FACTORS INFLUENCING STRATEGIC DECISION MAKING PROCESS AT THE HEADQUARTERS OF THE MINISTRY OF ROADS, KENYA

BY

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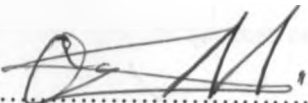
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Declaration

This is project is my original work and has not been presented for degree in any other university.

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SIGN.. Date...14/11/2012...

This project has been submitted for examination with my approval as a University supervisor.

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Acknowledgement

Dedication

To my husband Gitonga, our daughter Lilian Wanja and son James Ndung'u for their unconditional concern and care.

To my parents, David Kinuthia, Beatrice Kinuthia, the late Lilian Ndung'u and James Njui, for their continued prayers, encouragement and inspiration throughout the period of pursuing the MBA programme.

Abstract

The study aimed to determine the factors influencing strategic decision making process in the Ministry of Roads (HQs). In search of answers to the stated problem, existing secondary data was gathered through literature review. This was to establish what existing literature has in regard to strategic decision making process and factors that influence it. The study also sought to find out the existing gap that the researcher focused on filling. The study established that previous studies found out that a wide range of factors influence strategic decision making process and they vary from organization to organization. The most common across firms included external environment, organizational structure, corporate culture, policies, resources, personality and attitude of decision makers, top management support and vested interests. A case study was used as a methodology research design. This was due to the nature of the study which needed in-depth interrogation in order to examine data within the context of its use. Secondary data was gathered through review of key documents in the Ministry of Roads (HQs) such as relevant reports, circulars, policies and strategic plans. An interview guide was developed to collect primary data. In-depth face to face interviews were conducted to senior officers mainly heads of departments (HOD) in the Ministry of Roads (HQs). These are officers involved in making strategic decisions in the organization. Content analysis was used to analyze data through both conceptual and relational techniques. Themes were implicitly explored while limiting subjectivity using contextual translating rules. The study established that a predetermined strategic decision making process exists in the Ministry of Roads. It is directed by laid down rules and regulations and the hierarchical organizational structure. Though the process is effective in addressing recurring issues, it is challenged when it comes to unstructured issues. It came out clearly that there are various factors that influence the process among them being organizational structure, resources, policies, professional expertise, political interference, vested interests and organizational culture. Several challenges are faced in the process of making strategic decisions. They include insufficient funds, interdependency between government bodies, succession gaps, leadership styles and lack of participatory decision making processes. The study concluded that though the existing strategic decision making process in the Ministry of Roads achieves some results, there is a lot to be improved on in order to make it more effective in terms of quality, timeliness, and sustainability.

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List of Abbreviations

AO	Accounting Officer
CEO	Chief Executive Officer
CK	Constitution of Kenya
GOK	Government of Kenya
HOD	Head of department
HQs	Headquarters
IPO	Initial Public Offerings
KENHA	Kenya National Highways Authority
KERRA	Kenya Rural Roads Authority
KRB	Kenya Roads Board
KURA	Kenya Urban Roads Authority
MOR	Ministry of Roads
PPOA	Public Procurement Oversight Authority

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Strategic decisions are the decisions that are concerned with whole environment in which an organization operates. This includes the entire resources and the people who form the company and the interface between the two (Mullins, 2005).Strategic decisions have major resource propositions for an organization as they concern possessing new resources, organizing or reallocating others. They deal with harmonizing organizational resource capabilities with threats and opportunities. They involve a change of major kind since an organization operates in ever changing environment. They are handled at the corporate level of an organization due to their complex, uncertain, futuristic and risky nature.

Strategic Decision making is a process that chooses a preferred course of action from among a set of alternatives on the basis of given strategies (Wang et al, 2004). It is a set of actions and dynamic factors that begins with the identification of a stimulus for action and ends with the specific commitment to action (Mintzberg, 1976).The process is long, spread over a considerable period of time and involves many people in different levels of the hierarchy (Cyert and March, 1963). Effective strategic decision making process goes through some basic steps. Drucker(1999) recommends six steps that ensure once followed effective decisions would be arrived at; namely problem classification, problem definition, specifications (boundary conditions), the decision, action and feedback.

A well-functioning Public Sector, under which Ministry of Roads falls, is important for the development of a country. Kenya's public sector incorporates the Civil Service, Disciplined Services, Teaching Service, Judiciary, Armed Forces, Local

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Authorities, Public Universities, Parliamentary Service Commission, State Corporations and Statutory Bodies. The role of these bodies is to implement Government policies and programmes in a neutral environment (GOK, 2006).

Over the years, the government has sought to rationalize strategic decision making process through strategic plans, policy reviews and directives which are issued from time to time. Instances of these include the Vision 2030; long term institutionalized strategic plans among others. This call for firm structures which promote efficiency and effectiveness in the way services are delivered. Effective decision making and sound processes promote this endeavor.

1.1.1 Strategic decision making process

Strategic decision making process refers to a set of actions and dynamic factors that begin with the identification of a stimulus for action and ends with the specific commitment to action (Mintzberg, 1976). The process is concerned with how effectively the decisions are linked with the firm, and how effectively they are validated and implemented.

While strategic decision making focuses the strategic decision itself and on the relationship between specific decisions and performance outcomes, strategic decision making process focuses on the actions that support strategy. It is a distinct function most directly concerned with achievement of objectives and the identification of main decision areas or sub-systems (Mullins, 2007). It is an approach to management that focuses on managerial decision making and how organizations process and use information for achievement of desired objectives.

Strategic decision making process involves identification of problems and/or opportunities and then resolving them. It entails the efforts both before and after the

actual choice (Mintzberg, 2007) that is, decision making through to implementation, evaluation and monitoring. It can also be identified as the mental processes resulting in the selections of a specific course of action that stands best solve an issue at hand. The process entails identification of problems that establish exactly what has to be decided. These could be opportunities and/or threats facing an organization. Upon identification, various possible alternative ways of solving the problems are established. The advantages and disadvantages of these options are evaluated and the best alternative/choice in regard to the problem at hand is selected. Eventually, implementation of the best choice is done towards resolving the problem (Johnson et al, 2006). The process should also allow monitoring and evaluation of the outcome.

Decision making is regarded as a fundamental part of the management process. It differs from organization to organization. Institutionalizing decisions can be seen as matching strategy to the institutions of the organization and therefore implementing a decision ought to be built on organizational structure, culture, managerial support, processes and policies.

Choice of organizational structure helps people pull together and coordinate various activities which include decision making. Corporate culture which refers to the set of common values, attitude, belief that members of an organization share in common also influence the way decision are made. It includes habitual ways of doing things and it gives employees a sense of how to behave and act in certain scenarios (Heller and Hindle, 1998). Policies are guidelines for action that are almost permanent. They set out decision making criteria of selecting the right alternative thus act as instruments for strategy implementation (Muller-Christ, 2011). They set boundaries, constraints, and limits on the kinds of actions that can be taken at any given time.

Official sanction and approval of decisions arrived at form a critical part of decision making. In case a decision maker does not have full autonomy to proceed with decision implementation, he/she should ensure that he/she consults the relevant authority not just for the ultimate blessing but also for their input. Once informed in advance managers are more likely to lend valuable cooperation in approving the implementation of decisions (Statt, 1999). Adequate resources are critical to effective decision implementation and eventual delivery of service. Due to scarcity of resources, decision making process is highly tagged on the way they are managed and distributed amongst various demands.

Individual persons have diverse personalities attributed by social status, education level, religion, cultural background among others. This drives to a large extent how they perceive, interpret and respond to issues this influences the way they making decisions. Vested interests i.e. personal and/or group unjustified projected gains, though unprofessional and illegal l(Water Sector Strategic Plan, 2010), influences decision making process. Thompson, (1967) reinforces that the number of positions of power within an organization and the size of the dominant coalition affect decision making.

1.1.2 Ministry of Roads in Kenya

Ministry of Roads (MOR) falls under the fund type of organizations established through Presidential Circulars while its affiliate roads authorities were established through an act of parliament (GOK, 2007). It is a road agency body whose functions are development, rehabilitation and maintenance of road network consistent with the Kenyan economy and set standards (GOK, 1999).

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Presidential circular No. 1/2008 sets out the specific responsibilities of the Ministry of Roads namely: National roads development policy; development, standardization and maintenance of roads; Materials testing and advice on usage; Coordination of the Roads Authority (KURA) activities undertaken by the roads authorities namely Kenya National Highways Roads Authority (KENHA), Kenya Rural Roads Authority (KERRA) Kenya Urban) and Kenya Roads Board (KRB); Research and training on Highways construction and building technology; Standardization of vehicles, plant and equipment; Vehicles, plant and Equipment inventory; Registration of Engineers; Registration of road contractors; Maintenance of security roads and protection of road reserves (Ministry of Roads, Strategic Plan 2008-2012)

1.2 Research Problem

Strategic decision making is concerned about organization's future and the way in which it responds to many pressures and influences identified in strategic analysis. Organizations, both public and private today operate in a fairly competitive and dynamic environment which makes it necessary to put sound strategic decision making processes in place. Firms that invest in effective timely decision making systems stand better chances of taking advantage of emerging opportunities while mitigating threats. An effective strategic decision making process is that which incorporates a set of actions and dynamic factors that begin with the identification of a stimulus for action and ends with the specific commitment to action (Mintzberg, 1976).A process adopted in decision making vary from organization to organization due to diverse structures, systems and environment in which they operate.

Public sector organizations today are faced with an uphill task to modernize their decision making process. This is in response to turbulent environmental changes within which they operate. These include increased customers awareness, reviewed

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policies and globalization among others. Organizations within the public sector therefore need to continuously assess and analyze their strategic decision making systems in order to remain relevant in service delivery. Decisions across the Kenyan public sector are made in almost a uniform way through specified rules and procedures usually for accountability purposes. This limits the degree of discretion exercised by the decision makers (Mullins, 2006). The Ministry of Roads is not an exception.

Previous researches have focused on strategic decision making of varying organizations. Mulcaster (2009) argues that while much research and creative thought has been devoted to generating alternative strategies, too little work has been done on what influences the quality of strategic decision making and effectiveness with which decisions are made and implemented. Janczak (2005) conducted a study focusing on the strategic decision making process in organizations and found out that it is impossible to ignore the decision making approach since it is linked to process of planning which focuses on timing , sequence and dynamics.Kyaka (2010) carried out an assessment of the relative importance of the factors influencing decision making in Initial Public Offerings (IPOs) in Kenya while Mathenge (2010) researched on internal stakeholder involvement in strategic decision making at Kenya Commercial Bank Ltd.

To the best of my knowledge none of these studies were conducted to determine the factors influencing strategic decision making process in the Ministry of Roads, Kenya. This study therefore seeks to fill this knowledge gap by attempting to answer the following two questions: i) what strategic decision making process is adopted by the Ministry of Roads, Kenya? ii) what factors influence the strategic decision making process in the Ministry of Roads, Kenya?

1.3 Research Objectives

The objectives for this research are: -

i.   To establish the strategic decision making process adopted by the Ministry of Roads, Kenya.

ii.   To determine the factors that influence strategic decision making process in the Ministry of Roads, Kenya.

1.4 Value of the study

The study aims at establishing the decision making process in the Ministry of Roads as a public sector institution, and determining the factors that influence the process. The study will generate additional information in the area of management which can be used for research in form of literature review. The information will equally be useful to the management, professionals and organizational researchers with the view of studying and analyzing strategic decision making trends in the public sector. The information gathered will equally be useful to policy makers within government institutions. This is especially in the attempt to build up appropriate decision making policies that the address the turbulent environment which demands for flexible systems.

Public service institutions have a variety of written, formal and hierarchical structures within which they are mandated to make their decisions. These include established structures, existing laws, regulations and legal frameworks. They dictate how, who and when to make decisions. The study will sensitize relevant authorities which includes those of the Ministry of Roads, for necessary review and possible correction of existing rigidity.

Improved service delivery is directed to community at large, its welfare and national development. In times of failure in government programmes meant to benefit the public, decision making process has been mentioned as the principal cause. This has led to negative image on the Public Sector in general. The study will come up with ways of assisting the community to appreciate their role in public sectors' decision making process especially with the devolved government dispensation of the New Constitution of Kenya (CK 2010). Human resource is the major factor in any organization public or private. The way they operate in pursuit of their duties is heavily affected by the decision making process both in instances where they are involved in making decision or implementing decisions made by others. This study will touch on the concerns which relate to employees in the course of making decisions.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Nowadays we have a discipline of decision analysis. It provides systematic procedures for clarifying a confusing situation by offering the possibility of replacing confusion with clear insight and arriving at a desired cause of action (Drucker, 1999).Whenever an organization is faced with a problem, it requires making decisions which results to the best possible solution. Strategic decision making is a rational, deliberate, purposeful action. It begins with the development of a decision strategy and moves through to implementation and appraisal of results. It occurs in all types of organizations.

This chapter will analyze strategic decision making, types of strategic decisions, strategic decision making process and factors influencing strategic decision making.

2.2 Strategic decision making

Strategic decision making is a rational, deliberate, purposeful action which begins with the development of a decision strategy and moves through to implementation and appraisal of results (Hoy and Tarter, 1998). It is one of the basic cognitive processes of human behaviors by which a preferred option or a course of action is chosen from among a set of alternatives based on certain criteria (Wang et al, 2007).

An organization's strategic decision is considered rational if it is consistent with its long term goals, objectives and information. Strategic decision making is regarded as a fundamental part of the strategic management process (Gilligan et al, 1983). It is concerned with whole environment in which a firm operates, the entire resources, the people who form the company and the interface between the subsystems. Decisions

are the realm in business and every success, mishap, opportunity seized or missed is the result of a decision someone made or failed to make. No matter how clever the company's strategy can be, if the right decisions are not made effectively, executed quickly and consistently, the business loses ground (Johnson and Scholes, 1997).

High performance operating processes are necessary but not sufficient for a changing organization's success (Hammer, 2006). In order to develop an effective operational process for implementing decisions, it is necessary to breakdown the process into time phased sequences of plan regarding action (Hitch, 1967). Strategic decision making ought to be effective for a firm to competitively achieve its objectives. This effectiveness can be through strategic planning as it allows decisions to be made comfortably and in a smart way. It makes decision making a lot simpler, gives a chance to establishment of independent goals, provides a standard of measurement, converts values to action and allows limited resources to be committed in an orderly way thus being effective in solving problems. Strategic decision making is also effective if carried out in a timely manner as this enhances matching decisions to the situation in which the problem is being solved. Delayed decision making may end up not being implemented at all or require a review hence starting the process all over again in order to match decision to the specific situation. This by itself is a cost in terms of time and money.

Drucker (1999) says that a decision is not a decision until it has been acted upon. He goes further to state that the action should be built into the decision from the onset. Change must be experienced if a decision is to be termed as effective. The change should be through achievement of the intended objectives. Managers should ensure

that decisions are implemented at the right time, place and for the right purpose for effectiveness.

Employees may implement a decision loyally even though they disagree with it. However the results may be poor because the decision is poor. Thus for effective decision making, employees should be involved as much as appropriate in the decision making process (Stoner, Freeman and Gilbert, 1995). Subordinates should accept and ensure that effective implementation of the decision and personal goals are congruent with those of the organization (Hampton et al, 1982).

2.3   Types of strategic decisions

A decision is referred to as a repetitive application of the fundamental cognitive process. Simon (1960) observes that different types of decisions can be processed in different ways. He identifies two types of decisions; programmed decisions and non-programmed decisions. The latter are the strategic decisions that are unstructured and consequential by nature. Example of these includes choice of area for investment in research and development. The difference between the two types stems from the degree of certainty and/or uncertainty with the outcome, the time span involved and the frequency of the decisions.

Programmed decisions are made in accordance with written or unwritten policies, procedures and rules that simplify decision making in recurring situations whether complex or uncomplicated. Procedures used to make programmed decisions enhance time saving allowing devotion of attention to other more important activities (Stoner et al, 1995).Non- programmed decisions deal with unusual exceptional problems. If a problem has not come up often enough to be covered by a policy or is so important

that it deserves special treatment, it must be handled as a non-programmed decision (Stoner et al, 1995).

Gilligan et al, (1983) identifies three types of decisions which include short term operating control decision, periodic control decisions and strategic decisions. The short term are considered to be mechanical. They require certain simplifying assumptions and are expected to generate information to provide regular feedback into the decision process for control purposes. The periodic decisions are those made on a regular but infrequent basis. They are partly prompted by the need for forward planning and partly in response to a regular flow of information. Strategic decisions are the long term; difficult to quantify and involve great uncertainty. They entail clear specification of objectives and broad general direction of the desired development of an organization. Such decisions concentrate on the significance of managerial judgments. They include development of new products, external growth, issues of divestment (Gilligan et al, 1983).

Johnson and Scholes (1997) identify three types of decisions. They include strategic, administrative and operations decisions. Administrative decisions are routine decisions which facilitate strategic decisions and/or operational decisions. Operational decisions on the other hand are technical decisions which help execution of strategic decisions. For instance, cost reduction is a strategic decision which is achieved through operational decision of reducing the number of employees and how we carry out these reductions will be administrative decision. Strategic decisions are long term, considered for future planning; taken in accordance with organizational mission and vision and are related to overall counter planning and growth of an organization.

Porter(1985) identifies two types of decisions namely; developmental and non-developmental. The former are those that require a vision of how to alter the core business of an organization or its key business practices. Such decisions call for finding new businesses and/or business practices that lack precedent where strategic decision making departs from bounded rationality (Simon, 1969). Developmental decisions stem from forces that pull an organization in opposite directions; for instance, automotive companies in the past decade that simultaneously faced the need to cut cost and increase quality. Such tensions pull an organization in opposite directions at the same time as key people attempt to reposition in response to critical tensions. Non developmental decisions on the other hand are those that do not alter the core business of an organization. They are non-development because many of the expectations about strategy components are known and can be used to identify the ends to be sought that guide the search for a means.

2.4   Strategic decision making process

Strategic decisions making is the process of identifying problems and/or opportunities and then resolving them. It involves effort both before and after the actual choice of the best alternative. It can also be identified as the mental processes resulting in the selection of a course of action from several alternatives. Good decision making is a vital part of effective management because it determines how an organization solves its problems, allocates resources, and accomplishes its goals (Mintzberg, 2007). Indeed, making good decisions and making them happen quickly are the hallmarks of high-performing organizations. Such performers shine when it comes to critical operating decisions requiring consistency, speedy growth, product innovation, positioning brands or managing channels.

Strategic decision making process entails a set of activities which include identifying issues or problems that establish exactly what has to be decided. This involves pointing out the issues at hand that require solutions to be implemented in order to achieve predefined goals. Once the problems are identified possible alternatives through which the problems can be solved are analyzed to determine the pros and cons of each. The best alternative is selected and adopted as a means of solving the identified problems in the best way possible. Implementation, evaluation and monitoring conclude effective decision making process.

Stoner et al, (1995) in his rational model of decision making describes a four step process that helps managers weigh alternatives and choose the alternative with the best chance of success. The steps include investigating the situation through problem definition (diagnosis of the causes and identification of the objectives),development of alternatives(evaluation of alternatives and selecting of the best one available), implementing and monitoring the decision.

Investigating the situation (step one above) involves identifying the problem. Confusion do arise in part because the events or issues that attract the managers' attention may be symptoms of another more fundamental and pervasive difficulty. Defining the problem in terms of organizational objectives helps to avoid confusing symptoms with problems. Causes of the identified problems are then diagnosed because causes, unlike symptoms, are seldom apparent and managers sometimes have to rely on intuition to identify them. It is up to the manager to put all the pieces together and come up with as clear a picture as possible. Finally in this stage, strategic objectives are identified and decision on what would constitute an effective solution is made.

The second step in this model is the development of alternatives. This step may be reasonably simple for most programmed decisions but not so for complex non programmed decisions especially if there are time constraints. Too often the temptation to accept the first feasible alternative prevents managers from finding the best solutions for their problems. To prevent this no major decision should be made until several alternatives have been developed. Brainstorming approach can be used to increase creativity. Third step entails evaluating available alternatives and selecting the best of them. This evaluation entails assessment of whether the alternative is feasible, whether the organization has adequate resources, whether the alternative meets the organizational legal and ethical obligation, whether it is the reasonable one given the organization's strategy and internal politics, and whether there is support from the other employees and senior management. This is to ensure that possible consequences from the entire organizational systems are congruent to overall objectives.

Fourth step is implementation and monitoring of the decision. Once the best alternative has been selected, managers should be ready to make plans to cope with the requirements and problems that may be encountered in putting it into effect. This involves not just giving orders but acquiring and allocating resources as necessary at the same time keeping in mind possible risks and uncertainties and mitigation measures where necessary (Stoner et al, 1995).

A frequent error of managers is to assume that once they make a decision action on it will automatically follow. Even if a decision is a good one, if others are unwilling or unable to carry it out, then the decision will not be effective. Therefore it is paramount to monitor actions taken to implement a decision to ensure that things are working according to plan, establish what is happening to both external and internal

environments as a result of the decision implementation, ensure that expectations are being met and note reaction of competitors (Stoner et al, 1995).

Hannagan (2005) proposes a seven step decision making process which entails problem definition, clarifying of objectives, data collection, generation of alternatives, evaluation of alternatives, decision and finally implementation and monitoring.

Once a need for decision has been identified, managers need to clearly define the problem. This definition must be clear, concise and accurate matching the situation in which it is produced. It is critical then to develop an appropriate understanding of what exactly the problem is, its extent and scope.

Clarifying objectives involves developing appropriate decision objectives by identifying what the decision is intended to achieve. Data collection involves gathering data about the problem. This though depends on the scale of the decision situation. Such data may be collected from within the organizations or from external sources.

Several alternatives that can offer possible adequate solution to the problem are generated. They must be within the context of the problem. Formal problem analysis techniques and decision tools may be used. Other situations may however call for more creative approach particularly when the situation is unstructured. The alternatives evaluated independently and within the context of the clarified objectives. The best and most feasible alternative in solving the problem at hand is selected.

The best opted for action is implemented. Monitoring of the actions taken is critical in effective decision making. Change must be experienced for a well implemented decision to be counted effective. Formal or informal monitoring systems must

therefore be established to establish the impact of the decisions. This assists in establishing whether decisions taken to resolve a particular problem were effective or not (Hannagan, 2005).

2.5   Factors influencing strategic decision making

Strategic decision making process differs from organization to organization and may have wide varying factors influencing it. This may be both internal and external to the organization. Institutionalizing decisions can be seen as matching strategy to the institutions of the organization (Drucker, 1999).   Understanding the factors is significant for successful running of a business and assessment of their importance is essential to enable an organization to adequately respond to environmental requirement and promote its attempt to achieve its objectives (March, 2008).

From the literature review, there are a wide range of factors that influence strategic decision making process. These vary from organization to organization. However the most common across firms include external environment, organizational structure, corporate culture, policies, resources, personality and attitude of decision makers, top management support and vested interests.

The internal design of an organization comprises of such elements as the definition and allocation of specific tasks. It creates systems that facilitate the coordination of activities between and within departments. It helps allocate responsibilities within the departments along hierarchical lines and distributes formal authority across the organization (Lysons, 1996). The structure design of an organization helps people pull together activities that promote effective decision making. Structure should be consistent with the nature of decisions being made. Not all forms of structures are equally supportive of decisions making processes. For instance administrative

structures which are highly formalized and hierarchical in nature requires clearly defined lines of authority and responsibility for effective decision making while flat organizational structures which are informal encourage flexible, independent decision making networks (Hisrich, Peters and Shepherd, 2005). The project structure on the other hand promotes flexibility to accommodate project changes.

Statt (1999) defines organizational culture as those shared beliefs, values, attitude and expectations about appropriate ways to behave that are held by the members of an organization. It is a powerful ingredient in strategic decision as it affects the issues and options available to making a decision. It is very important that one identifies what is acceptable to the organization and what is always ruled out (Heller and Hindle, 1998). If the corporate culture is authoritarian and conformist for instance, decision making will be bound by bureaucracy and the ability to make dynamic decision would be restricted. In contrast, an innovative and progressive company will expect decision making to be creative, adventurous and on own initiative.

Policies are instruments for strategy implementation. They set boundaries, constraints, and limits on the kinds of administrative actions that can be taken. They clarify what can and cannot be done in pursuit of an organization's strategic objectives. They let employees and managers know what is expected of them, thereby increasing the likelihood that decisions will be implemented successfully. They provide a basis for management control, allow coordination across organizational units, and reduce the amount of time managers spend making decisions.

Senior management is a term applied to managers who are relatively high in the hierarchy of an organization because they are senior in level of responsibility and authority. The precise cut-off point for this category varies from one organization to

another. The term implies that someone is part of that group within the organization which makes policy and takes the important strategic decisions (Statt, 1999). Once decisions have been made they may need official sanction and approval. In case a decision maker does not have full autonomy to proceed with decision implementation, he/she should ensure that he/she consults the relevant authority not just for the ultimate blessing but also for their input.

Resources refer to the factors of production which facilitate in delivery of service or production of goods/products. These include capital, labor/human resource and land. Since time in memorial resources have always fallen short to match demand. This has led to an ever increasing competition of resources between departments and various projects in an organization. Due to their scarcity and the fact that they are core to all operations in a firm, resources become a very vital factor in decision making. The availability and/or unavailability of resources form a large proportion on how decisions are arrived at, implemented and evaluated.

Personality refers to the sum total of all the factors that make a person both individual and human; the thinking, feeling and behaving that all human beings have in common, and the particular characteristic pattern of these elements that makes every human being unique. Psychologists often emphasize the integration and the dynamic nature of an individual's personality, and the important role of unconscious processes that may be hidden from the individual but are at least partly perceptible to other people (Statt, 1999). Whereas attitude is a stable, long-lasting and learned predisposition to respond to certain things in a certain way, both personality and attitude influence decision making. To a large extent they drive how people perceive, interpret and respond to issues. Vested interests are personal and/or group unjustified

projected gains from stakeholders of an organization. They are often divisive, and the government regimes they beget prove to be major obstacles in realizing or reaching sound decisions (Water Sector Strategic Plan, 2010).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the research methodology which was used for this study. It included the research design, data collection and data analysis techniques used.

3.2 Research Design

A case study which is an in-depth investigation of an individual, group, institution or phenomenon (Mugenda and Mugenda, 1999), was used for the purpose of this study. The study focused on the Ministry of Roads, which can be located as typical of public sector institutions. Due to the qualitative nature of the study, a case study was considered appropriate as it allowed collection of in-depth data through intensive interviews. A case study examines data within the context of its use, which is within the situation the activity takes place.

3.3 Data Collection

The study used secondary and primary data. Secondary data was gathered through a review of key organizations documents such as relevant reports, circulars, policies and strategic plans to provide information on strategic decision making process. Primary data was collected through in-depth interviews. An interview schedule/guide in both closed and open questions was used to collect data. Interviews were administered to heads of departments in the Ministry of Roads headquarters. This included finance, administration, human resource, supply chain management and technical departments. The officers interviewed were those involved in making strategic decisions in the organization.

3.4   Data Analysis

Collected data was analyzed using content analysis. This technique was considered as sufficient since this was a qualitative study and the researcher obtained detailed information about phenomenon being studied and tried to establish patterns, trends and relationships from the information gathered. Both conceptual and relational analysis was used. The conceptual was used to explore themes in text both implicitly and explicitly while limiting subjectivity using contextual translating rules. The relational analysis will identified concepts and went further to explore the relationship between concepts identified and the extent to which they collaborated or contradicted. Content analysis allowed themes to emerge naturally and also provided an opportunity for the data to produce unanticipated themes. Data was examined using many interpretations in order to find correlation between the research objects and the outcomes. The findings were presented under the various themes that emerged from the analysis.

CHAPTER FOUR: FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter presents the research findings of the field study based on the data collected. The first part of this chapter deals with the background information of the respondents. The second part displays the findings presented according to the research questions that informed this study. The open ended questions were coded, grouped according to common items and entered in the excel spread sheet for analysis. A total of eight (8) out of 10 (80% response rate) targeted respondents drawn from various departments of the Ministry of Roads, fully participated in the study. Some of the respondents though involved in strategic decision making are in the middle level of management as per their cadres. They head departments in acting capacity.

4.2 Background of the respondents

The study sought to establish background information of the respondents. Areas studied include gender, age, education level and management levels held by the respondents. Findings were as shown in the table below:

4.2.1 Gender and level of management

Table 1: Gender and level of management held by the respondents

Gender	Senior management	Middle level managers and others
	Frequency	Frequency
Male	4	3
Female	0	1
Total	**4**	**4**

From table 1, all the 4 respondents in the senior management level are male while the middle management level has 3 male and 1 female. Based on their cadre, those in this category are engaged in strategic decision making in acting capacities in regard to the authorized establishment of the organization. From the study, it was established that there is insufficient staffing in the ministry. It was evident that most of the in post staffs fall short of the authorized establishments leave alone those proposed by the management as adequate to handle operations of the ministry (MOR, strategic plan 2008-2012). Thus, the reason as to why lower cadre staffs head departments. Out of the entire group interviewed, 90% were male while 10% were female meaning in both levels of management; there were more males than females. The study established that gender balance was lacking i.e. a ratio of 9: 1 male to female. It would therefore be of interest to investigate why the imbalance.

4.2.2 Age of the respondents

Most of the respondents were aged between 44 to 58 years. This was an indicator that they have served for many years and have ample experience in decision making and therefore appropriate respondents for this study. Lack of young people in the strategic positions was attributed to the hierarchical nature of the organization and the existing employment and succession policies. The young, who are believed to be vibrant, innovative and risk takers, would add value to strategic decision making. This would also ensure mentoring leading to smooth succession upon exit of the aged. It would therefore be of interest to find out how succession strategies are implemented because there should be a balanced mix of both young and aged in management levels. None of the respondents were above 60 years due to the retirement age bracket of the civil service.

4.2.3 Level of education

Education levels have a direct relationship with perception and attitude of people. Decision making involves a lot of reasoning and therefore the perception and attitude of decision makers play a great role in enhancing effective strategic decision making. It emerged that a professional diploma was the minimum education level for respondents in this study. Table 3 below indicates the outcome:

Table 2: Level of education

Level of Education	Senior/middle levels management
	Frequency
Secondary	0
Diploma	1
Undergraduate	4
Postgraduate	3
Total	**8**

Table 3 indicates that only 1 respondent was a diploma holder his professional field, 4 of the respondents are undergraduate degrees holders in various fields mostly related to their professions and 3 of them hold postgraduate degrees.

Figure 1 below clearly shows the proportions of the levels of education of the respondents.

Figure 1: Education level

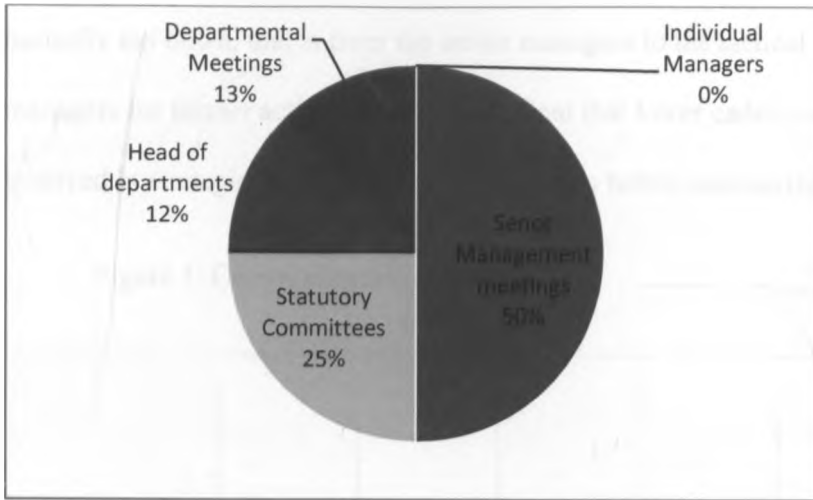Legend: Secondary, Diploma, Undergraduate, Postgraduate

12%
38%
50%
0%
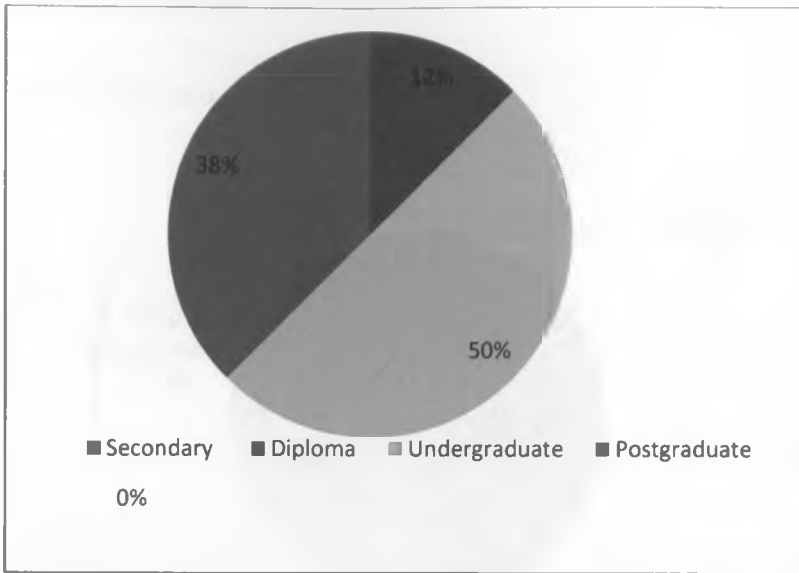
It was however noted that none of the respondents at the middle management level had postgraduate qualifications, while all in the senior level had postgraduate degrees. Based on their levels of education the respondents were able to comprehend the questions from a strategic point of view and therefore gave relevant responses to the study. They were able to give a clear distinct process through which strategic decisions are made and also the factors that influence the process.

4.3 Decision making medium

Making decisions that impact on core practices of an organization is an activity that must be undertaken with a lot of caution. Strategic decisions are long term in nature and focus on responding to external environmental factors of an organization. The medium through which they are handled was of critical importance to this study. It was established that there are various forum through which strategic decisions are

made based on the type of decisions being addressed. The figure below shows the results of the study:

Figure 2: Decision making medium

Figure 2 shows that 50% of strategic decisions are made in senior management meetings. These are meeting comprised of the accounting officer, heads of department, stakeholders land other associate organization which include government agencies, donors, development partners among others. Such decisions cut across the entire roads sector. 25% of strategic decisions are made by appointed statutory committees like ministerial tender committee and ministerial advisory committee. Decisions made by the said committees cut across departments. 12.5 % of decisions are addressed through Heads of department meetings. Issues addressed here include those that interlink between departments. The study showed that 12.5% of strategic decisions are made in departmental staff meetings mainly addressing specific issues that are unique to the department in question. There were no instances that strategic decisions are made by individual managers.

4.3.1 Communication of decisions

Communication is of paramount for effective performance of any organization. The researcher attempted to find out how strategic decisions arrived at are communicated through to the implementers. It came out vividly that communication of decisions is basically top down, that is from the senior managers to the tactical and/or operational managers for further action. It was also evident that lower cadre staffs are not involved in strategic decision making. The figure below summarizes the results:

Figure 3: Communication channels
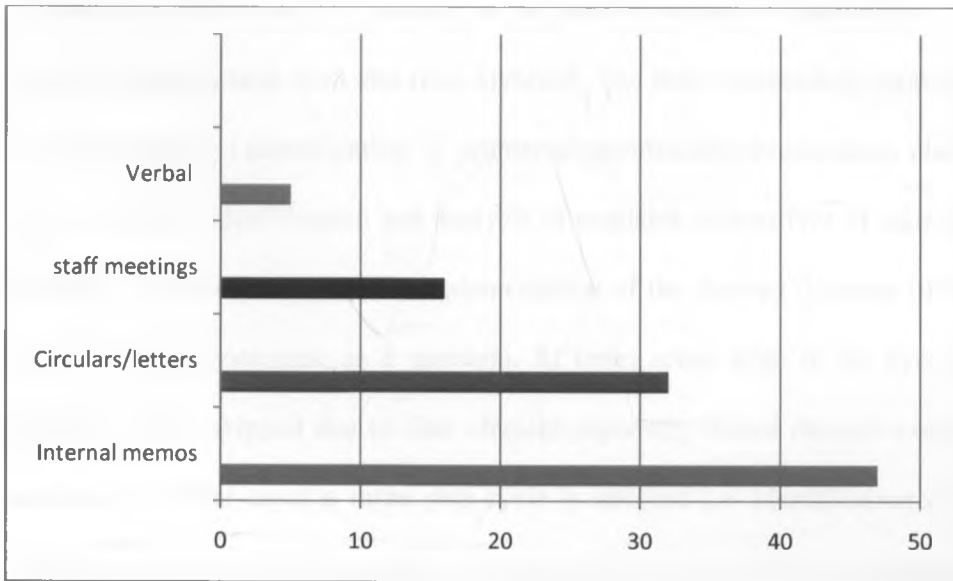
Source: Research Data

Figure 3 above shows that there are various communication channels adopted by the Ministry of Roads for passing on strategic decisions. All respondents seemed to concur that the main communication channel was internal memos (47%). These are used within the organization from the decision making body to the implementing department and/or staffs. Ranking second was use of circulars/letters with 32%. The channel is used for communication within and without the organization especially

when decisions involve external bodies like donors, development partners, the general public and other government agencies. 16% of communication is done through staff meetings while 5% is done through verbal instructions from the decision makers to the implementers.

4.4 Strategic decision making process

The main objective of the research was to establish the strategic decision making process adopted by the Ministry of Roads. From majority of the respondents, it came out clearly that the processes are almost known thus they are predetermined. The type of decisions determine the process to be used in terms of complexity, urgency, amount of spend, time span and risks involved. The most outstanding approach entail five steps namely; identification of problems/opportunities/threats/need, clarification of the problem, identification and analysis of available alternatives of addressing the problem, choice of the best and implementation of the derived decision (the process may not be as systematic as it appears). At times some steps in the cycle may be repeated and/or skipped due to time element especially where decisions ought to be hastened. In other cases a three step cycle is adopted i.e. identification of a need, decision making and implementation of the decisions. In a nut shell, decisions at the Ministry of Roads follow the pattern highlighted in the figure below:

Figure 4: Strategic decision making process

PROBLEM IDENTIFICATION

MONITORING & EVALUATION

ANALYSIS OF ALTERNATIVES

STRATEGIC DECISION MAKING

IMPLEMENTATION

CHOICE OF BEST ALTERNATIVE
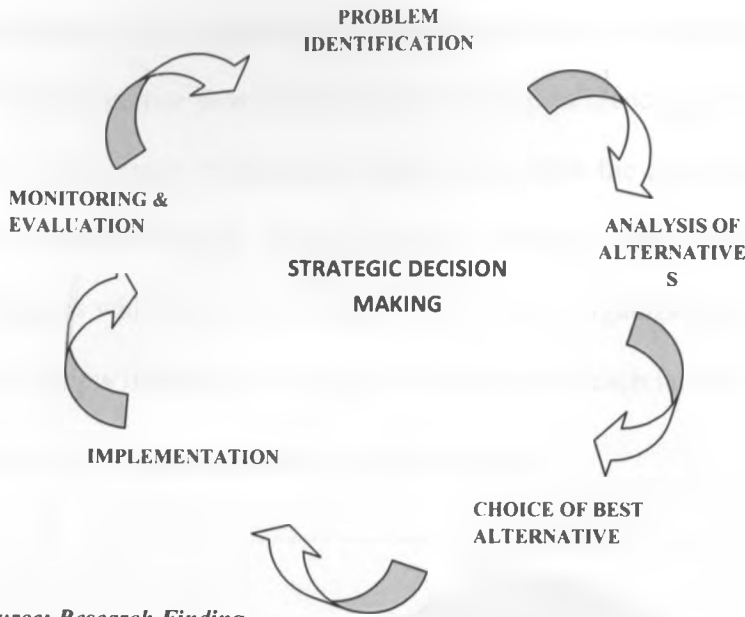
Source: Research Finding

4.5 Factors influencing strategic decision making

There are several factors that influence strategic decision making in the Ministry of Roads. The researcher found out that organizational structure is the key factor (30%) that influences decision making process. Most respondents felt that the hierarchical nature of the structure dictates who, how and when strategic decisions should be made. Policies influence decision making in the ministry by 27%. They set boundaries, constraints and limits of making strategic decisions. They also clarify what can (not) be done in pursuit of the global organizational objectives. Resources in terms of funds and labor ranked third with 20% as a factor influencing strategic decision making. In most cases strategic decision making is undertaken only on availability of funds to finance implementation of resultant decisions. All the respondents came out clearly that rarely are funds sufficient to implement all decisions and this leads to delayed implementation and in some cases decisions are never implemented. Other factors included professional expertise with a 10%

influence on strategic decision making. While addressing issues skewed to a certain profession, like engineering, decision makers in that particular field dominate because of their expertise power and therefore end up influencing the process. The Ministry has a wide range of different professionals within the engineering fields, majority of who are involved in strategic decision making. Other factors included political influence with 7%, vested interests with 5% and organizational culture with 2%. The chart below indicates the proportional influence of each factor.

Figure 6: Factors influencing decision making
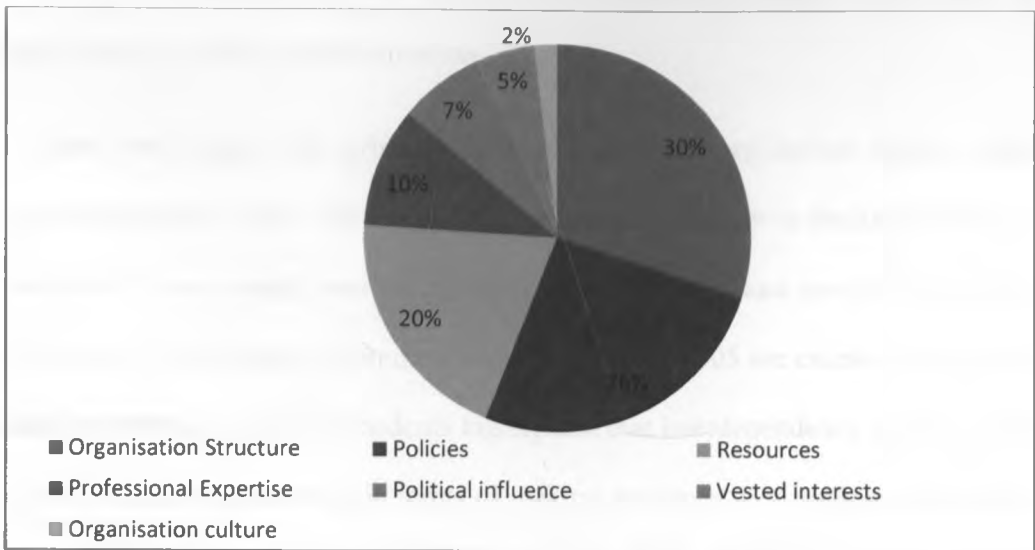
Source: Research Data

4.6 Challenges faced in strategic decision making

Despite the gains brought about by the effective way in which strategic decisions are made in the Ministry of Roads, various challenges are faced. The major challenge that came out strongly from respondents was insufficient allocation of resources which included lack of sufficient funds to finance the implementation, monitoring and evaluation of decisions. The reason cited as causing this hiccup was limited budgetary allocation and the general scarcity of resources which fall way below demand.

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The other serious challenge faced was bureaucratic leadership style dictated by the organizational structure. The structure in place is hierarchical and bureaucratic. It dictates on who has what authority and responsibility and only those bestowed with authority can make strategic decisions. This leads to lengthy consultations leading to delayed and/ obsolete decisions. Technologically, the ministry is challenged. There are no technological decision making systems in place. Decision making and communication of decisions are carried out in archaic and outdated ways which include lengthy committee/staff meetings. Manual channels are still in use in this time and era of computers for instance, some the respondents indicated that emails are hardly used for official communication.

It came out clearly that stringent policies, rules and regulations against which decisions must be made, make it very difficult to be proactive in decision making. A case cited as an example was procurement of goods works and services where rules stipulated by the Public Procurement and Disposal Act 2005 are excessively long and must be adhered to. The respondents highlighted that interdependency of government bodies poses a big challenge in terms of making decisions. For instance the ministry depends on Treasury, Ministry of Finance for funds allocation, KRB for funds management and audit among others.

Corporate culture also made it difficult to make strategic decision especially in totally unfamiliar areas. Decision makers are comfortable in addressing issues in their usual way. To this regard the Ministry outsources consultants to handle critical new areas despite having qualified decision makers. Equally political interference and vested interests were mentioned as posing challenges in strategic decision making. This is through stakeholders and political appointees who work closely with the organization.

CHAPTER FIVE: SUMMARY, CONCLUSION AND

RECOMMENDATION

5.1   Introduction

This chapter presents the summary, conclusions and recommendations of the case study designed to examine the factors influencing strategic decision making process at the Ministry of Roads headquarters, Kenya.

5.2   Summary

The study was guided by the objective of establishing strategic decision making process adopted by the Ministry of Roads, and determining the factors that influence the strategic decision making in the same organization.

In chapter two, the researcher reviewed existing knowledge in the field of strategic decision making. Related literatures highlighted that for effective decision making, a systematic approach must be adopted. They however recommend different approaches that can be followed in making decision. Prominent steps among the authors were identification of problems, analysis of alternatives, and choice of the best alternative and implementation of the decision. Others felt that monitoring and evaluation of the changes thereof were critical steps. There was a concurrence that a systematic approach in decision making is of essence for effective results.

Chapter three of this study outlines the research design and methodology used by the researcher. Case study was used as the research design. Interview guide in form of both open and closed ended questions was administered to senior officers in the Ministry Of Roads involved in strategic decision making. Respondents were drawn from administration, finance, accounts, supply chain management, human resource

management, quality assurance, mechanical and transport, materials testing and research, Kenya institute of highways and building technologies departments. Out of the targeted (10) respondents, only eight were interviewed.

Chapter four presents the research findings where conclusions and recommendations are drawn based on the study objectives. The researcher found out that strategic decisions are made by senior officers who head of departments. It was evident that decisions are made collectively through senior management meetings which are often graced by the accounting officer (AO) who is also the Chief Executive Officer (CEO). Cross sectional issues are handled by statutory committees while departmental strategic decisions are made through departmental heads meetings.

It was evident that decision making processes are predetermined and are several. The differences being the steps followed, the time taken to make a decision, complexity of the decision, team composition of decision makers. Common in all the approaches is that a problem must be identified in order to trigger the process and implementation must take place to achieve the objective. Due to the nature of services offered by the Ministry of Roads, some strategic decision making involve other external organizations like the Kenya Roads Board, The Ministry of Finance, Local Government, Ministry of Lands among others.

The Ministry operates in a dynamic environment and to this regard it came out clearly in the study that a variety of factors influence the strategic decision making process. Prominent among them were resources in terms of funds, equipment and staff, organizational structure, rigid policies, technology, political interference, culture, interdependence on other government organizations like the Treasury, Public Procurement Oversight Authority (PPOA), etc. The respondents highlighted that

decisions are communicated top down for implementation though hardly do employees in the tactical and operational levels get involved in the decision making.

5.3 Conclusion of the study

Majority of the respondents were of the opinion that predetermined decision making process is effective because it enhances uniformity. This ensures continuity even when decision makers change. Decision making follows same procedures which reduces biasness or personalized influences. It also enhances effective planning because estimation of time taken to make decisions is almost possible. However they pointed out that stringent policies hinder flexible decision making. Rigid bureaucratic organizational structures ought to restructured and instead encourage flat organization to allow innovation/creativity and flexibility in responding to environmental and global issues. Additionally, decision making should be participative where all partakers are involved to promote effective quality decision making process.

5.4 Recommendation for policy and practice

From the discussion and conclusions, the researcher recommends that predetermined strategic decision making process is adequate for recurring problems. However room has to be created to address contingent unstructured issues that may arise from time to time as this would cater for unforeseen opportunities and/or threats.

Succession policy needs to be reviewed to accommodate young people in the strategic levels of the organization. This will ensure uninterrupted operations at that level upon exit of the aged manager. Participative decision making style would increase the efficiency of the decision making process since all players would own the decisions up to implementation and changes brought about. The top down communication channel can be improved to include down top in form of feedback. This critical aspect

of decision making lacked in the process adopted in the Ministry of Roads. Flat organization structures should be encouraged to allow innovation/creativity and flexibility in responding to the ever changing environmental and global issues with which the ministry encounters.

5.5 Limitation of the study

The officers targeted as respondents were all in strategic management levels and had busy schedules, getting them for personal interviewing was very difficult. The researcher was forced to reschedule appointments and this took longer than anticipated. Inadequate financial resources affected the results of the study. Personal interviewing was very expensive in terms of both time and cost. This delayed completion of the study as planned.

Getting accurate information from the respondents was one of the major challenges since some of the workers were threatened that the information may be used against them by the management in the terms of performance hence insecurity of their jobs. The challenge was minimized by assuring the respondents of confidentiality of the information they gave.

5.6 Suggestions for further research

Future studies should attempt to explore the succession strategies adopted by the Ministry since it appeared there is an existing gap. The other area of research would be to establish how policies are derived and how often they are reviewed. It appeared that very old policies were in use and this limited matching strategies to the dynamic environment.

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APPENDICES

Appendix I: Interview guide

1) Background information

   a) Briefly describe your organization/department. Probe for: -

      i)   Period served by the officer in the organization/department

      ii)   Operation areas of the organization/department

      iii)   Staffing (numbers, competencies

      iv)   Organizational/department structure

   b) Which areas of the organization/department are charged with the responsibility of strategic decision making?

2) Strategic decision making process

   a) How does your organization/department make its strategic decisions? Probe for: -

      i)   Processes adopted

      ii)   Are the processes pre-determined–Standard or circumstantial.

   b) How do you influence strategic decision making in your organization/department?

3)   Factors influencing strategic decision making

 a) What in your opinion are the most dominant factors that influence strategic decision making process in the organization? Probe for: -

     i) Structure

     ii) Culture

     iii) Resources,

iv) Vested interests and

v) Individual personality/attitude

b) How does each factor influence the process?

c) What other factors influence the process?

4) Effectiveness of strategic decision making process

a)   How has the process adopted in strategic decision making enhanced the achievement of the desired objectives? Probe for: -

    i)   Changes brought about by the decisions made

    ii)   Has this been to the expectation of the stakeholders?

b)   What would you do differently as part of corporate management team in ensuring that strategic decision making process is effective?

5) Challenges

a)   What are the challenges faced in making strategic decisions in your unit? Probe for challenges faced.

b)   Which mitigation measures have you put in place to reduce the impact of the above challenges?

Appendix II: Introduction Letter

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

DATE 3rd October 2012

TO WHOM IT MAY CONCERN

The bearer of this letter .. Catherine W. Kinuthia

Registration No... D61/60324/2010

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

IMMACULATE OMANO
MBA ADMINISTRATOR
MBA OFFICE, AMBANK HOUSE