. -Environmental dimensions are added to sourcing power needs to ensure energy security and reduce greenhouse gas emissions. -Strategic partnerships with Kenya Power to ensure reliable energy supply. -High disruptive economic influence of Kenya Power over Safaricom.	- Supports suppliers to pursue sustainability goals & adopt social programs to improve working conditions and avoid child labour - Regular meetings with suppliers	-Economic and non-economic influence of infrastructure vendors like Ericsson, Huawei & Nokia and contractors like Flexenclosure is high, resulting in high control. **-Overall Control of infrastructure vendors is high.** **-Overall control of Kenya Power is moderate.**
Regulators	The firm contributes the highest share of operator fees towards the CA's Universal Service Fund (USF). -Safaricom is the top tax payer to the Kenya Revenue Authority (KRA). -The firm has used its economic muscle to improve the network quality and impress the regulators -The firm uses economic influence to champion environment cases such as e-waste management. -However, Safaricom was not able to use its economic muscle to influence CA to extend the deadline for SIM card registration.	-Engages independent consultant to verify and question QoS findings by CA -E-waste recycling is acknowledged by NEMA -The influence on CAK with regard to competition rules by CAK is limited	-Economic influence on CA is moderate -Economic influence on NEMA is moderate -Non-economic influence on CA, CAK is moderate Overall influence is moderate hence control over stakeholder is moderate.
Communities	Safaricom uses its financial power to improve the lives of people and so influence them positively. -Safaricom initiated projects such as construction of boreholes in arid and semi-arid areas, championed a national academy in Kiambu County However, because communities are diverse it is difficult to address all their needs and to have a greater influence.	-Safaricom encourages communities to be environmentally conscious with "the think green initiative" dustbins and disposal points for e-waste in designated centres. -Influence limited in communities that are located in remote areas where there is no access to media, internet, communication and transport so the firm is unable to communicate their agenda	-Economic influence on communities is moderate -Non-economic influence is moderate. -Therefore, overall control is moderate

Source: Author's interview

Suppliers pose a significant challenge and risk to Safaricom in terms of influencing them on sustainable practices. However, they have been encouraged and supported to embrace sustainable practices such as working conditions and labour practices. Safaricom has also added an environmental dimension to its sourcing criteria for power supplies to ensure energy security and reduce greenhouse gas emissions. The firm has also entered into strategic partnerships with Kenya Power that have ensured reliable energy supply.

Regulators do not pose a significant risk to Safaricom business owing to the firm's size and influence. For instance, the firm contributes the highest share of operator fees towards the CA's Universal Service Fund (USF). Safaricom is also the top tax payer to the Kenya Revenue Authority (KRA). It uses its economic muscle to improve the network quality and champion environment cases such as e-waste management thereby impressing the regulators. When the firm and regulator differed on its QOS score it hired an independent consultant to verify and question QoS findings by CA. Regardless of its economic muscle, there are instance where Safaricom has been forced to comply with regulations like deadline for SIM card registration. Both Economic influence and non-economic influence on regulators and thus the overall control is moderate.

Communities look up to Safaricom to use its financial power to improve their livelihoods and so influence them positively. The firm has initiated projects such as construction of boreholes in arid and semi-arid areas, championed a national academy in Kiambu County. Safaricom also encourages communities to be environmentally conscious with "the think green initiative" dustbins and disposal points for e-waste in designated centres.

However, because communities are diverse it is difficult to address all their needs and to have a greater influence. The situation is aggravated in communities that are located in remote areas where there is no access to media, internet, and communication and transport so the firm is unable to communicate their agenda. Owing to the position Safaricom occupies in the Kenyan economy, its economic and non-economic influence on communities is moderate thus resulting in general moderate control over communities.

5.3.3. Stakeholder Exposure

From the cross-case comparison in Table 5.3, overall stakeholder exposure to enterprise customers is high. Given the firm's dominant market share, overall stakeholder exposure to MPesa agents and distributors of firm's products and services is moderate while stakeholder exposure due to end consumer is low as a result of their volatility.

Exposure due to Kenya Power is high but moderate from technology suppliers such as Nokia, Ericsson and Huawei. Both accountability and control to the regulators is moderate therefore stakeholder exposure from regulators is moderate. For the communities, in a few instances exposure is moderate but the aggregate stakeholder exposure is low.

Table 5.3 Stakeholder exposure

Stakeholder	Overall accountability to stakeholders	Overall Control over stakeholder	Stakeholder exposure
Customers	-High accountability to enterprise customers. -Moderate accountability to end customers.	-Economic influence over MPesa agents and distributors of firm's products and services is high, but non-economic influence is moderate. Therefore, control is moderate. -Moderate control over Top 20 customers who could take their business to competitors. -Moderate economic and non-economic influence on end-user consumers, enterprise and top 20 customers. -**Thus, overall control over customers is moderate.**	-High exposure to enterprise customers -Moderate exposure to MPesa agents and distributors of given the firm's dominant market share. **-Exposure to end consumer is low**
Suppliers	-Accountability to Ericsson, Nokia and Huawei is moderate. -Accountability to Kenya Power is moderate -Thus, overall accountability to suppliers is moderate	-Economic and non-economic influence over infrastructure vendors like Ericsson, Huawei & Nokia and contractors like Flexenclosure is high, resulting in high control. -High disruptive economic influence of Kenya Power over Safaricom. -Overall Control over infrastructure vendors is high. -Overall control of Kenya Power is moderate.	-Stakeholder exposure to Kenya Power is high. -Stakeholder exposure due to technology suppliers such as Nokia, Ericsson and Huawei is Moderate.
Regulators	Accountability to CA, CAK and NEMA are moderate -Overall accountability is moderate	-Economic and non-economic influences over CA, CAK and NEMA are moderate. -Hence hence control over regulators is moderate.	-Exposure to CA, CAK and NEMA is moderate.
Communities	-There are isolated cases of petitions and standoffs when communities have moderate accountability -Overall, however, accountability is low	-Economic and non-economic influences over communities is moderate -Therefore, control is moderate.	-In a few instances exposure is moderate. -But in aggregate stakeholder exposure is low.

Source: Author's Interview

5.3.4 Alignment of Stakeholder Exposure with SSCM practices and TBL Measures

The type of SSCM practices employed and TBL measures adopted are largely determined to manage stakeholder exposure (see Table 5.4). Through regular and open discussions with relevant stakeholders, the firm is able to communicate its goals and also obtain feedback from the different stakeholders. The firm ensures continuous improvement in the quality of products and services. The Focal Organization follows the regulator's rules closely and implements the CA's guidelines regarding quality aspects in the cellular industry. Of the four categories of stakeholders, Safaricom is more accountable to stakeholders who control critical resources like regulators as well as enterprise customers. Control of critical resources is a central pillar on how a stakeholder can acquire power and become salient to shaping SSCM practices. Those stakeholders who do not control critical resources pose little risk to the firm and their exposure is minimal.

5.3.4.1 Customers

While all Customers are important and critical to the firm's continued operations, Safaricom exercises exclusive economic and non-economic influence over customers. Enterprise Customers are in an interdependent relationship with Safaricom and work with the firm to align their own objectives and interests with those of the firm. These customers are only interested in Safaricom's environmental and social performance to the extent that there are economic benefits. In the process they can directly influence SSCM practices and TBL measures. The power of the largest enterprise customers to influence SSCM practices and TBL measures is significantly greater than that of individual end users.

5.3.4.2 The Regulators

Regulators have the legal power to withhold or grant licenses/approvals and to impose penalties, fines and legal liabilities (Henriques and Sadorsky, 1999) but they are weakened by Safaricom's monopoly power. In their interactions with the firm, they do not have any economic interests of their own to protect.

The CA resources supplied to Safaricom meet the three conditions of Resource Dependence Theory (RDT) according to Pfeffer and Salancik (1978):

(i) The resource supplied to the firm is important and critical for its continued operations;

(ii) The stakeholder has discretion over resource allocation and use to a large extent;

(iii) There are no immediate alternatives to the resource provided by the CA.

Thus, the CA has a direct influence on Safaricom's SSCM practices and TBL measures. The CA controls critical resources to Safaricom but is itself not resource dependent on the firm. As regulators CA and NEMA are primarily interested in Safaricom's social or environmental performance within their regulatory mandate and are only interested in the firm's economic performance to the extent that such performance leads to improved social and environmental outcomes. Therefore, the regulator is unlikely to withhold resources like operating license and frequency spectrum unless the firm fails to comply with their objectives to implement SSCM practices and TBL measures and report them periodically.

5.3.4.3 Suppliers

The firm depends on key suppliers for critical infrastructure resources. Suppliers are in an interdependent relationship with Safaricom. Their interests are closely related with those of the focal firm so they work with the firm to determine the usage of the resources that they control so that their own objectives and interests are accommodated. The firm has an economic influence on suppliers and therefore a moderate level of control.

All suppliers are primarily interested in a customer's economic performance. However, the major suppliers like Ericssson and Huawei are concerned about Safaricom's social and environmental performance to the extent it affects their economic interests. Other suppliers like Kenya Power are pushing for SSCM practices in order to minimize the risk and liability due electrical accidents and avoid environmental/social litigation that may affect their profitability. Therefore, the firm is influenced by suppliers based on the needs that serve their interest first. Since suppliers have an economic orientation, their power on SSCM practices and TBL measures is relatively moderate.

5.3.4.4 Community

The firm has little economic and non-economic influence on the community. Thus, the community's accountability to the focal firm and the focal firm control of the community is low, stakeholder exposure is low. Since the community is not salient and Safaricom is not resource dependence on it, the community is not likely to influence Safaricom's SSCM practices and TBL measures. The likelihood that the community will exercise direct influence over the Safaricom's SSCM practices is low. Aligning SSCM practices, TBL measures with Stakeholder exposure is presented in Table 5.4 below.

Table 5.4 Aligning SSCM practices, TBL measures with Stakeholder exposure

Stakeholder	Stakeholder exposure	SSCM Practices to mitigate exposure	TBL Measures to ensure sustainability
Customers	-Stakeholder exposure from enterprise customers is high. -Exposure from MPesa agents individually and the largest distributors of firm's products and services is moderate given the firm's dominant market share and their dependence on Safaricom. -Exposure from end consumers is due to relatively volatility.	**Enterprise customers:** - Dedicated staff to monitor top 20 accounts. -Sharing of information with major customers (mainly enterprise). -Market intelligence and surveys. **End customers:** -Critical and time sensitive issues like network down-time are addressed promptly. -Evaluation of quality related complaints. -Feedback on electromagnetic concerns. -Enhanced security features for data confidentiality. -Recycling of e-waste.	-Monitors market share, churn (i.e. percentage of those who stop using Safaricom services). -Annual Customer Delight Index and Enterprise Delight Index measurements. -Annual Quality of Service measurements and determination of the number of penalties due to non-compliance. -Understanding customer opinions on Safaricom products and services using Net Promoter Scores (NPS). - Time to Repair (TTR) matrix that ranks incidents according to severity and business impact. -Annual Customer Service rating to measure performance of retail shops. -Evaluation of customer satisfaction through Net Promoter Score. -Determination of Quality of Speech once it has been transmitted to end user using Mean Opinion Score (MOS). -Brand equity to determine the value of Safaricom image
Suppliers	High exposure from Kenya Power. -Moderate exposure from technology suppliers such as Nokia, Ericsson and Huawei.	-Strategic collaboration and investment like dedicated sub-stations at Safaricom facilities and installations with Kenya Power to ensure reliable connections for Safaricom. -Sourcing for Hybrid power system like Power cubes from Huawei to mitigate risks. -Supplier pre-qualification & monitoring. - Enforcement to supplier code of conduct and ethics and a demonstrated willingness to act decisively when code violated. - Supplier self-assessment on social issues like child labour. - Joint training of selected suppliers. - Installation of e-waste collection points.	-Energy saved as a result of using alternate supplier's products. -Rate of human rights abuse such child labour. -Amount of e-waste collected and dismantled. -Number of jobs created in e-waste collection, dismantling and recycling industries.
Regulators	-High exposure from CA. -Moderate Exposure from CAK. -Moderate Exposure from NEMA.	-Only purchases telecommunication equipment with frequency exposure levels that are not harmful to the environment. -Continuously tracks and monitors QoS. -Keeps all customer information confidential. - Provides information transparently to CAK concerning its tariffs. -Conducts Comprehensive Environmental Impact Assessment before installing Base Transceiver Stations. -promotes e-waste recycling. -Manages Carbon footprint and greenhouse gas emissions. - Provides information to NEMA on disposal of obsolete equipment.	-Number of fines for non-compliance. -Tracking of major QoS KPIs. -Number of legal actions lodged for non-compliance. -Number of legal actions lodged for anti-competitive behaviour. -Cost of fines for non-compliance. -Amount of greenhouse gas emission.

Table 5.4 Cont…

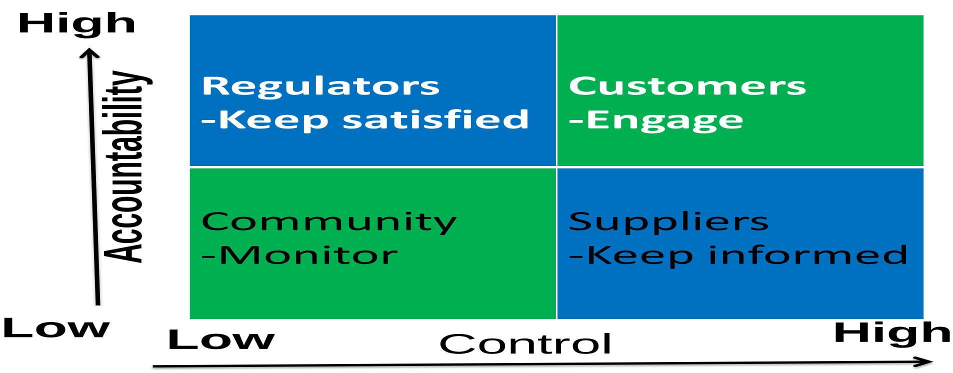
Stakeholder	Stakeholder exposure	SSCM Practices to mitigate exposure	TBL Measures to ensure sustainability
Communities	-In a few instances exposure is moderate. -But aggregate stakeholder exposure is low.	- CSR Programmes such as scholarships for needy students -Reduction of water consumption -Collaborates with NGOs like Africa Cancer Foundation (ACF) and Hope For Orphan's Rescue Centre (HOREC to help uplift the vulnerable groups to access to education - Safaricom involves communities through consultations on an on-going basis thereby strengthening relationship with communities. -Reduction of greenhouse gas emissions	-CSR initiatives like the Vihiga Educational Assessment Resource Centre (EARC) and service coverage to include marginalised communities. -Number of CSR activities -Amount of water consumed. -Energy consumed due to operations. -Reduction in number of school dropouts in marginalized communities where Safaricom has constructed.

Source: Author's Interviews

5.3.5 Analysis across the cases

The four stakeholder groups have different and competing interests. Customers' high salience indicates how important the stakeholder is for Safaricom and the management of its supply chain. This is because its high salience has potential to impose its will (power), create the perception that its actions are deemed to be proper and desirable (legitimacy) and the need to address its claims immediately (urgency). Due to its potential high exposure, the stakeholder should therefore be prioritised by Safaricom in developing the focal firm's SSCM practices and TBL measures. The stakeholders with moderate exposure like regulators and suppliers are kept satisfied and informed while the low exposure triggers low accountability and so are closely monitored by Safaricom. Figure 5.2 shows stakeholders and their management.

Figure 5.2: Stakeholder Exposure



Source: Author's interview based on Parmigiani et al. (2011)

Safaricom's legitimacy – the appropriateness of its actions within an established set of regulations, norms, values or beliefs is threatened by highly salient stakeholders, like customers and community activists as these groups leverage their own legitimacy to criticize a firm's supply chain and make claims that must be addressed urgently. In response, Safaricom must ensure inclusivity to these stakeholders and increase the amount of information collected and disclosed to them through sustainability reporting. For instance, allegations of fraud, governance malpractices, overworked, employees whose contracts have been unfairly terminated, underpaid and disrespected employees within Safaricom by some bloggers damages the reputation of the company, changes the perception of other stakeholders and thus affecting its bottom-line.

Stakeholder salience has not only motivated Safaricom management to justify their actions and behaviors to the relevant stakeholders but being a critical determinant of exposure, it has also been instrumental to the design and execution of SSCM practices that respond to the expectations and informational needs of a broader audience.

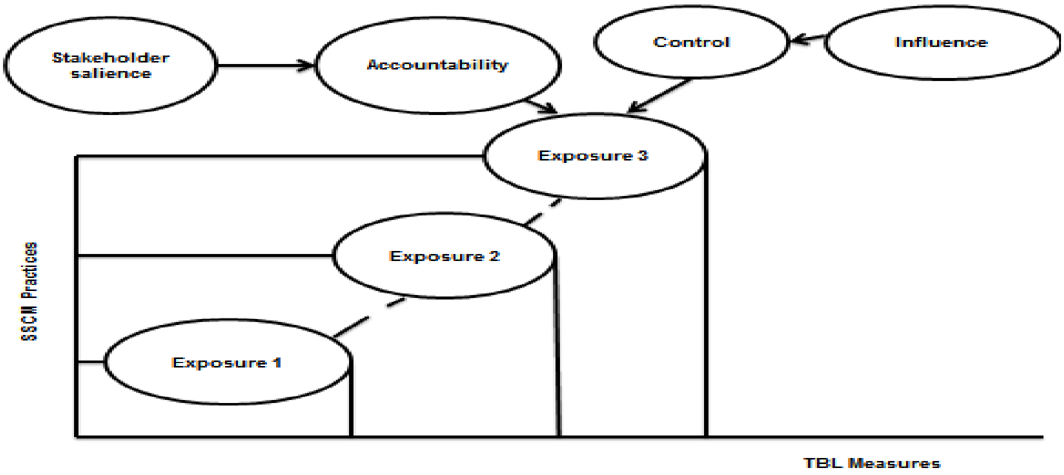
Engagement with salient stakeholders is necessary to act as an early warning system for emerging sustainability risks, anticipating unexpected negative outcomes before they occur. In addition, sustainable actions are concentrated around issues and practices dictated by highly salient stakeholders, so as to reduce the imbalance or departure from "what a firm does" and "what a firm should do." Fully addressing stakeholders' informational needs has also ensured completeness, namely reporting "all" relevant information, and responsiveness, or adapting to current and evolving demands.

The extent stakeholder exposure is a critical determinant of the extent of adoption of SSCM practices and TBL measures. From the different sub-cases, it is clear that stakeholder exposure affects how the firm perceives external pressures and how it decides to respond. The regulator for example uses coercive power to authorize firms to enforce and adhere to set regulations. Similarly, customers exert coercive and mimetic pressures to make the firm to address customer concerns. Local communities on the other hand impose coercive pressure on the firm through environmental activism using environmental non-government organizations (NGOs) and to some extent filing of lawsuits. Institutional pressure such as that from Vodafone, the parent company also plays a role in making Safaricom adopt SSCM practices. The company's decision to adopt environmental and social management practices is influenced by the desire to improve or maintain cordial relations all these stakeholders.

The firm responds appropriately depending on the amount and source of pressure exerted. Where the pressure is perceived to be greater, the adoption of SSCM practices and TBL measure is intensified. In situations where pressure is limited and does not pose imminent risk, the firm may be indifferent. Stakeholder exposure thus, varies from one stakeholder to the other and the firm will align its SSCM practices and TBL measure according to the demand and expectation of each stakeholder.

The extent to which Safaricom is influenced to adopt SSCM practices is determined by the importance they assign to environmental and social issues and the pressure exerted from external stakeholders as well. As indicated in figure 5.3, stakeholder exposure plays a moderating role between SSCM practices and TBL measures. Safaricom aligns its SSCM practices and TBL measures with stakeholder exposure. There is an active relationship between SSCM practices and TBL measures when stakeholder exposure is higher, but that relationship is weakened when the levels of stakeholder exposure are low. In all cases, stakeholder exposure plays a moderating role between SSCM and TBL measures and hence a determinant of the extent to which the SSCM practices align with TBL measures.

Figure 5.3: Relationship model between Stakeholders and focal firm



Stakeholder exposure greatly moderates the influence of individual stakeholders on the firm's practices. For instance, the pressure from stakeholders such as Vodafone has encouraged the formulation of more sustainable practices regarding e-waste disposal and telecommunication masts management. This, in turn, has induced management to adopt environmental practices by putting in place an environmental management system and a strong collaboration with suppliers and regulators like NEMA to improve its environmental performance.

5.3.6 Misalignment: Stakeholder exposure, SSCM Practices and TBL measures

In other cases, however, the firm acts even when stakeholder exposure is low. Low levels of stakeholder exposure do not imply absence of SSCM practices. On the contrary, the focal firm could have other motivations to adopt SSCM practices even when the perceived or expected stakeholder exposure is low or non-existent. The firm can proactively develop SSCM practices at the corporate level to mitigate future exposure. This is because, at the supply chain level, SSCM practices are more reactionary because Safaricom only integrates SSCM practices if perceived stakeholder exposure actually exists. In the absence of stakeholder pressure, SSCM is not recognized as an imperative to firm TBL performance. When there is no imminent risk of being held accountable from stakeholders, the high cost of integrating SSCM practices is not worthwhile venture. These contradictions sometimes lead to misalignment in managing stakeholder relationships.

The expectations and needs of different groups determine and shape accountability the focal firm has towards its stakeholders. The focal firm may become more accountable and thus reduce the negative externalities (stakeholder exposure) to develop an indifferent approach that increases stakeholder exposure.

5.3.6.1 Community

The Community uses indirect influence (through primary stakeholders such as NEMA and big customers) to put pressure on the firm in order to adopt SSCM practices. The community being a stakeholder on whom the firm is not resource dependent can acquire power and exercise indirect influence via stakeholders who control critical resources. The community enhances its power by influencing other stakeholders who control resources critical for the firm. Exposure from community is low but stakeholder can enhance its power to indirectly influence Safaricom to adopt SSCM practices. Therefore, SSCM practices and TBL measures emerge from low stakeholder exposure that is enhanced using indirect influences.

5.3.6.2 End customers

End users customers are not dependent on the firm but rather the firm is dependent on these consumers continuing to buy and prefer its products. They have discretion over their resource allocation and usage since they can choose to stay with Safaricom, boycott their products and move to a competitor. Furthermore, the resources supplied by end customers have alternatives since the focal firm can choose to acquire new customers and develop new frontier markets. Exposure from end customers is moderate and so environmental and social performance is of little consequence.

End user customers especially in remote areas rely on the power of the regulator to access telephone services. For example, through the USF initiative, the regulator requires all operators to remit a percentage of their income to cater for the needs of customers and would be customers in remote areas. In this case, the regulator on its own motion can enhance the power of end-customers by requiring some form of affirmative action for customers in far flung areas.

Safaricom gains additional competitive advantage when it aligns SSCM practices with expectations of stakeholder exposure. However, with misalignments it implies that stakeholder needs are not sufficiently and reliably addressed. This portends a longstanding and persistent challenge that the focal firm must address.

For example, some customers may be satisfied with an SSCM practice that provides limited accountability, whenever this group believes that this degree aligns well with its expectations and informational needs. Conversely, other customers may be dissatisfied with such an SSCM practice that is perceived to offer accurate and reliable accounts if this group still believes that specific concerns are not adequately considered. This results in disgruntled customers who complain day on end. Furthermore, a lot of information disclosed by the focal firm is not available to majority of the stakeholders. Other stakeholders may consider the information not relevant to their needs. The outcome of these scenarios is a convoluted system that doesn't adequately address stakeholder accountability.

To illustrate, Safaricom engages with several stakeholders and tries to account for a wide range of environmental metrics such as carbon emissions, energy consumption and waste disposal in its operations. However, little material and responsive information is reported about fraud, governance malpractices, overworked, underpaid and disrespected employees working at different levels of its supply chain. Some community activists interpret this misalignment as a kind of "hypocrisy" which is one of the causes of mistrust between the focal firm and their stakeholders.

Safaricom exhibits both positive and negative misalignments. A positive misalignment between 'perceived' accountability and 'expected' accountability happens the firm becomes more accountable than expected. This has an effect of yielding diminishing returns; as salient stakeholders are already fully satisfied based on the attention offered by firm. Thus the focal firm needs to know where the limit in terms of scope should reach as additional and elaborate SSCM practices may not yield different results but results in misalignments.

Alignment is negative when an SSCM practice is a direct opposite or reverse of what is expected. This is evident from a series of complaints from customer, suppliers, the regulators themselves and even communities. The result of this is disgruntled stakeholders who keep holding the focal firm more and more accountable. The overall effect of negative misalignment is an increase in operational risks.

When management actions on SSCM practices do not align with the expectations of stakeholders, exposure is not addressed adequately and the risk abound. But the firm's willingness, or efforts to give stakeholders some input into the development of its practices, constitutes an important prerequisite for minimizing exposure.

5.4 Chapter summary

This section has presented a cross-case comparison using the conceptual framework, first without literature. The first part of the analysis compared the four stakeholders using Parmigiani part of the framework only. This was meant to establish how much Safaricom is exposed to each stakeholder. The second part compared how Safaricom manages and measures this stakeholder 'exposure. The alignment model of stakeholder exposure, SSCM practices and TBL measures points to a number of challenges the focal firm faces in aligning and leverage accountability to stakeholders. It has been observed that Safaricom SSCM practices tend to perceive that multiple stakeholder groups impose similar sustainability demands. However, this analysis indicates that there are differences in expectations by multiple and diverse stakeholder groups. Because stakeholder groups might have different ethical and cultural characteristics, competing interests and diverse sustainability demands emerge. As a result, the firm might inadvertently overlook the most important and pressing demands.

Stakeholder exposure is a critical determinant of the type of SSCM practices cultivated by Safaricom and subsequent TBL measures employed to measure performance of focal firm. In the case of customers where stakeholder exposure is highest, the firm makes a conscious effort to avert incidents and complaints that may cause a crisis. The firm uses internal mechanisms and processes to ensure that problems are discovered before they escalate to generate complaints from important stakeholders, particularly customers. Through internal metrics and KPIs that are monitored by employees, the firm is able to manage incidents and ensure performance for stakeholders is at its highest.

In the cases where stakeholder demands don't pose imminent risk or big impact to the business, the practice is to handle them in the normal course of business. Consequently, high stakeholder exposure call for intensified relationship between SSCM practices and TBL measures whereas the outcome of low stakeholder exposure is indifference between SSCM practice and TBL measures.

CHAPTER SIX: ANALYSIS IN THE CONTEXT OF THE CONCEPTUAL FRAMEWORK AND LITERATURE

6.1 Introduction

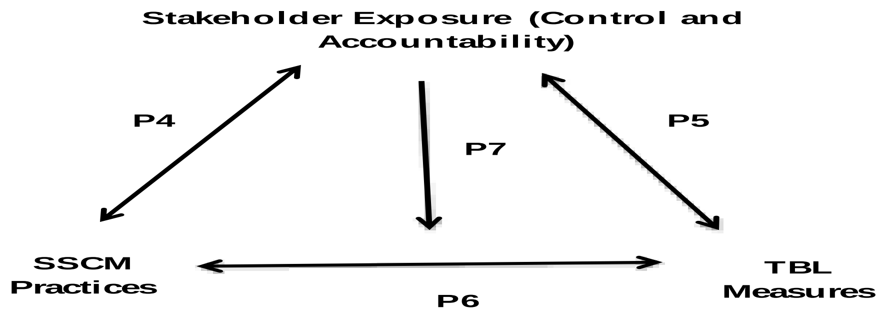
The previous chapter compared the cases of four key stakeholder groups: customers, suppliers, regulators and community. There is very limited existing literature that empirically explores the relationships between stakeholder salience, stakeholder exposure and the management thereof through SSCM practices and TBL measures.

This chapter analyses the study results by comparing them with the findings of other researchers in the study area. It presents the similarities and differences in a logical manner based on the stated objectives. The analysis is split into four parts for each stakeholder group, namely;

(a) Exposure to stakeholders which comprises accountability to and control over stakeholders.
(b) Management of exposure, comprising SSCM practices and TBL measures.
(c) Alignment and misalignment of stakeholder exposure with SSCM practices and TBL measures.
(d) Evaluation of support for each proposition for each stakeholder.

The model in Figure 6.1 depicts stakeholder exposure as moderating the relationship between SSCM practices and TBL performance measures. The model thus suggests that stakeholder exposure influences the strength of the inter-relationship between SSCM practices and TBL measures.

Figure 6.1: Original model on SSCM Practices, Stakeholder Exposure and Triple Bottom Line Measures



Additionally, this chapter discusses the relationship between SSCM practices and TBL measures.

Each stakeholder group was analysed before comparing and contrasting the management of the four stakeholder groups separately. This enabled the researcher to understand the focal firm's relationships with each stakeholder in an integrated way and use the literature to help understand why each proposition is or not supported in each stakeholder.

This chapter covers integration or comparison of stakeholders, comprising cross case synthesis and whether there is an alternative way to interpret the study findings that explains them better.

6.2 Customers

Safaricom customers are classified into two categories namely, enterprise and end-user customers, each of which generate about 50% of revenue. Safaricom holds a dominant market share in the corporate segment, which accounts for 85% of revenue from enterprise customers (Safaricom Annual Report, 2015). Customer salience depends on their classification and size. The evidence in the previous chapter suggests that the (a) Top 20 enterprise customers and (b) individual consumers should be analysed as separate sub-cases in order to explore whether or not Proposition 1 is supported.

It was found that the majority of enterprise customers possessed all the three attributes of salience, namely power, legitimacy and urgency (see Table 5.1). By virtue of possessing all three attributes, enterprise customers have the highest level of stakeholder salience and thus the greatest propensity to hold Safaricom accountable for their decisions. This is consistent with the arguments of Mitchell et al (1997) and Parmigiani et al (2011) who argue that stakeholders with the three attributes of salience have the highest ability to hold a focal firm for its decisions.

End user customers have legitimacy, urgency but only limited power and hence are considered to have moderate level of salience. Their power emanates from the significant resources that they collectively provide to the firm; most notably, a ready market for Safaricom products and services. This means that a shift of customer loyalty from Safaricom to other operators can have a negative impact on Safaricom's market share and Average Revenue Per User (ARPU) as was experienced during the calling rate price cuts of 2012 (Okuttah, 2015).

It should be noted that Parmigiani et al's (2011) framework is not aimed at generalizing about the power, legitimacy and urgency of a stakeholder in general but seeks to analyze the dynamics of salience for a particular issue. Despite this, the framework enables us to evaluate a company's responses to a category of stakeholders. As a result of the differences noted above, the discussion below separates customers into two categories in order to highlight why and how they are managed differently by Safaricom.

6.2.1 Safaricom Accountability to Customers

Since customers differ in terms of attributes, the levels of accountability vary depending on the category of a customer. As the Top 20 enterprise customers have all three attributes namely; power, legitimacy and urgency, they have a much higher propensity to hold Safaricom accountable than either end-user customers. However, due to the criticality of M-pesa product, end customers demand more accountability from the focal firm. This scenario implies that the salience level of end customers is elevated. This finding is consistent with Mitchell et al's (1997) proposition that the level of salience increases as the number of attributes increases and positively impacts on the level of accountability of the firm.

In some instances both categories of customers are concerned about Safaricom's products and services, such as security in using the M-pesa platform to transact business. Where a focal firm is held accountable it needs to provide credible information about the activities that impact the entire supply chain (Pullman et al. 2009; Parmigiani et al. 2011) and needs to design systems to trace the flow of goods and services and evaluate their systems to ensure compliance (Lamming et al., 2005).

(a) Top 20 Enterprise Customers

As a result of their high level of salience, enterprise customers have the highest propensity to hold Safaricom accountable for their decisions. Safaricom experiences the highest level of accountability regarding customer supply chain issues because all the three attributes –power, legitimacy and urgency are present.

Enterprise customers have high power to influence how supply chain activities are managed within Safaricom. For example, as previously discussed in chapter four, Equity Bank discontinued its collaboration with Safaricom on Mkesho product and switched to Orange Money and later started its own Equitel product. This is consistent with Neto's (2008) findings that key customers have the power to influence supply chain activities as they may be sensitive to environmental and other issues and hence demand that companies transacting in electronic goods ensure that their products are environment friendly. Agle et al. (1999) also argue that stakeholder salience depends on the amount of resources provided to a firm by a certain stakeholder.

Safaricom encourages open discussions with the Top 20 customers on their sustainability agenda, and seeks feedback and suggestions on how to improve on sustainability in its supply chain activities. This is consistent with van Huijstee, & Glasbergen (2008) and Herremans, Nazari & Mahmoudian (2015) who argue that discussions and dialogue lead to new ideas and increased knowledge regarding continuous improvement. Similarly, the legitimacy of any Top 20 customer's claims, for example, Kenya Commercial Bank, may escalate the level of salience.

(b) Individual Customers

Individually, end user customers have all three attributes but in small measure. They are a representation of market forces (Ageron et al., 2012). As a result their issues are not always dealt with immediately. Generally, individual customers are considered legitimate by Safaricom because their contracts oblige the firm to render designated products and services. For instance, when consumers took legal action, after Safaricom unilaterally changed the terms and conditions of the Karibu post-paid tariff, the firm reconsidered its decision. After customers filed a class action suit compelling the firm to pay damages due to delayed processing of number portability requests, Safaricom eventually complied with CA requirements. Furthermore, customer claims are considered urgent and call for immediate attention due to the nature of services that are transacted, particularly when they resort to social media to complain.

The firm also uses branding and images to publicize its sustainability programmes. This finding is in line with Holliday et al. (2002) who argue that public scrutiny of a firm's operations drives management to be transparent regarding their environmental, social and economic performance. Greater transparency among various parties in the industry promotes greater collaboration, sharing and monitoring of the flow of information and reinforces remediation expectations across the industry (Nike, 2005; Carter & Rogers, 2008).

Safaricom is also pro-active in addressing incidents in order to prevent most potential end-user customer complaints. This finding differs from Parent and Deephouse (2007)'s assertion that power has more effect on salience, followed by urgency and legitimacy respectively as it demonstrates that urgency may be of similar importance. The emergence of social media in the past decade, and the growth opportunities for consumers to vent their views on service issues may explain this difference.

This analysis thus supports the proposition that the focal firm will experience the highest level of accountability to customers regarding a supply chain issue where all three attributes -power, legitimacy and urgency are present.

6.2.2 Safaricom Control over Customers

As the dominant player in the industry Safaricom exercises the greatest level of control over a supply chain issue when it exercises both economic and non-economic influence, consistent with Maloni & Benton's (2000) argument. Influence is understood to mean "the determined possibility for obtaining favoured benefits in relations where interests compete" (Willer et al 1997). When asymmetrical relationships arise, one stakeholder party gains control over the other one. Customer feedback, however, prompts Safaricom to develop innovative products and services.

(a) Top 20 Enterprise Customers

Safaricom has a moderate level of economic influence but high non-economic influence over enterprise customers. In order to retain existing and attract potential customers, the firm uses both economic and non-economic approaches to influence them directly or indirectly on products and services. For instance, the firm's investment in setting up Safaricom Advantage shops and Business centers provides enterprise customers with innovative products and services.

Safaricom uses its economic influence when signing SLAs with corporate clients that specify their expected ethical conduct and behaviour standards. Moreover, the evidence supports the argument of Parmigiani et al (2011) that greater control by a firm can facilitate "*win-win" outcomes* for the supply chain in the presence of social and environmental technical capabilities. For instance, Safaricom ensures reduction of greenhouse gas emissions and focus on energy security by adding an environmental dimension to sourcing decisions related to alternative power supply. Therefore, downstream partners and large customers may benefit indirectly from Safaricom's ability to exert a high level of control over the entire supply chain.

(b) Individual Customers

The focal firm has high economic and non-economic influence over end users who are increasingly dependent on reliable service on a daily basis particularly because of the pervasive role of Mpesa in the Kenyan economy. The extent to which Safaricom can exert influence over these customers is a critical determinant of control. For instance, through one Short Message Service (SMS), Safaricom can reach an audience of more than 25.2 million customers (Safaricom Sustainability Report, 2016). Additionally, the firm's interaction with customers through other avenues like web portals, call centers and interactive voice responses gives it even greater influence and control. With access to this audience, Safaricom can communicate its priorities and exert influence on customers to help advance its sustainability goals.

Safaricom's major source of influence lies in its market dominance and monopoly power, as well as customer dependency on continuous service, improved products and service levels. As Pfeffer & Salancik (1978) argued, greater market power provides the focal firm with greater control. As Kenya's largest business, the firm also has a very powerful communication platform to articulate issues and champion societal and environmental goals. This becomes attractive especially to other firms who may want to use Safaricom platform to reach to this audience and push their sustainability initiatives.

The analysis is consistent with Parmigiani et al's (2011) argument that greater control by the focal organization, based on their economic and non-economic influence, enables them to give direction regarding the required changes within the supply chain. As the player with the largest customer base in the Kenyan banking sector, Safaricom's influence stretches far beyond cellular services. Via their large network of M-pesa agents it controls access to banking transactions for 16.6 million registered customers (Safaricom Sustainability Report, 2016).

However, the findings in this study are not consistent with findings of Meixell & Luoma's (2014) review of empirical studies of stakeholder pressure. They found that end–user customers influence environmental but not social sustainability practices. This may be attributable to different priorities among consumers in a developing country context, where Safaricom operates or to the nature of a service-focused business like Safaricom that maybe perceived to have less environmental impact than a goods producer.

6.2.3 Safaricom Management of Exposure to Customers

Stakeholder exposure is determined jointly by accountability and control (Parmigiani et al. 2011). Overall, customer exposure is limited by Safaricom's high level of control over customers and the stakeholder's moderate level of power, legitimacy and urgency to hold the focal firm accountable. Three main issues of Safaricom's exposure to customers are discussed below: network service levels, preventing customer migration, and managing consumer pressure.

Across the board, Safaricom's exposure to customers is high due to their perceived high salience to make the company accountable and Safaricom's ability to exert pressure on their suppliers to deliver the necessary changes down the supply chain (DiMaggio & Powell, 1983). The extent to which customers are impacted by Safaricom's decisions can be high. This is highlighted in Safaricom's materiality matrix, where the top four issues have a significant financial and operational impact on the business touch on customers. This highlights the critical importance of the regulatory environment; energy security, network stability and innovation to keep customers satisfied.

(a) Top 20 Enterprise Customers

Exposure to enterprise customer complaints arises from the existence of Service Level Agreements (SLA) and holding the focal firm accountable whenever it does not meet its end of the bargain. This can be in form of claims arising from law suits and penalties due to breach of contract. Overall, the exposure to enterprise customers is high.

As the Top 20 enterprise customers are highly salient to Safaricom, a dedicated team manages their accounts, addresses their issues promptly, and commands a lot of attention to ensure adherence to a Time to Repair Matrix (TTR) and SLAs. The TTR is the average time required to correct or fix a failed network element and return it to its normal status. The priority given to resolving issues depends on the nature of the incident and the impact on business.

(b) Individual Customers

Safaricom's end user customers are important and salient but not at the same level as enterprise customers. Exposure to end customers arises from complaints due to poor network quality, down time and the high price of services. Overall, the exposure to end user customers is moderate. Nevertheless, end customers help generate half the firm's revenue. For instance, in 2011, Safaricom increased its calling rate by 33.3% making it the most expensive operator in Kenya. This only resulted in a small (1.3 %) loss of market share the following year (from 66.6% to 65.3%) which Safaricom has subsequently regained (Safaricom Sustainability report, 2011).

Customer migration due to non-competitive tariffs is also a reality that Safaricom contends with. End-users have discretion over their resource allocation and usage since they have market power to stay with the firm, reduce their usage of the firm's products and services, or shift to a competitor (Hahn & Scheermesser, 2006). Consumers are able to exercise their power, although in the long run, they have not migrated in significant numbers.

Many end user customers have taken to the social media to air their grievances and put pressure on Safaricom to address their complaints. These actions have often brought about favourable outcomes for the benefit of end user customers. This is consistent with Walker et al. (2008) who argue that customers exert pressure to well established and reputable companies to provide products and services that are environmentally friendly as well as taking care of social concerns.

Customer pressure can have a positive influence over supplier selection as far as social issues are concerned (Ehrgott et al., 2011; Klaasen & Vereecke, 2012). Though prohibitively expensive, end customers may also initiate lawsuits that may dent the image of the focal firm. To mitigate exposure, Safaricom is willing to go to court when challenged by its customers. Previously, customers have lost some of the court cases to Safaricom. Litigation processes against a big firm such as Safaricom are expensive, cumbersome and labourious, which discourages customers who might have legitimate issues. As a result, customers face frustrations in challenging the firm to act on their issues and thus struggle to hold the focal firm accountable.

6.2.4. Managing Customer Exposure using SSCM Practices and TBL Measures

Safaricom manages exposure to customers by using a wide range of SSCM practices and TBL measures. Specifically, the firm focuses on three key issues, namely:

i. Network service levels
ii. Preventing customer migration
iii. Managing consumer complaints

To enhance sustainability, Safaricom has implemented a clear set of TBL measures that are continuously monitored, tracked and improved. Some of the measures include number of suppliers who complete suppliers' self-assessment, amount of energy consumed, Annual Quality of Standard (QoS) measurements as well as the Number of Penalties due to non-compliance. The firm also evaluates churn, a metric that indicates the percentage of users that discontinue its service. As Maria et al. (2013) argue that customer tracking measures may contribute to sustainability and business success. TBL measures are ostensibly meant to maintain the firm's leadership position and guarantee its sustainability.

(a) Top 20 Enterprise Customers

While ensuring security, privacy and data confidentiality, the firm shares critical information that enables enterprise customers to make buying decisions. To manage exposure to customers, the firm employs a dedicated staff to satisfy and monitor performance for the top twenty enterprise accounts and works closely with its upstream suppliers to improve network quality. The actions above support the proposition that: "Stakeholder exposure creates an imperative for management action when the focal firm exercises a high level of control and stakeholders hold the focal company accountable for its decisions over a supply chain issue."

(b) Individual Customers

The firm mitigates exposure to end user customers by evaluating network quality related complaints, giving feedback on electromagnetic concerns and carrying out market intelligence and surveys. By launching Best Network in Kenya (BNK) Safaricom identifies network stability as key to delivering services to consumers and maintaining market dominance. The identification and ranking of risks, as well as designing strategies to deal with these risks, enables Safaricom to address their impact on business operations. For example, while Safaricom has made efforts to create end-user awareness of the role and risks of poor e-waste disposal through the media, this has not necessarily led to the adoption of SSCM practices by consumers.

Through Safaricom's efficient and responsive supply chain, it is well positioned to manage exposure to customers. As Azapagic (2003) argues, customers' economic interests are attributed to the price of product or service. By offering lower tariffs for calls on its own network Safaricom has made it expensive for consumers to defect to competitors as it has a 68% market share. Affordable pricing is used to ensure that customers do not shift their loyalty.

To respond to customer needs, the focal firm exerts upstream pressure on suppliers to provide sustainable solutions, thereby addressing the varying needs of these stakeholders. This finding supports the proposition that: "The greater the degree of stakeholder exposure - i.e. focal firm control and accountability to stakeholders the greater the adoption of sustainable Supply Chain Management Practices over a supply chain issue." However, as Sarkis et al. (2010) assert, only key customers and clients have the ability to influence the actual implementation of practices. This implies exposure levels vary according to the customer in question, with enterprise customers posing a greater risk.

Customer satisfaction levels are critical to Safaricom performance. Previously, Safaricom used the Customer Delight and the Enterprise Delight indices as metrics to assess customer satisfaction. It now uses the Net Promoter Score (NPS) for both enterprise and end user customers to measure the likelihood that they would recommend Safaricom to other potential users. This supports the proposition: “The greater the degree of stakeholder exposure – i.e. focal firm control and accountability to stakeholders - the greater the adoption of TBL performance measures over a supply chain issue”

However, the adoption of SSCM practices and measurement of TBL measures have not necessarily lead to improvements in network quality but generally placed the company in a position to address social and environmental challenges. This finding does not support Proposition 6 that “SSCM Practices and TBL performance measures have a reciprocal influence on each other”

6.2.5 Alignment between Customer Exposure and SSCM Practices and TBL Measures.

The alignment of the SSCM practices and TBL measures with stakeholder exposure largely depends on the type of stakeholder involved and the salience level associated with that stakeholder. Safaricom’s SSCM practices and TBL measures are aligned with customer exposure through (a) regular and open discussions regarding sustainability issues, (b) encouraging feedback from customers and (c) awareness creation through branding and improvement of the firm’s reputation. The firm also ensures continuous improvement in the quality of products and services. This finding is consistent with Shrivastava (1995) who argued for the need to have effective integration between the organization corporate strategy and sustainability initiatives.

Customers are important and critical to Safaricom’s continued operation, although the firm exercises both economic and non-economic influence over customers. The largest enterprise customers have an interdependent relationship with Safaricom. They work with the firm to determine the usage of the resources that they control so that their own objectives and interests are aligned with those of the firm. Resources supplied by enterprise customers have fewer alternatives since the focal firm has fewer options that it can choose from (Ahi & Searcy, 2013). Based on Resource Dependency Theory (RDT), the power of the largest enterprise customers to influence Safaricom’s SSCM practices and TBL measures are greater than that of end users.

Furthermore, the resources supplied by end customers have alternatives since the focal firm can choose to acquire new customers and develop new frontier markets. End user customers especially in remote areas rely on the power of the regulator to access telephone services. For example, through the USF initiative, the regulator requires all operators to remit a percentage of their income to cater for the needs of customers and would be customers in remote areas.

6.3 Suppliers

While many small Safaricom suppliers are categorized as dependent stakeholders who possess varying degrees of legitimacy and urgency (see Table 5.1) the opposite applies to three key suppliers, namely Huawei, Ericsson and Kenya Power. In all cases their legitimacy is due to their critical contractual and commercial relationships with the cellular firm. Suppliers voice their concerns to Safaricom on the acceptable social standards regarding various goods and services. The level of urgency varies, depending on the type of supplier. For instance, electricity breakdowns by Kenya Power demand urgent response unless automated back-ups exist and call for immediate attention and are therefore classified under high urgency. Conversely, delays in infrastructure building have a moderate level of urgency because these issues are not necessarily critical and time sensitive although they may negatively impact key measures of service delivery to end users.

6.3.1 Safaricom Accountability to Suppliers

Suppliers and Safaricom are interdependent on each other and so neither has power over the other. Suppliers differ considerably and hence possess varying levels of legitimacy and some degree of urgency. Parmigiani et al. (2011) argue that stakeholders, including suppliers, have a legal and moral obligation to seek an explanation from the focal firm for any decision or action taken.

Suppliers generally do not possess power over Safaricom but are engaged in a mutual dependence relationship meaning that one party cannot be domineering over the other. In contrast to small suppliers, a key supplier such as Kenya Power possesses significant disruptive power that can cause Safaricom to prioritise their issues. Also, an infrastructure supplier like Huawei provides Hybrid power systems and possesses moderate power over Safaricom. Clearly, there is a mutual dependence between infrastructure suppliers and Safaricom. Safaricom involves its suppliers on issues regarding product and service development. Involvement of suppliers is achieved through daily Safaricom emails, sharing ideas and encouraging them to give their feedback and express their interest.

Whereas Safaricom expects their suppliers to deliver products and services that are of quality standard, sustainable environmentally and not harmful to consumers, suppliers in turn expect timeous payment and that the firm accords them respect in their respective areas of technical expertise. A critical issue here is that there is reliance on suppliers to maintain infrastructure to deliver continued services.

Since suppliers have a moderate level of accountability on Safaricom's supply chain decisions, it supports the proposition that:

> "The focal firm will experience a moderate level of accountability regarding a supply chain issue where any two stakeholder attributes - power, legitimacy and urgency - are present."

6.3.2 Safaricom's Control over Suppliers

Safaricom's control over suppliers varies depending on their size and the nature of the supplies. In discussing the level of control, suppliers have have been classified into small and key suppliers.

Safaricom exercises a high level of control over small suppliers through both economic and non-economic influence within the domestic market, and internationally, via its major shareholder, Vodafone. For instance, if the overall goal is to reduce power consumption and greenhouse emissions, the firm sets carbon footprint standards required of suppliers who need to comply in order to reap economic benefits.

Safaricom exercises a high level of control over small suppliers due to their dependence on payment for their supplies. Safaricom's quarterly audits of their suppliers contribute to higher levels of trust and transparency between the firm and its partners. Audit procedures increase transparency, and this effectively reduces transaction costs across the supply chain partners (Carter & Rogers, 2008).

As a dominant focal firm, Safaricom holds regular meetings with suppliers to improve the quality of supplies and hence enhance collaboration with suppliers, which in turn influences the behaviour of other supply chain partners. Moreover, industry norms, which originate jointly from buyers and a particular supplier, influence the behaviours of other suppliers in the market (Parmigian et al. 2011).

Safaricom's comprehensive supplier evaluation is based on a set of criteria including taxation, environmental and social compliance. Suppliers who qualify for tender awards sign a code of conduct, followed by supplier evaluation and monitoring to ensure that supplier performance is up to expectations. This is consistent with Parmigiani et al. (2011) who argue that supplier evaluation and monitoring ensures continuous improvement in supplier's processes to maintain the quality of goods and services delivered while reducing costs.

Safaricom has a moderate level of control over its key suppliers and focuses on strengthening its relationship with these suppliers to ensure more sustained growth and success. For instance, the firm is able to manage energy consumption levels by purchasing more energy-efficient technologies and alternative energy solutions to mitigate the risk of electricity and power failures (Safaricom Sustainability Report, 2016).

This is consistent with the stakeholder view that recognizes that the relationship between a firm and its supply chain partners is the primary way of sustaining and enhancing its wealth-creating capacity (Post et al., 2002). Furthermore, due to their long-term relationship with the firm, these constituents have a stake the firm's operations. Firms collaborate with suppliers to improve or limit their sway over the stakeholder relationship (Vachon & Klassen, 2006). Due to constant changes in stakeholder requirements, supply chains need to be improved continuously by focusing on environmental and social dimensions of sustainability. Pagell, Wu & Wasserman (2010) also confirm the existence of economic and environmental related challenges that have necessitated most modern firms to reconsider their supply chains. Jorgensen & Knudsen (2006) supported this argument by stating that a sustainable firm should manage its social responsibilities across dislocated production processes that cut across entire supply chain.

While suppliers are required to sign a code of conduct regarding their adherence to observe high standards, the firm also holds regular symposiums with the suppliers on environmental matters. As Halldorsson & Halldorsson, Kotzab, & Skjøtt-Larsen, (2009) argued, buying organizations, like Safaricom, need to be concerned about ensuring compliance with environmental expectations or service procedures such as ISO 14001. Firms, like Safaricom, integrate quality standards which focus on an organisation's environmental performance in their processes (Handfield et al. 2001). Additionally, Safaricom observes conducive working conditions for its subcontractors. By recycling electronic waste, Safaricom takes responsibility for the behaviour of stakeholders downstream with regard to handling supplier devices like mobile phones and tablets. Similarly, if the expectations from downstream customers change, Safaricom exerts pressure on suppliers upstream to bring about the necessary changes that address the emerging need. This evidence supports the proposition that:

> "The focal firm will exercise the highest level of control over a supply chain issue where it exercises both economic and non-economic influence over suppliers".

6.3.3 Safaricom Management of Exposure to suppliers

Safaricom's level of control over suppliers depends on what type of product or services they provide the firm. Suppliers' propensity to hold Safaricom accountable is limited. Thus, Safaricom's exposure to suppliers is moderate because control by the firm is high and accountability to these stakeholders is low. However, exposure to the monopolistic power of Kenya Power is high as a result of relatively low control exerciseable by the firm. As a result, Safaricom has tried to mitigate electricity supply problems by using alternative energy sources such as power cubes, solar and diesel. This has succeeded only to a limited extent because the firm primarily relies on Kenya Power as the main source of energy.

Safaricom has different levels of exposure to smaller suppliers. The salience level of small suppliers is moderate because they have high power, but moderate legitimacy and low urgency. Their power is due to their expertise in their field of specialization which they can withdraw if there is no meaningful engagement with the firm. Supplier legitimacy is moderate because contracts entered into mostly originate from Safaricom and always tend to favour the focal firm. The supplier's urgency is low because they are neither critical nor call for immediate attention.

Due to its monopolistic nature as a supplier of a critical product or service, Kenya Power stands out as a highly salient stakeholder in the operations of Safaricom. Safaricom's operations reliance on Kenya Power for cheap and affordable network energy exposes the focal firm to risk and supply disruptions in case of power failures or disconnections.

The evidence thus supports the proposition that: "The focal firm will experience a moderate level of exposure over a supply chain issue where accountability is high and control is moderate or control is high but accountability is moderate".

6.3.4 Management of supplier Exposure through SSCM practices and TBL Measures

The operating environment for Safaricom business is competitive and challenging. Therefore, suppliers are pre-qualified based on price, quality and reliability. Safaricom communicates their expectations to their suppliers. Suppliers are required to complete self-assessment questions and have to sign a supplier code of conduct and ethics agreement as pre-requisite to acceptance of bid documents. Supplier TBL performance measures are metrics used in self-assessment and are dependent on good SSCM practices that are clearly communicated by the focal firm.

Well developed supply chain systems and collaboration with suppliers may improve a firm's ability to adopt SSCM practices (Ehrgott et al. 2011). In managing its suppliers, Safaricom helps them to integrate sustainability to their various offerings. Furthermore, Safaricom empowers its suppliers through supplier development initiatives to become more sustainable thereby reducing their turnover rate. This is because it is more beneficial to work with established suppliers who understand the company's business than changing to new ones.

Power from the country's main supplier, Kenya Power remains the most affordable and convenient mode to do business. Thus, it is the automatic choice of Safaricom when planning for power to its premises. In rural areas, Safaricom prefers to set up its installations near public utilities like schools, hospitals, military camps, police stations, which have easy access to power. This mitigates cost escalations which can be prohibitive when doing business in a developing country like Kenya. Solar energy is an alternative choice whenever mainline power is completely unavailable or inaccessible. In the extreme, and in order to manage exposure to Kenya Power's unreliable electricity, the firm increased the use of power cubes to mitigate the disruptions caused by electricity and power failures. Safaricom has also embarked on various wind power projects to enhance energy security in order to be a more sustainable corporate.

To mitigate exposure to technology suppliers, the firm employs standard SSCM practices such as supplier self-assessment and evaluation on social issues like child labour (Foerstl et al. 2012). Safaricom also performs supplier pre-qualification and monitoring to ensure that high standards are upheld. The company has a code of conduct and ethics that it signs with all suppliers while conducting joint training with selected suppliers.

Since exposure to suppliers is moderate, Safaricom ensures that the contractual relationships are well managed, procurement processes are transparent, and the needs of the company are clearly communicated from time to time. In addition to self-assessment reports, the firm requires that all third party certifications of suppliers are in place. This is consistent with Meixell & Luoma (2014) who argue that there is need for firms to be transparent and efficient in disseminating information to their suppliers.

Safaricom engages its suppliers by continuously communicating their desire for quality products and services that will help them cut cost, improve their earnings and lead to sustainable outcomes. To ensure sustainability, Safaricom has a set of KPIs that are constantly monitored. They include: measuring the amount of e-waste collected and dismantled, energy saved as a result of using supplier's products, the number of jobs created in e-waste collection, dismantling and recycling industries and the rate of human rights abuse such child labour.

> This supports the proposition that: "Stakeholder exposure creates an emergent management issue when the focal firm exercises a high level of control but stakeholders are unable to hold the focal company accountable for its decisions over a supply chain issue."

Although exposure to suppliers is moderate, and Safaricom continuously assesses and evaluates suppliers, this evidence does not fully support the proposition that:

> "The greater the degree of stakeholder exposure (i.e. focal firm control and accountability to stakeholders) the greater the adoption of TBL performance measures over a supply chain issue".

Instead, the evidence suggests that the company implements TBL measures and monitors suppliers continuously to minimize risks in general, and not just primary risks.

The adoption of SSCM practices by Safaricom has resulted in improved performance on various TBL measures that are used to assess suppliers on social and environmental issues. The firm is now able to assess suppliers on issues including anti-corruption, child labour and working conditions and environmental consciousness and report this annually (Safaricom Sustainability Report, 2016). From the study findings it is clear that not all suppliers have similar potential impact and therefore they are measured and managed differently.

> The supplier sub-case supports the proposition that: "SSCM Practices and TBL performance measures have a reciprocal influence on each other"

6.3.5 Alignment between of Supplier Exposure, SSCM practices and TBL measures.

Small suppliers are in a dependence relationship with Safaricom. Their interests are closely related with those of the focal firm so they work with the firm to determine the usage of the resources that they control to ensure that their own objectives and interests are accommodated. The firm has a moderate to high economic influence over suppliers and therefore a moderate level of control.

The firm depends on key suppliers for critical infrastructure resources. All suppliers are primarily interested in their customer's economic performance. However, the major suppliers like Huawei and Ericsson may be concerned about Safaricom's social and environmental performance to the extent it affects their economic interests. Other suppliers like Kenya Power are pushing for SSCM practices in order to minimize the risk and liability due electrical accidents to secure their economic interests and avoid environmental/social litigation. Therefore, suppliers also develop strategies to influence the focal firm's usage of their resources in a more sustainable manner. This finding is consistent with Carter & Jennings (2004) who established a nexus between sustainable purchasing activities and a firm's culture. As such, their power on SSCM practices and TBL measures is moderate.

6.4 Regulators

The regulators such as the CA, CAK and NEMA are classified in the dominant category of stakeholders because they possess two key attributes, namely, power and legitimacy (see Table 5.1). The regulators' power emanates from Kenyan legislation. CA for example, derives its power from the issuance of operating license and the allocation of spectrum frequencies and numbering resources. Its legitimacy originates from the laws governing cellular firms and its ability to ensure that they adhere to the set QoS for the products and services offered. While the CAK and NEMA have power and legitimacy, their issues are not necessarily addressed as urgent by Safaricom.

6.4.1 Safaricom Accountability to Regulators

Regulators hold Safaricom accountable for their activities in various ways. CA is the most salient regulator whose accountability concerns need to be addressed expeditiously by the focal firm. For instance, Safaricom has a system in place to monitor 8 major KPIs of network quality and report on them periodically. In this way, the firm is held accountable to the regulator; failure may result in the regulator exercising its power by imposing sanctions and penalties to ensure compliance. This is in line with Cyert & March (1963) who argue that the influence of such stakeholders is guaranteed since they possess both power and legitimacy.

Issuance of spectrum and licenses and their renewals is pegged in the firm's compliance. CAK and NEMA also monitor Safaricom's activities but they do not have power over licensing. Whenever regulators discover areas of non-compliance, they may move to penalize the focal firm or even withdraw its license. None of these regulators has hitherto threatened to withdraw Safaricom's operating license which demonstrates their somewhat limited power to hold the firm accountable.

CAK promotes open engagement between Safaricom and its competitors in a fair and transparent manner, without allowing it to take advantage of the perceived market dominance. This, would then, eventually ensure that Safaricom does not act in monopolistic manner that can hurt the customers, community, suppliers, the government general in the cellular industry.

All regulators are legitimate within their sphere of action and accountability is mandated by law. However, regulatory issues do not necessarily call for urgent attention as they are handled within an existing legal framework. Regulators have high power and legitimacy since their issues are imperative. However, their urgency is moderate since their issues can sometimes be delayed if challenged by Safaricom through the existing legal framework.

This is particularly the case when measuring QoS indicators. The ability of government regulators to hold Safaricom accountable is high. However, the countervailing market power of Safaricom suggests that all the regulators only hold a moderate level of power and Safaricom's accountability to regulators is also moderate. In contrast, the power of regulators has been demonstrated when the Nigerian government fiined MTN a sum $ 1.67 billion for not meeting deadline to deregister SIM cards in its network (Ibukun & Prinsloo, 2016). In other developing countries such as Mexico, there is a tendency to put restrictions on telecom companies from expanding beyond certain market share thereby regulating dominance (Faccio & Zingales, 2017). The market dominance of Safaricom shows the focal firm experiencing moderate levels of accountability to the regulators regarding a supply chain issue where legitimacy is high but power and urgency are moderate.This disagrees with proposition that

> "The presence of any two stakeholder attributes; power, legitimacy and urgency leads to a moderate level of accountability."

6.4.2 Safaricom's control over regulators

Safaricom has moderate influence over regulators as evidenced by the firm's push to shape industry policy and regulations. From time to time, the firm challenges industry regulator on a plethora of issues that affect the core of its existence. Whenever issues about Quality of Service (QoS) or regulatory compliance have arisen, the firm takes up the opportunity to voice its concerns and protect its economic interests.

Safaricom has extensive economic influence over regulators due to its brand equity, market dominance and goodwill as a respected corporate citizen that it has accumulated over time. The firm uses this non-economic influence to exert pressure on the industry regulator whenever issues that may lead to stakeholder exposure are imminent.

Safaricom's economic control over CA is moderate since the stakeholder depends on the spectrum fees paid by the firm, the firm's contribution to the USF as well as the government's dependence on the firm's taxes, being the largest tax payer in the country. Additionally, Safaricom has greater non-economic influence that enables the firm push agendas that shape the telecommunication industry. In matters that require collaboration and deliberation, Safaricom gives its input and the firm's views are taken into consideration. In general Safaricom control over regulators is moderate.

The regulator sub-case supports the proposition that “The focal firm will exercise a moderate level of control over a supply chain issue where it exercises either economic or non-economic influence.”

6.4.3 Safaricom Management of Exposure to regulators

Safaricom’s overall exposure to regulators can be regarded as moderate since their control of the firm is moderate while accountability to the stakeholder is relatively high. Issues from regulators are considered demanding. Safaricom has a moderate control over the regulators and high propensity to be held accountable for its supply chain activities. For instance, CA could withdraw licenses if the cellular company does not comply with legislation and may impose heavy fines if the firm does not comply with the law. These are issues that call for management attention, to be addressed expeditiously or risk hefty penalties. However, this is unlikely as this would cause turmoil in the Kenyan economy considering that the mobile operator accounts for two thirds of cellular phone usage plus transactions on M-pesa. Nevertheless, issues raised by the regulator are addressed with utmost importance. This supports the proposition that “stakeholder exposure demands management’s attention when the focal firm exercises limited control and regulatory stakeholders are able to hold the focal company accountable for decisions its over a supply chain issue.”

Safaricom uses both economic and non-economic means to address the accountability concerns of the regulators. For instance, Safaricom previously had to acquire number portability equipment in order to comply with CA’s directive. To comply with NEMA’s requirement to help conserve the environment, the firm encourages citizens to surrender their old and obsolete phones. However, given the developing country context, this issue is relatively low priority as phones are usually passed on down the line or recycled in the used phone market.

Due to its high power, legitimacy and urgency, stakeholder exposure to CA is relatively high while exposure to CAK and NEMA are moderate and low respectively. This is because NEMA, for instance, is relevant to expanding operations and not everyday business operations. The most important examples of stakeholder exposure are briefly discussed below:

(a) Penalties due to non-compliance and not meeting QoS targets.

The firm could be subjected to monetary penalties and even risk withdrawal of license if it does not comply with KPI targets. This has not previously happened but is an issue that poses an emergent risk.

(b) Greenhouse Gas emission due to network expansion

NEMA is concerned about the environmental impact that Safaricom operations have and thus continuously monitors its activities to ensure the firm operates without endangering the ecosystem. These findings support Meixell & Luoma (2014) who argued that pressure from external stakeholders such as governmental agencies influences the adoption of environmental sustainability practices. Meixell & Luoma (2014) note however, that stakeholder pressure does not necessarily appear to be directly linked to TBL performance.

> This evidence supports the proposition that: "The focal firm will experience a moderate level of exposure over a supply chain issue where accountability is high and control is moderate or control is high but accountability is moderate."

6.4.4 Management of Regulator Exposure through SSCM practices and TBL Measures

(a) Penalties due to non-compliance and not meeting QoS targets.

To mitigate exposure to CA, the firm uses SSCM practices like continuous tracking and monitoring of Quality of Service (QOS), keeping all customer information confidential, and holding regular meetings and symposia with the CA for advice on critical legislation issues.

The requirement by the CA to measure network quality could be the main reason why Safaricom adopted continuous measuring and benchmarking of QoS. Therefore "The greater the degree of stakeholder exposure – i.e. focal firm control and accountability to stakeholders - the greater the adoption of TBL performance measures over a supply chain issue"

However, SSCM practices have not necessarily resulted in good TBL performance. For instance, based on Qos findings, the regulator is always at loggerheads with Safaricom by claiming that the firm's network quality is among the poorest in Kenya. The CAK has also put pressure on Safaricom regarding monopolistic tendencies and the abuse of market power.

As Meixell & Luoma (2014) argue, this suggests that: "SSCM Practices and TBL performance measures may have a reciprocal influence on each other" but the existence of such measures does not necessarily ensure improved performance as measured by TBL.

(b) Greenhouse Gas emission due to network expansion

To mitigate exposure to NEMA, Safaricom has initiated e-waste recycling to reduce electronic waste. The firm has an elaborate plan on carbon footprint and greenhouse gas emissions management. Before installation of Base Transceiver Stations, the firm conducts a comprehensive Environmental Impact Assessment (EIA) and furnishes NEMA with information concerning disposal of obsolete equipment. To address exposure to CAK regarding competitiveness and dominance rules, Safaricom provides information transparently to CAK concerning its tariff plan and product promotion decisions.

Overall, the firm purchases telecommunication equipment whose frequency exposure levels are not harmful to the environment to maintain good terms with CA and NEMA. For sustainability, the firm continuously monitors eight KPIs pertaining to quality of service, annual amount of greenhouse gas emitted, amount of water and electricity consumed and the annual number of penalties imposed on the firm due to non-compliance on any issue.

> The evidence thus supports proposition that: "Stakeholder exposure demands management's attention when the focal firm exercises limited control but and stakeholders are able to hold the focal company accountable for its decisions over a supply chain issue."

6.4.5 Alignment and misalignment of regulator exposure with SSCM practices and TBL measures.

The focal organization follows the regulator's rules closely and implements the CA's guidelines regarding quality aspects in the cellular industry. Of the four categories of stakeholders, Safaricom is primarily held accountable by stakeholders like regulators who control critical resources. Control over critical resources is a central pillar on how a stakeholder can acquire the power and salience required to shape SSCM practices. Those stakeholders who do not control critical resources pose little risk to the firm and their exposure is consequently minimal.

Regulators have the legal power to withhold or grant licenses/approvals and to impose penalties, fines and legal liabilities (Henriques & Sadorsky, 1999). However, they do not have any economic interests of their own to protect in their interactions with the firm. The CA resources supplied to Safaricom meet the three conditions of Resource Dependency theory (RDT) according to Pfeffer & Salancik (1978):

i) The importance and criticality of the resource to the firm for its continued operations;
ii) The extent to which the stakeholder has discretion over resource allocation and use;
iii) The extent to which there are alternatives to the resource.

The Communications regulator thus has a direct influence on Safaricom's SSCM practices and TBL measures. CA controls critical resources but in turn is not resource dependent on Safaricom. CA and NEMA are primarily interested in Safaricom's social or environmental performance within their regulatory mandate and will only be interested in the firm's economic performance to the extent that such performance leads to improved social and environmental impact and better TBL outcomes.

CAK's interest in Safaricom, however, is primarily economic as it regulates competition. Unlike the CA, CAK does not provide license resources like operating license and frequency spectrum. Its role is limited to business practices it reins in the firm whenever it fails to comply with their objectives to implement SSCM practices and report on their TBL outcomes. This finding is in line with (Faccio & Zingales, 2017) who argues that there is a positive relationship between financial results and competitiveness.

6.5 Community

The communities are regarded as discretionary stakeholders since they possess legitimacy but lack power or urgency to cause Safaricom to act on their claims (Mitchell et al. 1997).

6.5.1 Safaricom accountability to community

Whereas communities have low power and urgency to influence Safaricom's decisions, their legitimacy turns out to be their most important attribute (see Table 5.1). In some instances, the community possesses moderate power emanating from their demands and ability to hold up or delay the implementation of projects. Community legitimacy is best illustrated when a community must be consulted as part of public participation during the EIAs for proposed installations. However, while communities benefit from sustainable initiatives by a firm, they need to rise above personalizing installation of novel facilities (Hörisch et al. 2014). Safaricom engages with the community at the inception stage of any program as part of a public participation process (Safaricom Sustainability Report, 2014).

While claims of specific communities seldom call for immediate attention from Safaricom, some of the issues affecting such a community nevertheless may need to be addressed urgently to avoid any standoffs that can lead to disruption of the firm's operations. As illustrated in Table 6.1, every community, however small, has some nascent power by virtue of its presence in the area where Safaricom conducts its business and can hold the firm accountable to a limited extent.

This position differs from Carroll (1979) who argues that a stakeholder with only one attribute is perceived to have a low level of salience. A community, such as, Kajiado County Government, has challenged Safaricom to be more visible and transparent in their operations by advocating for fair and beneficial practices like fair compensation for the community and initiating projects such as "Maji na Uhai" programmes. Similarly, Meixell & Luoma (2014) argue that awareness creation through increased transparency in the flow of information is important for success in business. This helps the firm to sustain legitimacy, build reputation and become more competitive (Hart, 1995). The case supports the proposition that:

> "The focal firm will experience low levels of accountability to communities regarding a supply chain issue where only one of the stakeholder attributes - power, legitimacy and urgency - is present."

6.5.2 Safaricom's Control over Communities

While the majority of individual cellphone users in any community are likely to be Safaricom customers the firm's direct influence on each community is low because the collective relationship does not operate on the basis of a formal contract. However, due to the demanding nature of this stakeholder, Safaricom may be obliged to cooperate with the local community in the projects it rolls out. In this regard, it aims to cultivate and maintain positive relationships with communities, however small. This perspective contrasts with Carroll (1979) who argues that management does not have pressure to actively engage with discretionary stakeholders since they do not have both power and urgency claims against the firm.

Organisations need to identify areas of potential conflict with communities and devise better ways of mitigating the challenges (Calvano, 2008). Due to the widespread nature of communities and their diverse societal needs, Safaricom promotes itself through a number of corporate social responsibility initiatives. By inviting local communities to participate in its programmes, Safaricom creates opportunities to use its economic and non-economic influence on this stakeholder that lead to mutually favourable outcomes.

Safaricom exercises moderate economic and low non-economic control over communities through programmes that empower them and consequently influence them to utilize its services and embrace sustainability. This supports the proposition that:

> "When the economic and non-economic influence of the firm is moderate, it is unlikely to have a moderate degree of control over stakeholders such as a local community."

6.5.3 Safaricom Management of Exposure to Community

Individual communities are not particularly salient to Safaricom management primarily due to their low power. However, Safaricom has an engagement standard which entails communicating and listening to issues of relevance to communities because they are affected by the firm’s business. The firm therefore consults local communities in order to better understand and address any concerns they may have with the extension of the Safaricom network. Examples of stakeholder exposure that are addressed by Safaricom include:

a) Social ills and vicious cycle of poverty among communities affects the firm’s bottom-line.
b) Standoffs that may impede the firm’s rollout of its projects.
c) Reduction of the firm’s brand equity and image due to bad publicity
d) Vandalism of Safaricom’s assets such as BTS, fibre-optic cables and Safaricom shops.

Safaricom has been at the forefront in championing sustainable business practices that lead to alleviation of poverty among communities. This is not due to the demands made by communities on the firm but as a sign of good corporate citizenship.

This evidence differs with the proposition that: “Stakeholder exposure is inconsequential when stakeholders are unable to hold the focal company accountable for its decisions and the focal firm exercises minimal control over a supply chain issue.”

6.5.4 Management of community Exposure through SSCM practices and TBL Measures

Although exposure to communities is low, it is imperative that their issues are accorded attention and managed in a way to prevent escalation and disruption to the business. This requires conscious effort and steps aimed at mitigating risks that may arise and impede progress in the firm’s business activities.

The company’s expansion of its network infrastructure to remote areas often brings additional benefits to communities such as improving access to electricity, which can help communities to pump water in remote villages and save money to re-charge phones. This can also eliminate any potential standoffs as experienced with the Maasai Community.

The firm has a broad range of initiatives that address the social problems that communities experience in the areas of agriculture and health. Through m-farm barriers to trade are eliminated, as information is freely disseminated and communities can become big players in the market. The health application, *m-tiba*, helps individuals save for medicare.

To mitigate exposure, the firm has various SSCM practices in place to protect future generations. The firm consults communities in all projects undertaken. Some TBL measures adopted to promote sustainability include monitoring the energy consumed as a result of its operations, water consumption and the number of CSR activities in the areas of education and health.

Although communities are seldom able to hold Safaricom accountable, their social and environmental issues are not regarded as inconsequential by management. On the other hand, the firm has limited control over the "community" because the stakeholder represents such diverse interests. Regardless of this, the social and environmental issues affecting the community are still important to Safaricom. This evidence is contrary to the proposition that,

"Stakeholder exposure is inconsequential when a stakeholder such as a rural community is unable to hold the focal company accountable for its decisions and the focal firm exercises minimal control over a supply chain issue."

6.5.5 Alignment and misalignment of Community Exposure with SSCM Practices and TBL Measures.

The firm has a significant direct economic and non-economic influence over the community and the society at large. However, as the firm's accountability to and their control over the community is low, stakeholder exposure is low. Since disparate communities have relatively low salience and Safaricom is not dependent on their resources, there is little evidence to suggest that the community's influence on Safaricom SSCM practices and TBL measures is substantive. Communities are thus unlikely to exercise direct influence over Safaricom's SSCM practices.

Communities use indirect influence (through primary stakeholders such as NEMA and big customers) to put pressure on the firm in order to adopt SSCM practices. However, a community, as a stakeholder on whom the firm is not resource dependent, can acquire power and exercise indirect influence via stakeholders who control critical resources. Therefore, SSCM practices and TBL measures are not necessarily driven by responses to stakeholder exposure. Indirect influences have not been empirically tested but evidence in this case study suggests these practices are common. Table 6.1 presents a summary of whether the propositions are supported or not.

Table 6.1: Summary of propositions

Proposition	Customer		Supplier	Regulator	Community
	Enterprise	End-users			
1 a) The presence of all three of the stakeholder attributes-power, legitimacy and urgency leads to a highest level of accountability	Supported	Not Supported	Supported	Not Supported	Supported
1 b) The presence of any two stakeholder attributes; power, legitimacy and urgency leads to a moderate level of accountability	Supported	Supported	Supported	Not Supported	Supported
1 c) The presence of any one stakeholder attributes; power, legitimacy and urgency leads to a low level of accountability	Supported	Supported	Supported	Supported	Supported
2) The greater the economic and non-economic influence of the firm, the greater their control over the stakeholders	Supported	Supported	Supported	Not Supported	Supported
3 a) The focal firm will experience a moderate level of exposure over a supply chain issue where accountability is high and control is moderate or control is high but accountability is moderate."	Supported	Supported	Supported	Supported	Supported
3 b) Stakeholder exposure is inconsequential when stakeholders are unable to hold the focal company accountable for its decisions and the focal firm exercises minimal control over a supply chain issue	Not Supported	Not Supported	Not Supported	Not Supported	Not Supported
3 c) Stakeholder exposure is highest when both accountability and control are high.	Supported	Not Supported	Not Supported	Not Supported	Not supported
4 There is a reciprocal relationship between the extent of the focal firm's exposure to stakeholders and the adoption of SSCM practices relevant to the stakeholders.	Supported	Not Supported	Supported	Supported	Not supported
5. There is a reciprocal relationship between stakeholder exposure and TBL performance measures.	Supported	Not Supported	Supported	Supported	Not supported
6.SSCM Practices and TBL performance measures have reciprocal influence on each other	Not supported	Supported	Supported	Not supported	Supported
7 The level of stakeholder exposure moderates the alignment between SSCM practices and TBL measures	Supported	Supported	Supported	Supported	Supported

6.6 Managing the Relationships with Stakeholders

This section discusses the relationship between SSCM Practices, Stakeholder Exposure and Triple Bottom Line Measures in both the original and final research model. In the original model, Stakeholder Exposure combines Accountability to and Control over stakeholders. When levels of both control and accountability are low, exposure to social and environmental issues along the supply chain is minimal. When the focal firm's control is high and stakeholder accountability is low or the firm's control is low and accountability is high, then exposure to social and environmental issues along the supply chain is moderate. When both control and accountability are high, stakeholder exposure is highest because either social or environmental issues are significant.

From the study findings, the extent to which Safaricom adopts SSCM practices is influenced by the importance they assign to environmental and social issues and the pressure exerted from external stakeholders as well. Similarly, there is an inter-relationship between TBL measures and the stakeholder. Therefore, the extent of stakeholder exposure greatly influences the type of SSCM practices and TBL performance measures adopted. Thus, high levels stakeholder exposure for a stakeholder group intensifies the link between SSCM practices and TBL measures. For example, when stakeholders such as communities are weak, SSCM practices may not be implemented or measured because their issues are low priority.

a) Customers

Enterprise customers would most likely hold Safaricom accountable because they have signed SLA as well as have business interest to protect. The issues range from economic in the case of Mpesa to environmental such as e-waste disposal. As such, the focal firm is compelled to adopt specific SSCM practices and TBL performance measures to monitor and keep the stakeholder satisfied.

End user customers also expect improving quality of services that will give them better value for their money. Accordingly, the company uses TBL measures like the 8 Key performance indicators to track network quality of service. Further, the firm uses other indicators to check if improved network quality and customer service necessarily translates customer satisfaction. Such measures include, the Customer Delight Index (CDI) and Net Promoter Score (NPS) that assist to gauge the various levels of customer satisfaction. This is a clear case of SSCM practices being adopted in response to stakeholder exposure. This is in line with proposition 4 and 5 as shown in Table 6.1.

However, notwithstanding Safaricom's conscious effort to embrace sustainability, the firm has not been able to meet the quality of service requirements of customers as evidenced by report from CA and the interviews. Therefore, KPI monitoring and reporting which are CA's requirement do not necessarily translate into improved customer service quality since it appears to be carried out primariry because it is mandated by law (the CA). This finding is contrary to proposition 6 that SSCM practices and TBL measures have reciprocal influence on each other. The intent of the adoption of SSCM practices and TBL measures is to bring down the level of stakeholder exposure and the overall risk, while a lack of SSCM practices and TBL measures may exacerbate the level stakeholder exposure, thereby subjecting the firm to risks. Thus, stakeholder exposure plays a moderating role between the SSCM practices and TBL measures, which supports proposition 7 as shown in Table 6.1.

b) Suppliers

The focal firm has great control over almost all suppliers who lack sufficient salience to hold the focal firm accountable. Therefore, exposure to suppliers is moderate and these firms demand for moderate SSCM practices and TBL measures. Due to this, we expected to find that fewer SSCM practices would be adopted and even less TBL performance monitoring. However, to promote sustainability and mitigate risks, the firm adopts SSCM practices to monitor small suppliers and ensure they adhere to the firm's ethical standards and sustainable sourcing practices. This clearly supports propositions 4 and 5 as presented in Table 6.1. Supplier evaluation was found to help the company in ensuring predictability, risk mitigation and therefore long term sustainability. This was in line with proposition 6. Adoption of SSCM practices and TBL measures was found to have a direct impact on the level of exposure to suppliers, which supported proposition 7.

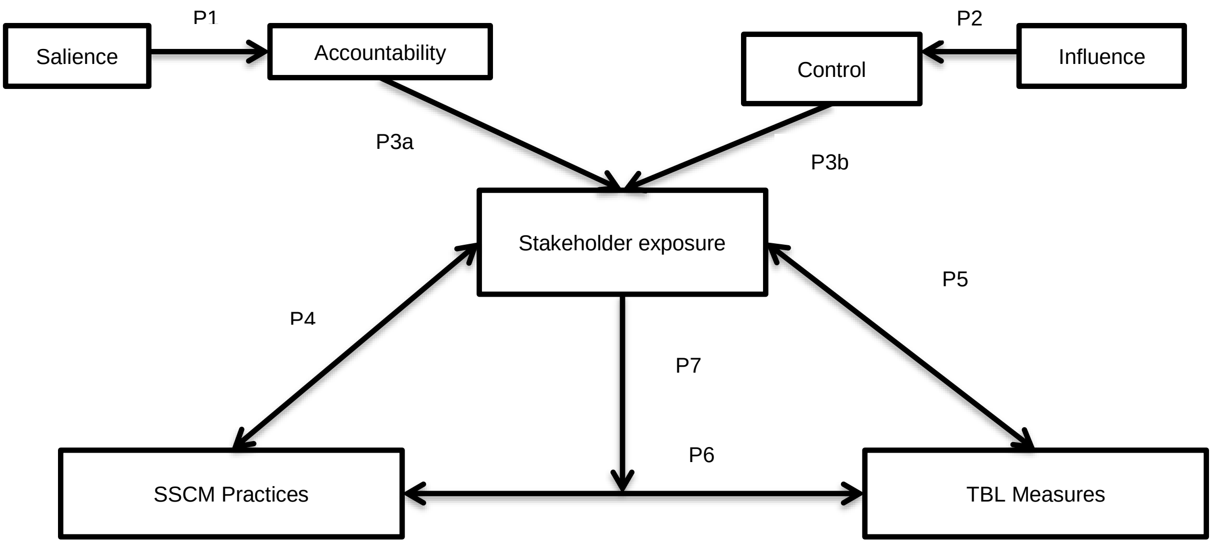
c) Regulators

In the case of regulators, the firm has little control and is being held accountable on many issues along the supply chain, right from sourcing to customer service and even the environment. SSCM practices and TBL measures are adopted to accommodate the demands of the regulators and are thus primarily reactionary. Vodafone, the parent company, has standard global practices even if regulators do not demand them. In this way, global best practice may be introduced into a developing country like Kenya even if not demanded by regulators and other local stakeholders. This is in agreement with proposition 4 and 5. Conformity to legal requirements through SSCM practices and TBL measures would reduce the exposure level to the regulators. Therefore, proposition 7 is supported as shown in Table 6.1.

d) Community

The communities have the lowest level of salience. However, the study found that the firm adopts various SSCM practices and TBL measures and invests in communities on different social programmmes as a clear way to sustain and promote the business. In contrast to proposition 4 and 5, adopting a people-first strategy and sponsoring social projects was found to be good for Safaricom business. This resulted in the company earning respect as a responsible corporate citizen and a good image for its brand. As a result, the brand image creates a ready source of customers that Safaricom could easily tap into to sustain and grow its market share. Thus, SSCM practice and TBL measures with respect to communities have a reciprocal influence on each other; a finding that is in agreement with proposition 7. However, because of the low exposure to this stakeholder, the community has little impact on this relationship. In all cases, Safaricom aligns its SSCM practices and TBL measures with stakeholder exposure, in support of proposition 7.

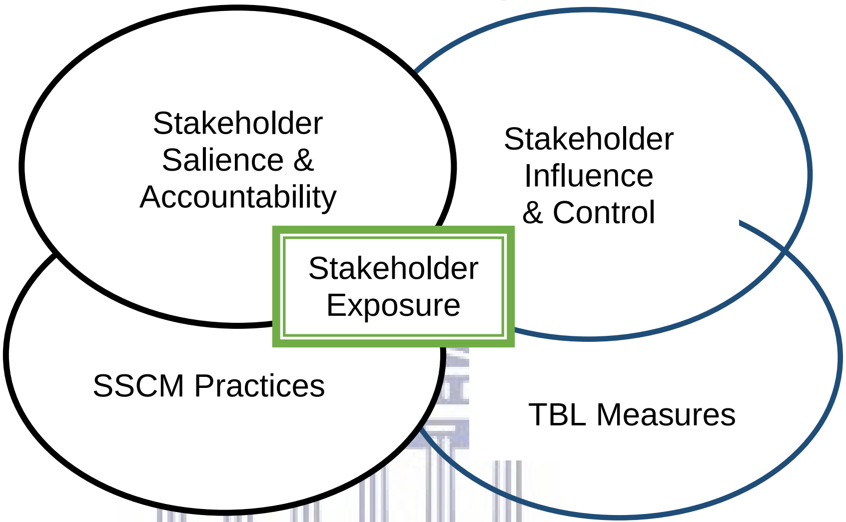
Figure 6.2: Stakeholder Exposure as a moderating variable



Source: Author Interviews

The evidence in this case study suggest that the model in Figure 6.2 is applicable and stakeholder salience, Safaricom influence and control (stakeholder exposure), SSCM practices and TBL measures are closely inter-related with accountability on one hand and focal firm influence and control on the other (see figure 6.3) which according to Parmigiani et al. (2011) are critical determinants of stakeholder exposure. Figure 6.3 shows a more integrated model between stakeholders and focal firm as discussed above.

Figure 6.3: Revised Model of Stakeholder Exposure



Source: Author's interviews

The interface determines the level of stakeholder exposure. When control and accountability are intense, for instance, in the case of enterprise customers, stakeholder exposure is found to be highest. Enterprise customers have a higher propensity to hold Safaricom accountable for its supply chain activities which in turn implies that the focal firm exerts pressure on other stakeholders such as suppliers in order to minimize stakeholder exposure. Due to Safaricom's influence, it could exert pressure on suppliers to improve Quality of Service, and hence achieve better customer satisfaction and reduce stakeholder exposure to customers. However, customer pressure on the focal firm does not necessarily influence supplier selection (Reuter et al. 2012). Furthermore, TBL measures are not adopted necessarily due to pressure from customers but to fulfill the legal requirements of regulatory agencies. While enterprise customers may be able to address issues related with privacy and confidentiality, end-user customers may not be able to hold the focal firm accountable.

As a result of low accountability to stakeholders such as the community, whatever sustainable supply chain activities the focal firm undertakes are solely within its discretion as they are not subject to substantial external pressure.

The SSCM practices undertaken by Safaricom are thus influenced to varying degrees by pressure from stakeholders. For instance, the screening of suppliers mitigates against the reputational risk from the supply of substandard goods and services and serves to encourage suppliers to adopt SSCM practices. The company is also keen to ensure that it complies with legal and regulatory requirements that govern its business. For instance, the firm closely monitors KPIs to avoid the possibility that CA may withdraw its operating licenses and the penalties that may arise due to non compliance.

Key suppliers such as Kenya Power also cannot hold Safaricom accountable but can encourage the focal firm to adopt sustainable practices such as energy saving initiatives e.g power factor correction and use of sensors. Moreover, Safaricom's buying power enables it to influence suppliers to adopt SSCM practices by monitoring and evaluating their practices and the requirements that they observe ethical standards. Therefore, since Safaricom has more control over suppliers, due its economic power and interests, there is only a moderate exposure to suppliers.

Regulators have a higher propensity to hold Safaricom accountable on practices that affect customers than on environment and social issues. While CA monitors network quality issues, CAK prevents Safaricom from abusing its market dominance to ensure fair play in the industry. The focal firm may put pressure on suppliers to ensure they meet network quality targets demanded by the regulator. However, the focal firm does not have much influence over regulators, and exposure to regulators is moderate.

Communities have very little or no ability to hold Safaricom accountable for its supply chain activities. Thus, the supply chain activities undertaken by Safaricom are not necessarily due to pressure from community but motivated by the need to create a conducive working relationship with communities and thereby boost the company image. On the other hand, the focal firm does not have control over the community and hence low level of exposure over it.

Exposure to each stakeholder clearly moderates how the firm manages and aligns its SSCM practices and TBL measures. For instance, pressure from external regulators and customers has encouraged the formulation of more sustainable practices regarding e-waste disposal and telecommunication masts management. This, in turn, has induced management to put in place an environmental management system and to collaborate with suppliers and regulators like NEMA to improve its environmental performance.

As the firm continues to adopt SSCM practices and embraces sustainability, it becomes subject to more scrutiny from other stakeholders. Through sustainability reporting a lot more information is made public, thus the veracity of the information provided has to be tested. In keeping with the standard that Safaricom has set for itself, stakeholder exposure is managed more effectively through SSCM practices and TBL measures.

Safaricom adopts SSCM practices even when the perceived or expected stakeholder exposure is low or non-existent. The firm has proactively developed SSCM practices at the corporate level to mitigate future exposure. This is because, at the supply chain level, SSCM practices are more reactionary as the firm only integrates SSCM practices if perceived stakeholder exposure actually exists. In the absence of stakeholder pressure, SSCM is not an imperative to firm's TBL measures. When there is no imminent risk of being held accountable from stakeholders and exposure level is low, SSCM practices and TBL measures are inhibited due to cost implications.

Suffice it to say that, there is a stronger relationship between SSCM practices and TBL measures when stakeholder exposure is higher, but that relationship is weakened when the level of stakeholder exposure is low. In all cases as shown in fig.6.2, the level of stakeholder exposure may be a critical factor that shapes how SSCM practices align with TBL measures.

Stakeholder exposure encourages firms to seek collaboration opportunities with key stakeholders. Collaboration helps to ensure that improved supply chain practices are adopted which, in turn, influence the TBL perfrormance. This finding concurs with the work of Sharfman et al. (2009) and Parmigiani et al. (2011) who highlight collaboration as a critical element in a supply chain as it ensures stakeholder long term commitment; and improves social and environmental outcomes throughout the supply chain. Moreover, collaboration instills a spirit of teamwork among the supply chain partners, encourages stakeholders to improve social and environmental outcomes, hence motivating Safaricom to adopt SSCM practices. Sharfman et al. (2009) further argue that practices such as the joint development of education programs and compliance initiatives helps to solve social and environmental challenges. Furthermore, the stakeholders are likely to be committed in improving the social, environmental and economic outcomes when Safaricom encourages them to adopt SSCM practices lest they sever their relationship.

Parmiagiani et al. (2011) propose that stakeholder exposure moderates the relationship between social and environmental capabilities performance respectively. This implies that stakeholder exposure combined with social, environmental and economic practices translates into improved TBL performance.

Some researchers have found that there is a positive relationship between environmental practices of a firm and their economic and environmental performance (Rao & Holt, 2005; Zhu & Sarkis, 2004). According to these authors, waste reduction is one of the indicators of environmental performance. For this particular study, the rate of electricity and water usage, the number of tree planting projects, waste reduction, and the amount of carbon foot print are all measures of environmental and economic performance. The study results concurred with Pullman et al. (2009) whose findings indicated that supply chain practices such as facility resource conservation would significantly reduce energy and water costs while recycling and reuse would reduce waste costs. Some researchers argue that companies that adopt comprehensive environmental practices achieve improved environmental performance by significantly reducing waste or other pollutants (Zhu & Sarkis 2004; Melnyk, Sroufe & Calantone 2003). Therefore stakeholder exposure taken positively can result in good TBL performance.

6.7 Chapter Summary

The chapter has discussed the research findings based on the propositions developed from the literature. It points out the similarities and differences between the study findings and extant literature. The views of the respondents were analyzed, interpreted and presented according to the structure that was adopted in description of the mini-cases.

The study found out that not all propositions (see Table 6.1) were supported and hence a revised conceptual model (see Figure 6.3) might be a better representation of the evidence that was gathered from Safaricom and the various stakeholder sub-cases.

CHAPTER SEVEN: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

The chapter summarises the research findings based on the propositions illustrated in the conceptual framework (Figure 2.7) together with the revised model (Figure 6.3). The model begins with stakeholder salience and the accountability of the focal firm to key stakeholders. This comprehensive conceptual model contextualizes the focal firm's influence and control over stakeholders, the manner in which it manages stakeholder exposure, as well as the SSCM Practices and TBL measures that are adopted to manage stakeholder exposure. The chapter also presents the conclusions, implications for theory, methodology, policy and management practice. Finally, it outlines the recommendations for future research and limitations of the study.

7.2 Findings on Stakeholder Exposure

Stakeholders play a key role in a firm's sustainability by exerting pressure on the firm in order to adopt sustainability practices (Zhu et al. 2005). Stakeholders have different salience levels and this implies that managers need to understand specific stakeholder salience attributes and needs in order to prioritize (Parmiagiani et al. 2011) and effectively manage them.

Safaricom's ***customers*** expect stable network quality, prompt feedback on their complaints, affordable products and services and user-friendly products. As Safaricom depends on customers' goodwill for survival and success, they are critical to the firm's survival and success. Their power, legitimacy and urgency attributes result from the sheer volume of business they represent to the focal firm.

Although initially classified in a single category, enterprise and end-user *customers* were found to have significantly different levels of salience and hence markedly different propensities to hold Safaricom accountable. As the 20 top enterprise customers have the highest level of salience, Safaricom is more accountable to them than end-user customers who were found to have a moderate level of salience and a moderate ability to hold Safaricom accountable. The firm's control over stakeholders emanates from both economic and non-economic influence (Parmiagiani et al. 2011).

Safaricom's control over the top 20 enterprise customers was found to be moderate, while its influence over the end-user customers was found to be high, primarily owing to its market dominance in both telecom and financial services (through Mpesa). Stakeholder exposure to the largest customers is generally the highest as both firm control and accountability are high. As proposed in the model, the issues in this quadrant were found to be critical and required urgent attention from the firm.

While most ***suppliers*** are engaged in a mutual dependence relationship with Safaricom, critical suppliers like Kenya Power possess significant disruptive power which demands that Safaricom addresses their issues with utmost importance. Key infrastructure suppliers possess moderate power over Safaricom. Their moderate salience level results in a moderate level of accountability of the firm to these suppliers. Safaricom has a moderate level of exposure to key suppliers such as Kenya Power, Huawei and Ericsson that expect the firm to involve them in making key decisions that influence their supply chain needs.

On the other hand, Safaricom exercises a high level of control over small suppliers due to both economic and non-economic influence. For instance, suppliers need timely payment which results in a high level of control over this group of stakeholders. Most smaller suppliers thus face a situation where Safaricom's level of control is high while its accountability to these stakeholders is low. Issues in this quadrant are considered emergent because these issues may pose risk in future.

The ***regulators*** on the other hand have both power and legitimacy. They have no desire to meddle in the running of the company but are more interested in ensuring compliance with the laws in their respective jurisdictions. Their expectations are that Safaricom, like all other firms, adheres to industry regulations, including fair competition and reasonable tariffs.

Safaricom has a relatively low level of control over and high-level accountability to its regulators. CA, for instance, allocates both frequency numbers and spectrum frequency, and charges license fees for these resources. On the other hand, NEMA insists on environmental audits to preserve and protect the environment. Regulators are thus classified in a category where Safaricom's exercises limited control while its level of accountability is high. Issues in this quadrant are regarded as demanding and therefore need the firm's urgent attention. Regulators also hold Safaricom accountable on its decisions through consultative meetings, formal communications and other channels as dictated by Kenyan law.

The ***community*** was found to be located in a quadrant where their level of control over Safaricom and its accountability to these stakeholders are low. As communities, particularly those located in remote rural locations, have a low level of salience, they struggle to hold Safaricom accountable. The community typically has a low level of direct control over the activities of firm and therefore Safaricom is usually not held accountable. Issues in this quadrant are thus regarded as inconsequential to the firm in most instances.

7.3 Management of stakeholder exposure through SSCM Practices and TBL measures.

Safaricom employs a range of SSCM practices and TBL measures to manage various stakeholders, depending on the exposure level and risk posed to the business.

7.3.1 Customers

To manage its exposure to the largest enterprise customers, the focal firm dedicates significant resources and staff to monitor and address their demands expeditiously. Information sharing with enterprise customers is also important to maintain good working relationships. Furthermore, the firm seeks to address critical and time-sensitive issues, like network down-time, promptly according to a Time to Repair (TTR) matrix that ranks incidents according to severity and business impact.

To measure these achievements, the firm continuously monitors market share and customer churn with the help of annual Customer Delight Index and Enterprise Delight Index. Annual Quality of Service measures and the determination of penalties for non-compliance are reviewed and hence customers' recommendations about Safaricom products and services are provided. To measure performance at retail shops, Net Promoter Scores (NPS), brand equity and annual customer service rating are used.

7.3.2 Suppliers

To manage exposure to electricity supplier risk, Safaricom and Kenya Power have a strategic collaboration. Investment in dedicated sub-stations at Safaricom facilities and installations ensure reliable connections. The firm’s sourcing of hybrid power systems, such as power cubes from Huawei, also help to mitigate the risks of service disruption. Pre-qualification, monitoring and self-assessment of smaller suppliers ensures adherence to the firm’s supplier code of conduct and ethics, and the firm has demonstrated its willingness to act decisively when the code is violated.

Additionally, there are joint training programs for selected suppliers as well as collaboration in the installation of e-waste collection points. These practices are monitored through TBL measures such as the amount of e-waste collected and dismantled, energy saved as a result of using alternate supplier’s products, number of jobs created in e-waste collection, dismantling and recycling industries and the rate of human rights abuse such child labour.

7.3.3 Regulators

To mitigate exposure to regulators, Safaricom only purchases telecommunication equipment with frequency exposure levels that are not environmentally harmful and meets Electo-Magnetic Compatibility requirements. It also conducts comprehensive Environmental Impact Assessments before installing Base Transceiver Stations.

From an operational standpoint, the firm continuously tracks and monitors QoS and thereafter furnishes results to the CA. The firm also develops practices that can assist law enforcement agencies to curb crime. This is done while adhering to privacy laws such as keeping all customer information confidential.

On environmental matters the focal firm promotes e-waste recycling, manages its carbon footprint and greenhouse gas emissions and provides information to NEMA on disposal of obsolete equipment.

The outcome of all these practices is determined by measuring and reporting Quality of Service KPIs periodically. Greenhouse gas emissions, due to its operational activities, are measured and the firm has developed ways to reduce its impact. The firm evaluates and reviews the number of legal actions lodged for non-compliance and anti-competitive behaviour as well as the cost of fines for non-compliance in order to determine areas of performance improvement.

7.3.4 Communities

The SSCM practices for communities range from various CSR programmes, such as scholarships for needy students and water saving. To eliminate standoffs and reduce exposure when dealing with certain communities, Safaricom involves communities through consultations on an on-going basis thereby strengthening their relationships.

7.4 Conclusions

Many organisations constantly seek ways to manage their existing stakeholder relationships, identify the SSCM practices that address their mutual interests, and develop TBL measures that can used to monitor the impact. This requires managers to constantly evaluate their stakeholders, identify their salience attributes and find ways of managing exposure in order to mitigate risk.

In today's business environment, industry practioners and scholars alike are exploring the best ways to manage stakeholders while promoting sustainability initiatives, thereby ensuring that businesses address the economic, social and environmental dimensions. Prior literature, however, has not explored how this is managed in practice. Through an in-depth case study of a focal firm and four key stakeholder groups, this study has revealed in great detail how Safaricom aligns stakeholder salience, influence and exposure, with its SSCM practices and the associated measures of TBL performance.

The study explored how Safaricom manages the stakeholders in the Kenyan cellular industry by prioritizing them based on their power, legitimacy and urgency as suggested in the model of Parmigian et al. (2011). To do this, diverse relationships between the firm and four main stakeholder groups were identified and their salience and accountability attributes were analysed.

The study further found that the combination of stakeholder salience and the firm's control of stakeholders contribute to stakeholder exposure which explains the relationship between Safaricom's SSCM practices and its TBL measures. By so doing, the study expands on Parmigiani et al's (2011) stakeholder salience model and provides insight into how each of Safaricom's stakeholder relationships and the related exposure is managed distinctively in order to mitigate risk.

Thus, the study provided a basis of determining the role that stakeholder exposure plays in influencing the relationship between SSCM practices and measures of TBL performance. To do this, the study addressed the following questions:

(i) what stakeholder attributes (i.e power, legitimacy and urgency) does each of the selected stakeholders of Safaricom have and what are the determinants of their salience?

(ii) What are the expectations and influence of these stakeholders and how do they hold Safaricom accountable?

(iii) How does Safaricom exercise control over these stakeholders?

(iv) What are the relationships between Safaricom's SSCM practices and TBL measures for each stakeholder?

(v) How does Safaricom mitigate/manage stakeholder exposure into their SSCM practices and TBL measures?

The analysis of four different stakeholder groups provided an in-depth understanding from diverse stakeholder viewpoints in the Kenyan cellular industry. By *fully describing each of the mini-cases before conducting cross-case analysis,* the researcher could identify the similarities and contrasts of various themes (Miles, Huberman and Saldana, 2014). To ensure validity, the researcher solicited interview data from various respondents and made use of documents from Safaricom, and telecom regulators such CA, CAK and NEMA, daily newspapers and journals. Input, including criticism from industry was incorporated into the final document to ensure triangulation of the data presented.

Not surprisingly, it was established that stakeholders are treated differently based on their perceived attributes. The study found that stakeholder groups should not be regarded or managed as though they are homogenous. Within each stakeholder group, key differences were identified between regulators operating in different domains, and between large and small customers and suppliers. Those who possess all three attributes - power, legitimacy and urgency - are accorded maximum attention.

For example, while Safaricom's enterprise customers possess all three attributes, end-user customers have legitimacy and urgency but little power. While all suppliers are important for Safaricom's survival and growth, some infrastructure providers are dependent stakeholders with varying degrees of legitimacy and urgency. While regulators have both power and legitimacy and are considered as a dominant stakeholder, the community possesses only legitimacy and hence can be regarded as a discretionary stakeholder.

The greater the attributes possessed by a stakeholder, the greater their propensity to hold Safaricom accountable for its supply chain decisions. The findings are consistent with Parmigiani et al's (2011) theoretical argument that there is a positive relationship between stakeholder salience and accountability. The study found that large customers have the highest propensity to hold Safaricom accountable for its decisions, followed by regulators, then large infrastructure suppliers and lastly community. The stakeholders hold Safaricom accountable through meetings, regular communications through emails, signing of contracts and organizing symposiums. Relatively weak stakeholders like individual customers and rural communities may resort to social media to vent their frustrations or defect to a smaller telecoms service provider as a last resort.

The research revealed how stakeholder exposure is managed in order to actively involve the stakeholders in achieving the firm's objectives. As proposed in the conceptual model that framed the research, the relationship between stakeholder exposure, SSCM practices and TBL measures is of critical importance. It highlights the relationship between the stakeholders and the management of the firm, clearly identifies KPIs and what SSCM activities need to be performed to optimize TBL performance, as measured by the firm. The objective of stakeholder exposure is to ensure better stakeholder management, and more effective and efficient utilization of the firm's resources, while achieving optimal TBL measures.

The study established that SSCM practices are positively related to TBL performance. This implies that the SSCM management practices that are adopted by Safaricom are geared towards enhancing TBL performance. Stakeholder exposure was also found to moderate the relationship between SSCM practices and TBL performance measures.

7.5 Contributions of the study

The prior theoretical literature was inconclusive on questions regarding stakeholder salience, exposure, influence and sustainability. The study thus fills knowledge gaps in this area by exploring an iconic or exemplary Kenyan case. The analysis of data gathered from Safaricom management and the selected stakeholders provided a rich contextual understanding of the issues in the cellular industry.

This study is the first empirical application of Parmigiani et al's (2011) conceptual model which concentrated on stakeholder salience, firm control and stakeholder exposure. This study thus identified the complexities of the relationships between stakeholder exposure, SSCM practices and the associated TBL measures, using the case of Safaricom in Kenya as an illustrative example.

As public expectations continue to rise, stakeholders increasingly put pressure on organizations to justify their actions or inaction over supply chain issues which have far reaching social and environmental implications. Many organizations have been vilified and targeted for their indifference regarding social, economic and environmental violations that occur along their supply chains. In developed and developing countries, prominent companies are increasingly being pressured to address issues such as human rights violations, working conditions among supply chain partners, and greenhouse gas emission that have an impact on sustainability.

This thesis demonstrates how economic pressures such as escalating costs, a stricter regulatory environment, and demands for improved service quality, can influence an organization, that previously focused on economic goals, to consider social and environmental dimensions in order to reduce stakeholder exposure.

The conceptual framework of the thesis was based on unpacking how SSCM practices and TBL measures can be aligned to effectively manage stakeholder exposure. It explored how a focal firm can use (a) SSCM practices to respond to stakeholder exposure and (b) TBL measures to monitor the extent to which stakeholder exposure is mitigated. By so doing, the study extends Parmigiani's conceptual model by examining enduring relationships with external stakeholders instead of focusing on a single incident or event.

The results from four stakeholder groups - customers, suppliers, regulators and community - all showed that stakeholder exposure combines both control and accountability. Moreover, the focal firm can use SSCM practices and TBL measures to effectively manage this exposure over time. Through these four sub-cases the study also established that sustainability must extend beyond primary supply chain partners and consider external stakeholders who may have no direct commercial relationship with the firm. The study also provides a detailed in-depth qualitative picture of relationships across a supply chain which is generally absent from supply chain research.

By considering the case of a leading Kenyan cellular firm and one of Africa's most innovative companies, the study extends the focus of sustainability to a major service industry. The four in-depth sub-cases also provide a rich empirical contribution to the field of stakeholder theory and sustainability along the supply chain. Theories that largely evolved independently of each other in previous research, were integrated to provide a holistic perspective of how a major corporation manages key stakeholders in its supply chain in a sustainable way. Thus, the study also makes an important contribution to theory building in the field.

7.6 Implications of the Study

This section focuses on the conceptual, theoretical, policy, practical and methodological implications of the current study. These implications are based on stakeholder salience, control over stakeholders, stakeholder exposure, SSCM practices and TBL measures for the firm's sustainability. The implications are presented in three categories: the first category includes conceptual and theoretical implications, the second addresses policy implications and the third refers to managerial implications. The study also highlights how management can benefit by prioritizing stakeholders based on their attributes of power, legitimacy and urgency. The research findings from this study have various implications for scholars and managers alike as discussed below.

7.6.1 Conceptual and theoretical implications

The integrative conceptual framework developed in this study has implications for the sustainability of supply chains and strategic thinking more broadly. By incorporating SSCM practices and TBL measures to extend Parmigiani et al's (2011) framework, the study contributes theoretically to the literature on stakeholder salience, control and stakeholder exposure. This study facilitates theory building and could enable professionals and academics to gain a clearer understanding of some major practical challenges of integrating these complex issues in practice. It also addresses the applicability of specific features of the existing literature to the context of developing countries, hence stimulating further research.

The integration of stakeholder salience, control and exposure aids organizations to effectively classify and manage various stakeholders based on the attributes of power, legitimacy and urgency. Managers should accord more attention to a stakeholder with all the three attributes than those with either one or two of the attributes (Parmigiani et al. 2011).

However, this study highlights that all stakeholders are important and therefore their expectations and interests need to be addressed. The conceptual framework also enables scholars and managers alike to appreciate the complex relationships that exist between stakeholder salience and accountability. As Mitchell et al. (1997) argued, a firm is more accountable to a stakeholder holding all three attributes - power, legitimacy and urgency - than a stakeholder with only one or two attributes.

Firms that take a long term strategic view of their business and strive to be sustainable understand that stakeholder exposure can be managed by prioritising and managing stakeholders differently. Thus, building a truly great firm requires the cultivation of sustainable practices that can result in enduring stakeholder relationships. While Parmigiani et al. (2011) developed a model that could be applied to analyse a single event, this study has expanded their conceptual framework to examine longer term relationships between the focal firm and its stakeholders. This implies that stronger relationships can be achieved by managing stakeholder exposure through appropriate SSCM practices and TBL measures. In addition, this study focused on the service industry which has received limited exposure previously on sustainability issues. Research focusing on primary and secondary sectors may achieve further insights to expand on what has been achieved by the current study.

Several supply chain issues that do not necessarily fit in Parmigiani's et al's (2011) model have arisen. Ongoing challenges, rather than 'a single event', and their implications to theory have been explored. For example, the working conditions and incidents that occur at third party sub-contractors who work for contractors hired by Safaricom are closely monitored, measured and reported. This mitigates the risks to Safaricom, in the event of inaction or neglect, should sub-contractors cut corners and push their workforce to ignore legislation in order to maximize profit or meet project deadlines. The implication is that reputational risk may result from external pressures demanding that the focal firm justify its silence on a pertinent social issue, rather than risk from a sub-contractor delivering sub-standard work. Thus, Safaricom adopts safeguards to protect itself from behaviours of its key contractors who by and large are motivated by profit.

Integration of stakeholder theory with SSCM practices and TBL measures is critical in the field of supply chain management. It enables organizations to improve on the optimization of supply chain decisions. Incorporating environmental and social aspects into the economic dimension all along the supply chain helps to ensure sustainability of all firms. As stakeholder theory highlights that a firm cannot work and succeed alone, there is need to identify and consider all stakeholders in the decision-making process (Wernerfelt, 1984). Consequently, this study makes a critical contribution to understanding how SSCM policies and practices can be adopted to optimize performance against the focal firm's key TBL measures. The conceptual framework also highlights the need to recognise the interface between stakeholder exposure, SSCM practices and TBL measures.

Incorporating social and environmental dimensions is important in stakeholder management because firms are increasingly involved in shaping perceptions of external stakeholders, such as the community. The example of activists who castigate the company on social media suggests that responsiveness should be supplemented with improved processes and monitoring of external stakeholders in order to ensure that demands for specific social, environmental and economic outcomes are satisfactorily addressed to effectively mitigate stakeholder exposure.

7.6.2 Policy Implications

Like firms in all industries, cellular companies are faced with several challenges due to their rapidly changing contexts. The policy issues that need to be addressed include: social, environmental and economic aspects in a supply chain, network stability, pricing of products and services and flow of information. This entails developing clear policy documents that ensure sustainability and act as a strategic business tool (Handfield et al., 2005; Preuse, 2005; Krause et al., 2007). Decision- makers in a wide range of service sectors may find the findings of this study helpful in developing these policies.

Several policy implications arise from the inter-relationship between stakeholder exposure, SSCM practices and TBL Measures. The regulations clearly stipulate the quality threshold regarding the strength of mobile phone network, price to be charged by cellular operators, health and safety standards required by the mobile phone operators, privacy and confidentiality requirements, provision of information regarding promotions and prices of the products and services. Policy makers should therefore ensure that firm level policies do not clash with regulatory requirements. Provisions stated by the CA and regulators in other jurisdictions need to be carefully evaluated when developing such a policy document.

Firstly, the government regulator is cognizant of the need for the firm to be socially responsible and to favour disadvantaged communities to improve their access to telecommunication and other essential services. While the introduction of the Universal Service Fund (USF) in Kenya has helped delivery of telecommunication services to the remotest parts and regions of the country, firms need to enhance the existing guidelines stipulating the nature of projects in specific parts of the communities, the magnitude of projects to be done and a balanced approach to supporting various initiatives in different jurisdictions so as to cover more regions and disadvantaged communities and groups.

Secondly, the risk of stakeholder exposure compels firms to get more information from suppliers such as such as labour practices and working conditions of sub-contractors. As Pagell & Wu (2009) have argued, supply chain partners need to communicate freely to develop an efficient and effective supply chain. A focal firm with proper systems and SSCM practices in place will be better placed to implement audits.

Consequently, Safaricom continuously assesses and audits suppliers to ensure that they adhere to sustainable business practices. A policy on buyer and supplier relationships is necessary to build and sustain supplier relationships, even though it is challenging to nurture and maintain these relationships (Parmigiani et al. 2011). Collaboration with suppliers can ensure better performance and hence the need to stipulate a policy on partnering and ensuring long-term commitment. Guidelines to foster joint training programmes and compliance initiatives on environmental and social issues are therefore paramount (Sharfman et al., 2009).

In conclusion, integrating the social and environmental dimensions is necessary for companies to address stakeholder exposure holistically, remain sustainable, understand how stakeholder attributes are inter-related, and how to ameliorate risk. For instance, an issue that a community considers to be urgent can give the stakeholder power and may force the focal firm to act to avoid disruption. This highlights the importance of stakeholder classification and prioritisation according to their salience attributes.

7.6.3 Managerial implications

Depicting relationships between stakeholder salience, influence, exposure, SSCM practices and TBL measures in an integrated way helps to identify a number of managerial implications.

First, managers need to understand the extent of the power, legitimacy and urgency each stakeholder possesses in order to prioritize their concerns, address them adequately, and account for their decisions. Stakeholder issues need to be approached differently so managers need to be cognizant of their level of salience.

Second, management must understand and categorise the type and extent of the influence that the focal organisation has over different stakeholders (e.g. customers and suppliers), in order to exercise economic leverage and manage them accordingly.

Third, this study highlights the need for management to identify specific SSCM practices and align them to appropriate TBL measures. This can help to ensure achieving balanced stakeholder expectations, while at the same time improving the firm's TBL performance.

Fourth, executives need to identify how they may be held accountable for their decisions by their stakeholders. By identifying and prioritizing their stakeholders, based on their salience, influence and exposure, they will be better placed to mitigate stakeholder exposure by effectively managing SSCM practices using appropriate TBL measures.

Fifth, management needs to develop environmental and social performance frameworks to monitor, track and improve on its performance. These performance systems can help to update the management of any potential exposure to risks and identify the need to take appropriate action (Parmigiani et al., 2011).

Sixth, by identifying and better understanding the varied needs and expectations of different stakeholders, management is better placed to allocate scarce resources strategically to projects that focus on the most critical environmental, social and economic aspects (Carter & Easton, 2011). Understanding how SSCM initiatives can impact on TBL measures enables managers to prioritize and ensure optimum performance and improved overall firm performance.

Seventh, the study highlights the value of collaborating with suppliers on SSCM practices, as illustrated by Safaricom's projects undertaken with Kenya Commercial Bank to promote Kenya Vision 2030. This is indicative of the benefits focal firms may achieve by embracing partnerships with a key stakeholder on sustainability issues.

Eighth, this research helps players in different industries to understand the importance of stakeholder exposure and its potential impact on SSCM practices and TBL measures. Management may use the model to classify various stakeholders based on their exposure in order to prioritise SSCM practices and improve overall TBL performance, and thereby improve the reputation and sustained growth of the firm.

Ninth, any firm that is aware of or anticipates high levels of stakeholder exposure should respond through appropriate SSCM practices to pre-empt or prevent the associated risks. The scope of SSCM practices should be clearly defined and the parameters determined so as to ensure that resources are channelled appropriately and mitigate the risk of unnecessary stakeholder exposure.

Finally, understanding the roles played by each stakeholder enables the management to devise appropriate relationship strategies for each and thereby ensure better flow of information.

7.7 Limitations of the Study

This study, like other research had some limitations. Firstly, the study focused on Safaricom and only four selected stakeholders to demonstrate the key dimensions of stakeholder salience and firm control over its stakeholders in relation to stakeholder exposure, SSCM practices and TBL measures. As a predetermined list of stakeholders was selected based on perceived salience, the exclusion of others might have led to a skewed outcome.

Secondly, Safaricom is the only telecoms company in Kenya that has emphasized sustainability, which is quite new in Kenya. Therefore, many of the respondents had a challenge in understanding or responding to questions on certain aspects of sustainability.

7.8 Recommendations for future research

This study focused on a single case in the cellular industry in Kenya. A conceptual framework was developed on aligning stakeholder salience, influence and exposure with SSCM practices and TBL. The current study focused on a case from the cellular industry. In order to test the validity of the model developed here, further research needs to be conducted in other industries and contexts.

It would be advantageous to replicate this study by focusing on non-service sectors and industries in Kenya and elsewhere to ascertain the more general applicability of the model. Furthermore, a comparative study involving telecommunication firms in other countries would assist in providing a more comprehensive understanding of stakeholder salience, influence and exposure with SSCM practices and TBL measures. This could help to highlight important similarities and differences between different contexts.

This study was limited to a specific number of stakeholders (customers, suppliers, community and regulators). Expanding the scope to focus on a broader range of stakeholders will assist in investigating stakeholder salience, influence and exposure to other stakeholders that have not been mentioned in this study. Involving a broader range of stakeholders will provide greater and deeper understanding of the management of stakeholder salience, influence and exposure with SSCM practices and TBL measures.

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APPENDICES

Appendix I: Management Interview Guide

1) Who are the most important supply chain stakeholders in Safaricom? Rank your stakeholders based on power, legitimacy and urgency.

2) How do you respond to the stakeholders needs? What factors determine the amount of stakeholder power, legitimacy and urgency?

3) How does power impact on stakeholder salience (how to prioritize stakeholders based on power, legitimacy and urgency) and influence? (In terms of both economic and non-economic influence)

4) How does legitimacy impact on stakeholder salience (how to prioritize stakeholders based on power, legitimacy and urgency) and influence? (In terms of both economic and non-economic influence)

5) How does urgency impact on stakeholder salience (how to prioritize stakeholders based on power, legitimacy and urgency) and influence? (In terms of both economic and non-economic influence)?

6) How can you describe a sustainable service considering that your business mainly focuses on service provision?

7) What aspects do Safaricom focus on in order to remain competitive in the cellular industry?

8) How do the SSCM practices influence the economic, environmental and social measures? How do these practices translate to TBL measures?

9) What are the expectations of each of the stakeholders on SSCM practices? How divergent are their expectations compared to SSCM practices?

10) How does the company solve issues that relate to divergence in stakeholder expectations and company objectives on SSCM? What approaches are used in improving sustainability performance in Safaricom?

11) What specific TBL measures are you adopting to ensure that the stakeholders are satisfied? How do these measures impact on the SSCM practices?

12) In what ways does stakeholder legitimacy, power and urgency influence stakeholder exposure? How is stakeholder management affected by the relational attributes of specific stakeholders (power, legitimacy and urgency)?

13) How do stakeholder power, legitimacy and urgency influence the SSCM practices adopted by Safaricom?

14) How do SSCM Practices and stakeholder exposure influence each other?

15) What role does stakeholder power, legitimacy and urgency play in influencing TBL measures?

16) In what ways are the TBL performance measures influenced by Stakeholder exposure?

17) How do the sustainable supply chain management practices adopted by Safaricon influence the economic, social and environmental outcomes?

18) Given your continuous efforts in sustainability initiatives over the years, how do you improve and measure sustainability performance in the various functions?

19) Highlight the constraints you face in your efforts to implement sustainable supply chain management in your organization? How does the company mitigate these constraints?

20) How often do you hold meetings with your Stakeholders? What influence do these meetings have on stakeholder exposure?

21) What determines the level of importance accorded to stakeholders? How do you establish this?

Appendix II: Supplier Interview guide

1) What product/service do you supply Safaricom?
2) How is your power as a stakeholder manifested in the activities carried out by Safaricom?
3) How does Safaricom prioritize your concerns as being legitimate?
4) How fast are your concerns addressed by Safaricom?
5) As a stakeholder why do think your concerns are addressed by Safaricom?
6) What is the source of your prestige or esteem as a stakeholder?
7) What is the source of your social responsibility network as a stakeholder?
8) What is the source of your time sensitivity claim as a stakeholder?
9) How do you use your services/goods to influence Safaricom's decisions?
10) How do you use your prestige or esteem to influence Safaricom's decisions?
11) How do you use your social responsibility network to influence Safaricom's decisions?
12) How does your relationship with Safaricom add value?
13) How do you demonstrate time-bound priority to influence Safaricom's decisions?
14) How does Safaricom react to the changing business climate?
15) What are your expectations/needs and how are they treated by the management in Safaricom?
16) How often do you hold meetings with Safaricom? What influence do these meetings have on your exposure?
17) What resources do you provide Safaricom? How does this impact on your control over Safaricom's decisions?
18) How does your control over Safaricom's decisions influence your exposure?
19) How do you hold Safaricom accountable in its decisions?
20) How does Safaricom manage the accountability process?
21) What factors does Safaricom consider to manage its exposure?

22) How does your accountability on Safaricom’s decisions influence your exposure?
23) What motivates you to maintain your stakeholder status in Safaricom? Do see yourself changing your stakeholder status? What will motivate you to change your status?
24) How do you hold Safaricom accountable with respect to SSCM practices?
25) How would you describe SSCM practices? Give example of SSCM practices that Safaricom require you to implement as their supplier?
26) In what ways do SSCM practices in Safaricom influence your operations? Do these practices meet your expectations?
27) If Safaricom does not meet your expectations, kindly suggest what can be done to improve on them.
28) How do the SSCM practices adopted by Safaricon influence your economic, social and environmental wellbeing?
29) Highlight any constraints you face in implementing SSCM practices as required by Safaricom. How are you able to mitigate these constraints?
30) What level of influence do you have on the SSCM practices implemented by Safaricom?
31) What power do you have in influencing the economic, social and environmental outcomes of Safaricom?
32) Do you believe Safaricom respects and integrates your interests with respect to SSCM practices and TBL measures? How?

Appendix III: Community Interview Guide

1) How is your power as a stakeholder manifested in the activity carried out by Safaricom?
2) How does Safaricom prioritize your concerns as being legitimate?
3) How fast are your concerns addressed by Safaricom?
4) As a stakeholder why do think your concerns are addressed by Safaricom?
5) What is the source of your prestige or esteem as a stakeholder?
6) What is the source of your social responsibility network as a stakeholder?
7) What is the source of your time sensitivity claim as a stakeholder?
8) How do you use your services/goods to influence Safaricom's decisions?
9) How do you use your prestige or esteem to influence Safaricom's decisions?
10) How do you use your social responsibility network to influence Safaricom's decisions?
11) How does your relationship with Safaricom add value?
12) How do you demonstrate time-bound priority to influence Safaricom's decisions?
13) How does Safaricom react to the changing business climate?
14) What aspects of environmental safety do you expect from Safaricom's supply chain management practices?
15) How do Safaricom's supply chain activities meet your value addition expectations?
16) How do you influence Safaricom towards achieving your environmental safety and value addition?
17) What social and environmental concerns do you advocate for from Safaricom?
18) How do you ensure Safaricom's accountability as far as your social and environmental expectations are concerned?
19) How does Safaricom manage the accountability process?
20) What factors does Safaricom consider to manage its exposure?
21) What mechanisms have you put in place to ensure that Safaricom's social and environmental activities are within the expected boundaries?

22) How does Safaricom involve you in its social and environmental supply chain activities?

23) How do you define your level of control and accountability in regard to Safaricom's social and environmental supply chain activities?

Appendix IV: Customers Interview Guide

1) How is your power as a stakeholder manifested in the activity carried out by Safaricom?
2) How does Safaricom prioritize your concerns as being legitimate?
3) How fast are your concerns addressed by Safaricom?
4) As a stakeholder why do think you concerns are addressed by Safaricom?
5) What is the source of your prestige or esteem as a stakeholder?
6) What is the source of your social responsibility network as a stakeholder?
7) What is the source of your time sensitivity claim as a stakeholder?
8) What aspects of product/service quality, supply of goods and services, safety of customers during product use, consumer protection, transparency of consumer production information do you expect from Safaricom's SSCM practices?
9) How do you influence Safaricom in achieving the expectations (mentioned in question 6 above?)
10) How often do you hold meetings with Safaricom? What influence do these meetings have on your exposure?
11) What resources do you provide Safaricom? How does this impact on your control over Safaricom's decisions?
12) How does your control over Safaricom's decisions influence your exposure?
13) How do you hold Safaricom accountable in its decisions?
14) How does Safaricom manage the accountability process?
15) What factors does Safaricom consider to manage its exposure?
16) How does your accountability on Safaricom's decisions influence your exposure?
17) How do you use your services/goods to influence Safaricom's decisions?
18) How do you use your prestige or esteem to influence Safaricom's decisions?
19) How do you use your social responsibility network to influence Safaricom's decisions?

20) How does your relationship with Safaricom add value?
21) How do you demonstrate time-bound priority to influence Safaricom's decisions?
22) How does Safaricom react to the changing business climate?
23) What SSCM concerns do you advocate for from Safaricom?
24) How do you ensure Safaricom's accountability as far as your expectations are concerned?
25) What mechanisms have you put in place to ensure that Safaricom's SSCM activities are within the expected boundaries?
26) How does Safaricom involve you in its SSCM supply chain activities?
27) How do you define your level of control and accountability in regard to Safaricom's SSCM activities?

Appendix V: Regulators

1) How is your power as a stakeholder manifested in the activity carried out by Safaricom?
2) How does Safaricom prioritize your concerns as being legitimate?
3) How fast are your concerns addressed by Safaricom?
4) As a stakeholder why do think you concerns are addressed by Safaricom?
5) What is the source of your prestige or esteem as a stakeholder?
6) What is the source of your social responsibility network as a stakeholder?
7) What is the source of your time sensitivity claim as a stakeholder?
8) What aspects of compliance do you expect from Safaricom's SSCM practices?
9) What SSCM concerns do you advocate for from Safaricom?
10) How do you ensure Safaricom's accountability as far as your SSCM expectations are concerned?
11) How does Safaricom manage the accountability process?
12) What factors does Safaricom consider to manage its exposure?
13) How do you use your services to influence Safaricom decisions?
14) How do you use your prestige or esteem to influence Safaricom decisions?
15) How do you use your social responsibility network to influence Safaricom's decisions?
16) How does your relationship with Safaricom add value?
17) How do you demonstrate time-bound priority to influence Safaricom's decisions?
18) How does Safaricom react to the changing business climate?
19) What mechanisms have you put in place to ensure that Safaricom's SSCM activities are within the expected boundaries?
20) How does Safaricom involve you in its SSCM activities?
21) How do you define your level of control and accountability in regard to Safaricom's SSCM activities?

Appendix VI: Customer compliant about transfer of his "Bonga Points"

COPY

RECEIVED
08 JUL 2013
CONSUMERS FEDERATION OF KENYA
P.O. Box 2733 - 00200
NAIROBI

WASUNA & CO. ADVOCATES

Advocates and Commissioner for Oaths

KISUMU OFFICE:
Reinsurance Plaza
Shop Unit Two, Block "A"
Jomo Kenyatta Highway
P.O. Box 1760 - 40100
Kisumu.
Tel: 020 20544489
Tel/Fax: 057 2022872
Email: wasuna@wasuna.net

NAIROBI OFFICE:
National Bank Building
South Podium, 2nd Floor
Harambee Avenue.
P.O. Box 34992 - 00100
Nairobi.
Tel: 020 2242158/2242358
Wireless: 020 2054490
Fax: 020 2243621
Email: wasuna@wasuna.net

VAT No. 0100413U
PIN No. A001396889Z

Our Ref: FEW/CIV/GEN/13 **Your Ref:** TBA **Date:** 25/06/2013

Safaricom Limited
P.O. Box 66827, 00800
NAIROBI

BY POST

Dear Sir,

RE: DEMAND FOR INFORMATION FROM SAFARICOM FOR THE FRADULENT AND UNATHORISED WITHDRAWAL OF OUR CLIENT – LUKE OMWANDHO - BONGA POINTS.

The above has reference.

We have been instructed by our client – Luke Omwandho – to address you as hereunder;

That he is a registered Safaricom mobile subscriber whose subscription numbers are 0720257 and he successfully enrolled for the Safaricom reward programme-bonga points.

That in and around November 2012 he was aware that he had by his usage and stay on the Safaricom network; accumulated over 13,000 bonga points by participating in the same programme.

That sometime in and around November or December 2012 when Safaricom was offering alcatel handsets for redemption for the reward points he checked his bonga points to go and redeem them for the offer. However, he was surprised to learn that 12,900 bonga points had been transferred from his account without his tacit or explicit consent and knowledge.

He has communicated with one John Wanjau a customer care agent in safaricom's employ to enquire as to which number the said bonga points was transferred to and received an SMS response to the effect that: 'The 12,900 bonga points were indeed transferred from his number sometime in November 2012 and that Safaricom does not divulge Bonga Transfer data, and further that to find out who took his points he should report the same to the police station as a theft case and let them investigate the matter and resolve his issue'.

He is aware that you are in possession of information, as to whom the bonga points was transferred to, and that the owner of such number is in possession of property that belongs to our client.

Please reply to our__________________office

He is in need of this information in order to file a suit against such owner to recover the 12,900 bonga points or their liquidated value.

By dint of our constitution you are obliged to disclose such information to our client to enable him to pursue his suit to recover his property.

We therefore **DEMAND** that you furnish our client with the identity of the person to whom the bonga points was transferred. **TAKE NOTICE** that unless the aforesaid demand is met, within 7 days from the date hereof we hold firm instructions from our client to file a suit against you for an order compelling you to provide the aforementioned information, holding you liable in costs and all attendant consequences.

Yours faithfully.
FOR: WASUNA & COMPANY ADVOCATES

F.E. WASUNA

CC:

Luke Otieno Omwandho
P.O. Box 394-40222
OYUGIS

Communications Commission of Kenya (CCK)
P.O. Box 14448, 00800
Westlands
NAIROBI, KENYA

The Secretary General Consumers Federation of Kenya (COFEK)
P.O Box 2733 - 00200
NAIROBI - KENYA

Appendix VII: Stakeholder accountability mechanism

Stakeholder Accountability mechanism (SHM)	
SHM1	Enterprise customers specify their performance requirements in form of Quality of Service parameters
SHM2	A customer can seek a legal redress whenever aggrieved
SHM3	Customers use call centers and agents to hold Safaricom accountable by seeking feedback from the firm with regard to the fitness of product and service
SHM4	CA uses threats of license withdrawal to hold Safaricom accountable
SHM5	Community uses rights activists and NGOs to make Safaricom justify their actions
SHM6	Customers use media platform to complain about Safaricom services
SHM7	Regulators impose penalty if the firm does not meet set quality standards
SHM8	Community influences Safaricom's decisions through community organizers and activists to petition the firm to initiate project development

Appendix VIII: Safaricom control mechanism

Stakeholder	Economic	Non-economic
Customers (SCC1)	Retail outlets, road shows, caravans, promotions marketing and advertisements	Customer data management, privacy and security
Regulator (SCC2)	SIM card registration, remittance of regulatory fees	Opinion during quarterly meetings
Suppliers (SCC3)	Supplier development Reduce energy consumption and greenhouse gas emissions	Supplier evaluation
Community (SCC4)	Community projects as CSR	CSR programs, Road safety awareness

Stakeholder	Economic	Non-economic
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Regulator (SCC2)	SIM card registration, remittance of regulatory fees	Opinion during quarterly meetings
Suppliers (SCC3)	Supplier development Reduce energy consumption and greenhouse gas emissions	Supplier evaluation
Community (SCC4)	Community projects as CSR	CSR programs, Road safety awareness

Appendix IX: Stakeholder Salience (SHS)

Stakeholder power	
Coercive and Normative power (SHP)	
SHP1	Industry regulators such as CA, CAK and NEMA use coercive power to require compliance
SHP2	Safaricom largest customers use their coercive power to put pressure on Safaricom to improve its social and environment performance
SHP3	Major suppliers use normative power to influence Safaricom to recycle electronic waste
SHP4	Major suppliers use normative power through innovation to pressure Safaricom to adopt products that enable reduction of carbon footprint and Greenhouse gas emissions
SHP5	Suppliers influence network quality through their professional expertise
SHP6	All Safaricom customers influence network quality improvement, cost of services and tariffs
SHP7	Safaricom's environment initiatives have been influenced by local communities
SHP8	Safaricom social commitment and charity are influenced by local communities
SHP9	Safaricom influenced by general Community interest in the firm as a result of being successful
Resource Dependence power (RDP)	
RDP1	Safaricom depends on critical resources like spectrum frequency from CA, the regulator
RDP2	The regulator, CA has legal oversight over the activities of Safaricom and an ability to control and regulate the firm
RDP3	Safaricom depends on customers financial resources to achieve its corporate goal

RDP4	Safaricom relies on customers for its existence, they can affect the achievement of the firm's objectives
RDP5	Customers can switch their loyalty from Safaricom to other Mobile Network Operators (MNOs)
RDP6	Safaricom and its suppliers are in an mutual relationship of inter-dependence
RDP7	Supplier can affect and are affected by the achievement of Safaricom objectives
RDP8	Supplier power results from the stakeholder's distinctive expertise and Safaricom's dependence on their inputs to deliver services or products
RDP9	Suppliers and Safaricom have mutual dependence of power so none can claim to have dominance or subservience
RDP10	Communities help to project Safaricom's brand and corporate image, thus can influence its earnings
Stakeholder legitimacy (SHL)	
SHL1	Safaricom and all its customers are in a contractual relationship of buyer and seller
SHL2	The largest Customers have a signed Service Level Agreement (SLA) with Safaricom
SHL3	Safaricom and its suppliers are in a contractual relationship
SHL4	The suppliers and Safaricom are in an exchange relationship. Claimants supply the firm with critical resources and professional expertise
SHL5	Suppliers have something at risk as a result of having invested something of value like capital in the firm
SHL6	The CA asserts to have an interest in Safaricom by ensuring fair play
SHL7	NEMA has alegitimate interest on environment compliance
SHL8	Communities are placed at risk as a result of Safaricom's activities
SHL9	Communities have a moral claim, their rights are violated or respected due to Safaricom actions

Stakeholder urgency (SHU)	
SHU1	Corporate Customer issues call for immediate attention, are highly urgent because they are critical and time sensitive
SHU2	End user customers issues are pressing, drivers to quality and productivity improvement
SHU3	Delay in attending to any customer complaint is unacceptable.
SHU4	Enterprise Customers and end-users have specific assets tied to Safaricom that cannot be used for a different purpose making it difficult for the stakeholder to exit the relationship
SHU5	The CA demands are compelling, pressing and imperative
SHU6	The CA demands call for immediate action, are critical and time sensitive
SHU7	The CAK and NEMA claim in the relationship are considered important
SHU8	The regulators claims are critical as they expect Safaricom to continue complying with legislation for business continuity
SHU9	Suppliers 'claims have element of criticality. Having invested resources in Safaricom they expect the firm to continue supporting them

Alternative explanation for power, legitimacy and urgency

Managerial attitude and perspective (MAP)	
MAP1	Safaricom management views improvement of the quality of life for local communities as important
MAP2	Safaricom Management considers environmental preservation and conservation as important
Strategic sustainability orientation –economic, social and environmental	
EcSSO1	Safaricom committed to growing market share and maintaining its market leadership
EcSSO2	Safaricom influenced by other Vodafone subsidiaries to adopt social and environment reporting

EcSSO3	Competitors influence Safaricom to integrate sustainable supply chain practices *(misalignment)
EvSSO1	Safaricom is influenced by NGO's and environment groups who have environmental sustainability interest for present and future generations e.g. Sustainable Development Goals
EvSSO2	Safaricom considers and evaluates the environmental and social impact of its activities as one of its core values and mission.
ScSSO	Safaricom core value is to build communities and transform lives.
Corporate values	
CV1	Safaricom uphold social norm cultural values due to the firm's respect for human rights
CV2	Safaricom handles stakeholder issue urgently due to corporate best practices
CV3	Safaricom attends to community issues in good time due to its corporate mission of transforming lives
CV4	Vodafone, the parent company require Safaricom to adopt sustainability

Appendix X: Analysis of Exposure of SSCM practices and TBL measures

Customers

Sustainable Customer Management Practices (SCMP)	
SCMP1	Safaricom offers assistance for recycling of electronic waste through its retail outlets and mobile caravan
SCMP2	Safaricom evaluates quality related complaints of customers
SCMP3	Safaricom gives feedback on environmental concerns like electromagnetic radiation from its masts
SCMP4	Safaricom evaluates customer satisfaction through Net promoter Score(NPS), Customer delight index(CDI) and Enterprise Delight Index(EDI)
SCMP5	Safaricom shares information with major customers like banks
SCMP6	Primary customers share experience of products and service use with Safaricom
SCMP7	Safaricom's major customers share their existing social and environment policies like employee wellness, gender equity and labor practices
SCMP8	Safaricomconducts market intelligence and surveys to improvecustomers'experiences

Suppliers

Sustainable Supplier Evaluation and Self-assessment (SSESP)	
SSESP1	Safaricom has an evaluation system to assess suppliers' environmental and social performance.
SSESP2	Safaricom uses third party certification like ISO 9000 to assess its suppliers

SSESP3	Safaricom evaluates suppliers' using environmental commitments as well as their ability to help the firm meet its Greenhouse Gas obligations
SSESP4	Suppliers sign a code of conduct on adherence and observation of high standards.
Sustainable Supplier Development Practices (SSDP)	
SSDP1	Safaricom trains suppliers to help them meet their sustainability objectives
SSDP2	Safaricom encourages suppliers to embrace social sustainability like abolition of child labor, gender equity and employee wellness.
SSDP3	Safaricom visits supplier sites to verify environmental effectiveness
Information Sharing with suppliers Practices (ISSP)	
ISSP1	Suppliers share their existing social and environment policies like employee wellness, gender equity and labor practices
ISSP2	Suppliers share any new environmentally safe products with Safaricom
ISSP3	Major suppliers share labor practices information with Safaricom
ISSP4	Suppliers share corporate social responsibility and community charity programmes with Safaricom
ISSP5	Safaricom collaborates with its suppliersto improve the management of carbon foot print

Regulators

Sustainable Regulator Management Practices (SRMP)	
SRMP1	Safarico m files quarterly compliance returns to the Communications Authority of Kenya (CA)
SRMP2	Safaricom monitors its quality of service (QOS) continuously to ensure it meets acceptable standards by the CA.

SRMP3	Safaricom undertakes Environmental Impact and Assessment (EIA) of all its sites to ensure they comply with NEMA requirement.
SRMP4	Safaricom has an electronic waste recycling programme of old mobile phones, tablets and laptops
SRMP5	Safaricom continuously audits its activities to ensure it doesn't abuse its market dominance in accordance to the Competition Authority of Kenya(CAK)requirement
SRMP6	Safaricom remits fees Universal Service Fund (USF) for social justice and all other regulatory fees
SRMP7	Safaricom has put in place mechanisms to comply with all legal and statutory requirements by theKenya Civil Aviation, Central Bank of Kenya and the Kenya Revenue Authority

Community

Sustainable Social Responsibility Practices (SSRP)	
SSRP1	Safaricom discloses information about its contribution to local communities
SSRP2	Safaricom has a foundation to advance social and charitable causes
SSRP3	Safaricom supports community based organizations
SSRP4	Safaricom promotes corporate code of conduct, ethics and anti-corruption campaigns
SSRP5	Safaricom discloses information about occupational health and safety.
Sustainable Environment Management Practices (SEnMP)	
SEnMP1	Safaricom sources for products that can help reduce consumption of energy
SEnMP2	Products delivered to Safaricom are packaged in eco-friendly materials.
SEnMP3	Safaricom collects old and obsolete electronic waste products for dismantling and recycling

SEnMP4	Safaricom has a department responsible for environment monitoring and reporting on environment performance
SEnMP5	Safaricom discloses information on environmental performance due to its activitiesthrough sustainability reports
SEnMP6	The firm has initiated E-waste management programme to create awareness to supply chain partners such as dealers and distributors
SEnMP7	Safaricom has undertaken water footprint assessment and identified key areas that can help the firm reduce water consumption
SEnMP8	Safaricom measures the impact its activities have on the environment and the pressure they exert on natural resources like water

Appendix XI: TBL Performance Measures and Outcomes

Market Performance (MP)	
MP1	Market share
MP2	Profitability
MP3	Churn –the number of subscribers who discontinue service
MP4	Increase/decrease of market share
MP5	Introduction of various products and services to enhance their market presence and improve service quality
Financial performance (FP)	
FP1	Net Profit margin
FP2	Return on investment (ROI)
FP3	Return on equity (ROE)
Environmental Performance (EP)	
EP1	Reduction of energy consumption
EP2	Reduction of water consumption and waste water
EP3	Reduction of Greenhouse gas emissions
EP4	Recycling of e-waste products
EP5	Electromagnetic compatibility
Social Performance (SP)	
SP1	Maintain the corporate image of a respected company
SP2	Improved quality of life for communities
SP3	Report on contribution to communities
SP4	Cordial engagement with the regulators, reduced number of penalties due to non-compliance

SP5	Good relationships with local communities

Appendix XII: EMS Information sheet

UNIVERSITY of the WESTERN CAPE

EMS
Where your Future is our Priority

FACULTY OF ECONOMIC AND MANAGEMENT SCIENCES

SCHOOL OF BUSINESS & FINANCE

My name is Thomas Ogoro Ombati. I am pursuing a PhD at the University of the Western Cape in the School of Business and Finance. For this degree, I must conduct a study that is entitled “Stakeholder salience, influence and exposure: Sustainable supply chain management practices and the triple bottom line at Kenyan cellular telecoms”

My contact is +254 725 465 343 or +27849606415.My supervisor is Prof Philip Hirschsohn in the Department of Economics and Management Sciences of the Western Cape. He can be contacted through +27832295951 or phirschsohn@uwc.ac.za

To get the information I need for this study, I will be conducting interviews with various stakeholders in the cellular industry who have experience in the concept of stakeholder salience, exposure, sustainability and triple bottom line. The project has a strong focus in understanding how stakeholder salience, based on stakeholder power, legitimacy and urgency together with stakeholder influence determine stakeholder exposure which in turn impacts on the economic, environmental and social performance in Safaricom, Kenya.

To reach this understanding I would like to interview you about your experiences. The interview will take approximately 75 minutes to complete. This information sheet is for you to keep so that you can be aware of the purpose of the interview. With your signature below you show you understand the purpose of the interview.

Yours faithfully

Thomas Ogoro Ombati

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Signature of Participant: ____

Date: 14/03/2014

Private Bag X17, Bellville 7535, South Africa Telegraph: UNIBELL

O: +27 21 959 3225 F: +27 21 959 6242E: darendse@uwc.ac.za W: http://www.uwc.ac.za/

Appendix XIII: Senate Research Committee Approval to conduct Research

UNIVERSITY of the WESTERN CAPE

OFFICE OF THE DEAN
DEPARTMENT OF RESEARCH DEVELOPMENT

17 June 2014

To Whom It May Concern

I hereby certify that the Senate Research Committee of the University of the Western Cape approved the methodology and ethics of the following research project by: Mr OT Ombati (School of Business and Finance)

Research Project:	Stakeholder salience, influence and exposure: sustainable supply chain management practices and the triple bottom line at a Kenyan cellular telecoms firm.
Registration no:	14/4/39

Any amendments, extension or other modifications to the protocol must be submitted to the Ethics Committee for approval.

The Committee must be informed of any serious adverse event and/or termination of the study.

Ms Patricia Josias
Research Ethics Committee Officer
University of the Western Cape

Private Bag X17, Bellville 7535, South Africa
T: +27 21 959 2988/2948 . F: +27 21 959 8170
E: pjosias@uwc.ac.za
www.uwc.ac.za

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Appendix XIV: Safaricom Approval to Conduct Research

2nd January, 2014

Thomas Ogoro Ombati

University of the Western Cape

South Africa.

RE: PERMISSION TO CONDUCT RESEARCH

This is in regard to your request to conduct research on **"Aligning stakeholder salience, influence and exposure with sustainable supply chain management practices and TBL measures: A case of Safaricom.** I'm pleased to inform you that you have been granted permission to undertake your study in the mentioned topic. You have been allowed to conduct interviews with Safaricom management and selected stakeholder groups.

While conducting the study, you are advised to uphold the highest degree of confidentiality and professional Research Ethics. In case of any further assistance, please do not hesitate to contact us.

Name------Mercy Muniu------

Signature------

Safaricom

Safaricom Limited | P.O.Box 66827, 00800 Nairobi, Kenya. | T: +254 722 003272 | Web: www.safaricom.co.ke | Twitter: @SafaricomLtd | Facebook: www.facebook.com/SafaricomLtd

Appendix XV: Budget for the Ph.D Course

Monthly Requirements (Ksh)		
Rent	50,000	
Transport	25,000	
Photocopying and printing	25,000	
Monthly allowance	85,000	
Subtotal	185,000*12	2,220,000
Annual Requirement		
Tuition fee		274,000
Data collection		220,000
Student Medical cover		40,000
Miscellaneous		275,400
Total		**3,029,400**
Grand Total (2,809,400*3)	**3,029,400*3**	**9,088,200**

Appendix XVI: PhD Course Work Plan

Level	Activity	Start date	Duration (months)	End date
1	Reviewing of Literature & development of data collection instruments & Pilot study	Jan-13	3	Mar-13
2	Reviewing of Literature	Jan-13	6	Jun-13
3	Improving the data collection instruments	Apr-13	3	Jun-13
4	Case study and Literature Review	Jul-13	5	November 2013
5	Expert interviews	Dec-13	6	May-14
6	Case study revisiting	Jun-14	2	Jul-14
7	Revisiting of Data collection + Case study comparison with Literature Review	Jul-14	18	Dec-15
8	Data analysis	Jan-15	18	Jun-16
9	Report writing, submission & graduation	Jul-15	22	April-17