

**A SURVEY OF THE OPERATIONS STRATEGY PRACTICES IN
THE PRIVATE SECURITY FIRMS IN KENYA**

**UNIVERSITY OF NAIROBI
LOWER KARETE LIBRARY**

By: **RICHU SALOME WAMBUI**

D61/P/7931/01

Supervisors:

NYAMWANGE S.O.

KENDUIWO J.K.



**A Management Research Project Submitted in Partial Fulfillment
of the Requirements for the Master of Business Administration Degree,
(MBA), Faculty of Commerce, University of Nairobi.**

AUGUST 2005

DECLARATION

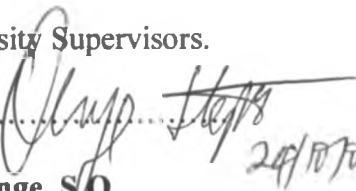
This management research project is my original work and has not been submitted for a degree award in this or any other University.

Signed:.....

Date:12th OCT. 2005.....

RICHU SALOME WAMBUI

This management research project has been submitted for examination with our approval as University Supervisors.

Signed:.....
24/10/05

Nyamwange, S.O.

Lecturer,

Dept. of Management Science

Faculty of Commerce

University of Nairobi

Signed:.....
24/10/05

Kenduiwo, J.K.

Senior Lecturer,

Dept. of Management Science

Faculty of Commerce

University of Nairobi.

DEDICATION

To all my family members. Special dedication to my parents Mr. & Mrs. John Richu Gatonye, my daughter Shyne and son Jimmy, who was only one year old when I started the MBA course. Their prayers, love, patience and understanding were enough to push me forward.

ACKNOWLEDGEMENTS

First and foremost I thank God for having granted me the energy to undertake not only the project but also the entire MBA course; He guided me and provided the resources that contributed to the success of this study.

Special gratitude and appreciation goes to my supervisors, Mr. Nyamwange and Mr. Kenduiwo for their invaluable advice, patience and encouragement and my colleague Mr. Mule for his assistance. I would like to thank the various lecturers in the faculty of commerce, who exercised diligence, tolerance and encouragement in the supervision.

I must not forget to thank all the respondents in the private security firms under study for their cooperation and for providing the relevant data without which the project would not have taken off.

Last but not least, to Mum and Dad, all my brothers and sisters with their families, for their moral, spiritual and financial support. May God bless them all.

TABLE OF CONTENTS

	PAGE
Title Page.....	i
Declaration	ii
Dedication	iii
Acknowledgement	iv
Table of contents	v
Abstract	vii
CHAPTER ONE	
1.0 INTRODUCTION.....	1
1.1. Background of the Study.....	1
1.2 Statement of the Problem.....	4
1.3 Objectives of the Study.....	6
1.4 Importance of the Study.....	6
CHAPTER TWO	
2.0 LITERATURE REVIEW.....	7
2.1 Business/ Corporate Strategy	7
2.2 Operations Strategy.....	9
2.3 Operations/ Competitive Priorities.....	12
2.3.1 Competing on Cost.....	13
2.3.2 Competing on Quality.....	15
2.3.3 Competing on Flexibility.....	17
2.3.4 Competing on Speed.....	18
2.4 Selective Competitive Priorities and the New Strategic Trade-offs..	20
2.5 Matching operations and Market Strategy.....	22

CHAPTER THREE

3.0	RESEARCH METHODOLOGY.....	24
3.1	Research Design.....	24
3.2	The Population of Study.....	24
3.3	Data Collection Method,.....	24
3.4	Data Analysis.....	25

CHAPTER FOUR

4.0	DATA ANALYSIS AND FINDINGS	26
4.1	Demographic information	27
4.2	Cross tabulation	30
4.3	Ranking of competitive priorities	39
4.4	Summary of competitive priorities	41
4.5	Ranking of challenges facing security firms	41

CHAPTER FIVE

5.0	SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	43
5.1	Summary of the findings and conclusions	43
5.2	Recommendations	44
5.3	Limitations of the Study	45
5.4	Suggestions for further research	46
	REFERENCES.....	47
	Appendix 1: Introductory letter	51
	Appendix 2: Questionnaire	52
	Appendix 3: Population of the study	59

ABSTRACT

This exploratory study sought to establish the various competitive priorities and operations' competitive challenges that face the private security firms in Kenya. Primary data was collected with the aid of a semi- structured questionnaire. Data was analyzed using descriptive statistics and factor analysis. Cross tabulation was used to determine the relationship between the variables and the demographic data.

The study found out that the competitive priorities on which private security firms compete, in their order of rank are: (1) Good quality, (2) Flexibility, (3) Low cost and (4) Speed/ time. These were the operations competitive priorities listed in the questionnaire.

However, the respondents security firms also added other competitive priorities on which they compete and that they felt were also crucial in their nature of business. These include: quality personnel, good customer care, excellent suppliers of materials, for example security guards' uniforms, training and development of personnel and technology. These competitive priorities were also analyzed and ranked.

CHAPTER ONE

1.0 INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Organizations can be regarded as systems. As such, their effectiveness in the process of transforming inputs into outputs is achieved by integrating the various parts of the system within the organization's internal environment and by developing a fit with its external environment (Armstrong, 1999). A system is a set of interacting variables. The operations manager takes these variables and designs a system to achieve a particular objective or mission. These systems provide the goods and services to our society. To satisfy opportunities in the economic system, managers identify what goods or services the firm will contribute to their clients. This contribution is the organization's (or system's) reason for being, that is, its mission. A plan designed to achieve this mission is called a strategy (Heizer and Render, 1996).

An organization's strategy consists of the moves and approaches devised by management to produce successful organization performance. Strategy is thus management's game plan for the business (Thomson and Strickland, 1998). Operations strategy is concerned with setting broad policies and plans for using the resources of a firm to best support its long term competitive strategy. A firm's operations strategy is comprehensive through its integration with corporate strategy (Chase *et al*, 2001).

Operations strategy has a major role as a source of competitive strength in a global market place. When a firm identifies and apply its competitive priorities, it is easy to

link its marketing strategy to its operations strategy, this also enable firms to use competitive priorities for competitive advantage (Krajewski and Ritzman, 1999). In the current economic hardships, for an industry to remain growing and expanding, it must be applying strong operations strategies. Experts attribute the rapid expansion in the private security sector to the government failure to contain crime. The anxiety caused by the spiraling in crime is reflected in the rising investment in security at shopping facilities such as Nairobi's Village Market and The Sarit Center (The E. African, 2004).

An organization must translate customer requirements into objectives for operations known as competitive priorities. Examples of competitive priorities include low cost, consistent quality, flexibility, and on-time delivery (Ahmed and Schrader, 2001). The applications of these competitive priorities are well seen in the various frameworks or models of operations strategies. These models include the Sand-cone four- stage model, Hayes and Wheelwright's model, Ferdows and De Meyes five stage model, Roth and Miller four stage model, Noble six-stage model, etc. All the models argue that, there is a need to build a strong foundation of quality before proceeding to focus on other priorities. Failure to build the foundations makes it difficult to compete on other criteria (Hayes and Wheelwright, 1984).

Today, all successful companies have one thing in common, they have realized the need for production/operations functions, which deal with the core operations of an organization, other functions or departments being supportive to it (Gichira, 2001). Strategy formulation consists of four basic steps. These are, defining a primary task, assessing core competencies, determining order winners and order qualifies and

positioning the firm (Russell and Taylor, 2001). Security firms since they are no exceptions, can position themselves to compete on one or a combination of operations priorities like cost, quality, flexibility and speed. The security firms offer several products which include security guarding and patrols, dog patrols, cash in transit, courier services, private investigations, alarms back ups, clocking, bodyguards and private drivers among others (Erick and Wilson, 1974).

Companies that base their attacks, or their defenses on operations capabilities, understand that such capabilities rarely can be developed quickly or bought off-the-shelf. People must be trained and given experience, new equipment and procedures must be developed and honed, new approaches to management must be tested, shaped and given time to insinuate themselves into the organization's culture. A company's size tells little about the quality of its ideas or its potential to become a competitive juggernaut in future (Hayes and Upton, 1998).

For a firm to remain competitive all of the activities that make up the operations core must buttress the firm's strategy. Many new technologies, and especially the Internet, have an impact on operations capabilities. The firm must actively explore changes in operations strategy to take advantage of these new technologies. Productivity measures provide the benchmarks for how well a company is doing and are useful for measuring improvement. These are important terms that make up the new language of operations strategy – and the language of business (Chase, et al, 2001).

1.2 STATEMENT OF THE PROBLEM

The key to successful operations strategy practices lies in identifying what the priority choices are, in understanding the consequences of each choice, and in navigating the ensuing trade-offs (Chase et al, 2001). For example, to remain competitive in the fast growing industry (The E. African, 2004), which has been highly necessitated by the rising rates in crimes (NCBDA,2001), and the attitude that the public have towards the quality of services provided by the police or government (Roy, 1976), the security firms need to apply these operations competitive priorities, focusing on their customer requirements, internal and external environments (King, 2000). Competitiveness rotates around the concepts of operations priorities; competitive abilities that a business should seek to build and acquire to sustain or improve on. There are four broad categories of operations priorities, namely, cost, quality, time and flexibility. The private security firms were noted to provide the public with tailor- made security (Roy, 1976).

As mentioned earlier, competitive priorities in the different private security firms may for example be placed in the different stages of the Sand-cone operations' model that has four stages. Stage one, has only one operations priority developed. In stage two, a second operations priority is developed, while the first priority is widened. The third stage develops a third operations priority while again widening the first and second priorities, etc. The same procedure also applies to the four-stage model of operations strategy by Hayes and Wheelwright (Hayes and Wheelwright, 1984).

A number of researches have been done in the areas of operations strategy and private security firms. For example, Nyamwange (2001), in his study on the operations

strategies applied for the competitiveness of Kenyan large manufacturing firms, found out that high quality, low cost, time/speed, innovativeness and flexibility (ranked in this order), were the operations strategies on which these firms compete. The improvement methods applied in operations management: A survey of the practices of Kenyan firms listed at the Nairobi Stock Exchange by Ombura (2003), had the following findings. He found and ranked the operational priorities as high quality, reliability/ dependability, cost efficiency, speed and flexibility. Lengewa (2003), his survey study of the competitive strategies used by NGO Microfinance Institutions (MFIs) in Nairobi, had the objectives of identifying the competitive priorities and challenges encountered. Gichira (2001) researched on the employee performance management practices in the private security services industry: The case of security guards.

The above research studies created further research questions in both the field of operations competitive priorities and private security firms. It is on this basis that, this research project has been proposed, to try and establish the operations competitive priorities in the private security firms in Kenya and establish the challenges that these private security firms face as they grow and deliver their services. These and other differences in the individual firm's rate of growth, like expanding to other towns, giving different security products, or using different security products, as a way of diversification to improve on their clientele, has necessitated the need for this study.

1.3 OBJECTIVES OF THE STUDY

The study had two (2) objectives:

- i) Establish the various operations strategy/ competitive priorities of the private security firms in Kenya; and
- ii) Establish the operations' competitive challenges that the private security firms in Kenya are facing.

1.4 IMPORTANCE OF THE STUDY

- i) To the security industry: The study will provide them with information on the general state of operations strategy and competitive priorities which other firms are using to compete in the industry;
- ii) To the consumer of security products: The study will provide information they require in their choice of a security firm to provide required security products; and
- iii) To the researchers: The study seeks to stimulate interest for further study in other areas of the private security industry or on their products.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Business/ Corporate Strategy

Mission statements are the “constitution” for an organization, the corporate directive. But they aren’t any good unless they can be converted into action. Operations strategy deals with converting strategy into results (Russell and Taylor, 2000).

Operations strategy is important to all departments of a firm (Kranjewski and Ritzman, 2001). Production/operations managers manage a variety of systems within the production/operations management (P/OM) function. There are many P/OM systems, including inventory and scheduling systems, purchasing systems, and maintenance systems. Production /Operations managers also respond to a variety of systems outside the P/OM function, but within the firm. Among these systems are marketing and finance systems. Still other systems are outside the firm, such as economic systems, a system of world trade, and political systems. Managers who understand both internal and external systems will be better managers. They will be able to coordinate linkages of people, material, money and information that are essential for effective and efficient performance. Viewing the enterprise as a system within other systems allows managers to see the organization in its environment. This insight provides managers a perspective that allows them to design a P/OM system that supports the company’s mission and objectives (Heizer and Render, 1996).

Through its strategic planning process, each functional area is responsible for identifying ways to develop the capabilities it will need to carry out functional

strategies and achieve corporate goals. This inputs, along with the current status and capability of each area, is fed back into corporate strategic planning process to indicate whether corporate strategy should be modified. This gives a linkage of corporate strategy, market analysis, competitive priorities, and functional strategies (Krajewski and Ritzman, 1999).

These are turbulent times in the world of organizations. Following a decade of declining productivity and failed organizations many U.S. companies in the eighties have been forced to rethink their competitive approaches. Rapid technological changes, as well as shifting patterns of international trade and competition, have put intense strains on these organizations' ability to keep pace with a set of new and often unpredictable competitors. One prominent executive, describing the current business landscape says 'Not only is it a competitive jungle out there, new beasts are rooming around that we cant even identify' (Miles and Snow, 1996).

A strategy should be established in the threats and opportunities in the environment and the strengths and weaknesses of the organization. Only when these external threats/opportunities and internal strengths/ weaknesses are understood can the firm begin to build an effective strategy. Mission and strategy development requires that a firm find an opportunity in the environment for which it is uniquely qualified. That is, the company identifies its own unique competencies its own special capabilities – that fit an opportunity. A firm does not want to attack the market with exactly the same mission and strategy as a competitor. Instead, the firm wants to find those voids or opportunities in the environment that provide a chance for it to mobilize uniquely its resources for a competitive advantage (Chase, et al, 2001).

2.2 Operations strategy

The business strategy drives the mission of operations and the distinctive competence. These in turn influence the operations objectives that drive the policy areas for operations. There are, of course, feedback loops at each level because strategy formulation is an iterative process. All of the pieces must fit together before the strategy is finished (Schroeder, 1984).

Business strategy is a long-range game plan of an organization and provides a road map of how to achieve the corporate mission. These strategies are embodied in the company's business plan, which includes a plan for each functional area of the business, including production, marketing and finance. Business strategy is developed while considering an assessment of global business conditions and the distinctive competencies or weaknesses of the company's business units. Global business conditions include such factors as an analysis of markets, analysis of competition in those markets, and economic, political, technological and social development (Gaither, 1996).

Operations strategy can be defined as a long-range game plan for the production of a company's products and services and provides a road map for what the production function must do if business strategies are to be achieved.

Operations strategies include decisions on such issues as what new products must be developed and when they must be introduced into production, what new production facilities are needed, what new production technologies and processes must be

developed and when they are needed, and what production schemes will be followed to produce products or services (Gaither, 1996).

Buffa (1984), viewed operations as strategy and noted that the U.S. had made a distinction between long-term strategic issues and short-term operating issues. There is usually little argument that questions of capacity, process, technology and labor costs have strategic significance, but there tends to be a dismissal of inventory, quality and other factory floor issues as if operations had no long-term importance. At the same time, there is an understanding that quality, cost, and product delivery are important in the basic strategy of the firm. We must erase that imaginary line and think of all the issues as being potentially strategic.

Strategy is defined as a set of plans and policies by which a company aims to gain advantages over its competition. For the organization as a whole, strategy should be predicted on matching its distinctive competence (what it is good at) with its primary task (what it must do in light of competitive conditions). Time horizon, concentration of effort, pattern or decisions, pervasiveness and consistency are the major characteristics of strategy (Chase et al, 2001).

The elements of operations strategy include: positioning the production system; focus of production; product/services plans; production process and technology plans, allocation of resources to strategic alternatives and facility plans, ie capacity, location, and layout (Gaither, 1996).

The Hayes – Wheelwright framework of operations strategy has four significant stages. Stage one is internally neutral, where operations has no negative impact on the company. Stage two, is externally neutral where operations keeps company on a par with competition. Stage three is internally supportive, where operations support company's strategy. Stage four is externally supportive here operations provides competitive advantage. The shift in the industry or firms should be from stage one through to stage four. In stage three for example, the firm will expect that operations function provide credible and significant support to its overall competitive strategy which is embodied in the business strategy. Stage four, which is the highest level in terms of operations strategy, influence the overall competitive strategy. Hence the actual business situation is shaped around the operations strategy. At this stage also, both operations and corporate strategy will be operated interactively, both ways. This is where we have the world class organizations (Hayes and Wheelwright, 1984).

The relationships of business policy and operations management decisions can be viewed from two perspectives. First, the influence of business policy decisions on operations management decisions and, second, the contribution of operations management to business policy decisions. For example, the policy decisions on the nature of the goods or services to be provided, the nature of the markets/demand to be served and the manner in which these markets are to be served will influence, one, operations managements choice of operating structure, two; the formulation of operational management objectives, and finally, will influence operations management's choice of strategies (Wild, 2002).

Some performance measurements systems like the “SMART” system (The Strategic Measurement Analysis and Reporting Technique developed by Wang Laboratories, and the Balanced scorecard by Kaplan and Norton, help an organization in the integrations and application of the various operations strategies (under operations) to its corporate objectives in achieving business strategy and vision (Ghalayini and Noble, 1996).

2.3 Operations/ Competitive priorities

Understanding of operations competitive priorities help grasp the scope of operations strategy. Hayes and Wheelwright (1984) define competitive priorities as strategic preferences or the ways in which an organization chooses to compete in the market place. The importance of identifying and pursuing appropriate competitive priorities at the operations level was emphasized a long time ago (Ahmed and Schroeder, 2001).

Given the choices that customers face today, they need to devise ways to decide on which product or service to buy. Different customers are attracted by different attributes. Some customers are primarily interested in the cost of a product or service, and correspondingly, some companies attempt to position themselves to offer the lowest price (Chase et al, 2001). There are eight possible competitive priorities for operations, which fall into four groups:

These are: cost, Low-cost operations; Quality, high-performance design and consistent quality; Time, fast delivery, on-time delivery and development speed, and Flexibility, customization and volume flexibility (Krajewski and Ritzman, 1999). For

example, higher costs and competition have been sited as a challenge to Kenyans. Rising costs and increased competition are twin problems confronting businesses in the country. Labour costs and interest changes are in particular an oppressive force in the business environment (Standard, 1998).

The world class companies like South West Airlines, Toyota, have not chosen a highly unusual competitive strategy than their competitors. For example, lots of companies try to compete on the basis of low cost, or high reliability or fast response. All have risen to industry dominance because they adopted and followed a consistent, coherent strategy for operations, and through operating superiority have been able to achieve lower cost, better reliability, or faster responsiveness than their competitors have been able to provide (Hayes and Upton, 1984).

2.3a Competing on cost.

Companies that compete on cost relentlessly pursue the elimination of all waste. For example, Lincoln Electric, a manufacturer, makes their own tools, maintain and repair the equipment themselves, and check their own quality. Called “million – dollar men”, these workers have saved the company millions of dollars that would have been spent on automated equipment (Russell and Taylor, 2000).

Lowering prices can increase demand for products or services, but it also reduces profit margins if the product or service cannot be produced at lower cost. To compete based on cost, operations managers must address labour, materials, scrap, overhead, and other costs to design a system that lowers the cost per unit of the product or service. Often, lowering costs requires additional investment in automated facilities

and equipment (Krajewski and Ritzman, 1999). For example, Southwest Airlines strategy of low cost and controlled growth is supported by carefully designed service, efficient operations, and committed personnel. It uses only one type of airplane, the Boeing 737, to facilitate crew changes and to streamline training, record-keeping, maintenance, and inventory costs. Turn around time between flight is 15 minutes. Since its flights are limited to short routes (about an hour), all flights are direct. That means no baggage transfers and no meals to be served (Russell and Taylor, 2000). Competing on cost is also referred to as missing the mirage (Robb, 2004).

Products sold strictly on the basis of cost are typically commodity like, that is, customers cannot distinguish the products of one firm from those of another. This segment of the market is frequently very large, and many companies are lured by the potential for significant profits, which they associate with the large unit volume of product. Consequently, competition in this segment is fierce – and so is the failure rate (Chase et al, 2001).

Through the processes of administrative law, regulatory decisions have emphasized “fairness” in pricing rather than economic efficiency. There are many possible concepts which could be used to define fair prices. In judging whether prices are fair, regulations have historically tended to allocate shared costs first, and then to require that the price charged for any service generate revenue which cover the portion of shared costs allocated to that service plus all costs that can unambiguously be attributed to that service (Braeutigam, 1979).

2.3b Competing on quality

Over the years, the term quality has received various definitions like: please the customer, make it good, etc. The more we hear about quality, the more confusing its meaning seems to become. Quality can be defined as “conformance to specification”, “meeting the customers’ expectations”, supplying of goods which do not come back, to customers who do” (Gower, 1994). Quality – is the battle over (Robb, 2004). Gower, (1994) adds that quality is giving the customer what he wants today; at a price he is pleased to pay; at a cost we can contain; again and again and again, and giving him something even better tomorrow. It is the degree of congruence between expectation and realization.

In their analysis of the dimensions of competitive priorities, Ahmed and Schroeder, (2001) stated that, the lack of statistically significant relationship between cost differentiation and quality in their study was probably a result of ranking quality as the most important competitive priority. In other words, quality was considered important by most of the plants (they worked with) and, thereby quality could not foster differentiation by itself. That is, quality is an “order qualifier” rather than an “order winner”. They further asserted that quality for established firms in the global arena is more of an order qualifier than an order winner. Recommendation was that, managers should therefore ensure that their organizations pursue quality management practices (Ahmed and Schroeder, 2001).

Two competitive priorities deal with quality. The first, high-performance design, may include superior features, close tolerances, and greater durability; helpfulness, courteousness, and availability of service employees; convenience of access to service

locations; and safety of products or services. The high-performance design determines the level of operations performance required in making a product or performing a service. The second quality priority, consistent quality, measures the frequency with which the product or service meets design specifications. To compete on the basis of consistent quality, managers need to design and monitor operations to reduce errors (Krajewski and Ritzman, 1999).

Quality can also be divided into two categories, product quality and process quality. Over designed products with too much quality will be viewed as prohibitively expensive. Under designed products on the other hand, will lose customers to products that cost a little more but are perceived by the customers as offering greater value. The goal of process quality is to produce error-free products (Chase et al, 2001).

For example, the Ritz Canton Hotel Company is a Baldrige award winner and a recognized symbol of quality. The entire service system is designed to understand the individual expectations of more than 500,000 customers and to “move heaven and earth” to satisfy them. Every employee is empowered to take immediate action to satisfy a guest’s wish or resolve a problem. Processes are uniform and well defined. Teams of workers at all levels set objectives and devise quality action plans. Each hotel has a quality leader who serves as a resource and advocate for the development and implementation of those plans (Russell and Taylor, 2000).

At the outset it merits to mention that the management of quality lies predominantly in the domain of qualitative management and much less in that of quantitative

management (Chary, 1995). The measure of corporate success will not be simply an acceptable quality level, but increased customer satisfaction, improved process capability, decreased process variation and lowered operating costs (Gilmore, 1990).

2.3c Competing on flexibility

Flexibility is the ability to adjust to changes in product mix, production volume, or design (Russell & Taylor, 2000). It is going beyond physical assets, pro-active and reactive modes; mass customization (Robb, 2004).

Some firms give top priority to two types of flexibility. First, customization, which is the ability to satisfy unique needs of each customer by changing product or service designs. However, products or services tailored to individual preferences may not have long lives. Customization typically implies that the operating system must be flexible to handle specific customer needs and changes in designs. Second, is the volume flexibility, which is the ability to accelerate or decelerate the rate of production quickly to handle large fluctuations in demand. Volume flexibility is an important operating capability that often supports the achievement of other competitive priorities (e.g. development speed or fast delivery times) (Krajewski and Ritzman, 1999).

Technology can provide the tools for flexibility. An example of the strategic importance of flexibility is provided by the so called H-Y war in Japan in the early 1980s; when Yamaha challenged Honda's dominance of the motorcycle market. Before the challenge, both companies offered about 60 different models of motorcycles. Within 18 months, Honda had introduced and retired 113 models.

Yamaha was able to introduce only 37 new models in that time frame. Honda's new models had four-valve engines, direct drive, and other innovations. Compared to a Honda, a Yamaha motorcycle was perceived as old and outdated. Two years later, with its complete field inventory rendered obsolete, Yamaha conceded defeat. Honda "won" the war with innovation and variety. Its key to achieving market dominance was flexibility through superior methods for developing, manufacturing, and introducing new products (Russell and Taylor, 2000).

A change of historical proportion is occurring in today's competitive environment, one that calls for an equally historical response in organizational structure and competitive strategies. While product demands placed upon firms are changing in dramatic ways-product like cycles are shorter, demand for product choice and customization is swelling, pressures for globalization and technological innovation are overwhelming - the firms need to respond to change with stable and long term, yet flexible and responsive, process capabilities is greater than ever before. Today managers must be able to meet what have traditionally been contradictory requirements; continuously deliver customized, high quality goods and services, and at the same time keep costs down and get products to market quickly (Boynton and Victor, 1991).

2.3d Competing on speed

In some markets, a company's ability to deliver more quickly than its competitors may be critical (Chase et al, 2001). Speed can be viewed from different angles like the delivery speed, on time delivery, development speed or responsiveness using supply chain dynamics and J.I.T. (Robb, 2004).

Strategy making has changed. No longer is the carefully conducted industry analysis or deliberate strategic plan guarantee of success. Speed matters. A strategy that takes too long to formulate is at least as ineffective as the wrong strategy. But, how do decision makers make fast, yet high quality, strategic choices? Eisenhardt, 1990 indicate that they maintain constant watch over real time operating information and rely on quick, comparative analysis to speed cognitive processing. They favour approaches to conflict resolution which are rapid and yet maintain group cohesion. Finally, their reliance on the private advice of experienced councilors and on integration with other decisions bolsters their confidence to decide quickly in the face of big stakes and high uncertainty (Eisenhardt, 1990).

Service organizations have always competed on speed. Now manufacturers are discovering the advantages of time-based competition. Competing on speed required an organization characterized by fast moves, fast adaptations, and tight linkages. Decision-making is pushed down the organization as levels of management are collapsed and work is performed in cross-functional teams. Close contact is maintained with both suppliers and customers. Strategy is time pace to create a predictable rhythm for change.

The best example is the textile industry's Quick Response (QR) initiative, designed to improve the flow of information, standardize reading systems, and reduce turnaround times along the entire supply chain from fiber to textiles to apparel to retailing (Russell and Taylor, 2000).

2.4 Selecting Competitive Priorities and The New Strategic Trade-Offs

While we do indeed have some of the best companies in the world in manufacturing, the fact is that far more companies need major upgrading in their operations management to remain competitive with foreign producers in their industry Niche (Chase et al, 2001).

The choice of competitive priority is essentially a synthesis of recognizing associated “trade-offs” and exploiting an organizations “core capability”. Competitive priorities for a firm are not static; they are dynamic and change over time due to shifts in the competitive environment. Firms are incessantly trying to gain competitive advantage by differentiating themselves by offering unique product-service bundles that are hard to initiate. The dimensions of competitive priorities will change as time progresses (Ahmed and Schroeder, 2001). Without an effective and efficient operations function no organization can hope to retain market leadership, since it will fail on delivery, price, quality or flexibility, or more probably on all (Galloway, 2000).

All of the above competitive priorities cannot ordinarily be used for a single product. For example, a company may not be able to provide great flexibility and at the same time provide very-low-cost production. Business strategy determines the mix of these priorities that is appropriate for each product or service. Once the competitive priorities are set for a product or service, operations strategy must then determine the required production system needed to provide the priorities for the product or service (Gaither, 1996).

One might wonder why firms then have to choose among competitive priorities. Why not compete in all areas at once and dramatically improve the firm's competitive position. At some time, though, further improvements in one area may require trade-off with one or more of the other. A survey of manufacturers indicated that, raising the degree of customization or producing high performance design products may lead to both higher costs and higher prices. Therefore, firms must choose a select set of competitive priorities to emphasize (Krajewski and Ritzman, 1999).

Operations strategy requires that firms make trade-offs and hence the need to set priorities. It is difficult and potentially dangerous for a company to try and compete by offering superior performance along all these dimensions simultaneously:- Since it will probably end up second best on each dimension to some other firm that devoted more of its resources to developing that competitive advantage. A business must, therefore, attach clear priorities to each dimension and these priorities will determine how that business positions itself relative to its competitors (New, 1992).

In general, while the pursuit of manufacturing flexibility in all its forms is obviously likely to be advantageous in any manufacturing system, there still remains the fact that a plant which produces a single product is capable of being more "efficient" than one which attempts to make several hundred different variants (New, 1992).

The true source of strength and vitality for the firm is not simply in making processes for today's product to satisfy today's customer. The key to strategic success is in being able to satisfy tomorrow's customer by developing process know-how and skills that can adapt to changing and often unknowable product demand, of course this

change does not happen overnight. Achieving dynamic stability requires a significant shift in the definition and role of senior management. The traditional view of the senior manager as an 'author' who can script the future, anticipating changes in the environment and incrementally moving an organization towards its desired end, is no longer a practical view. When conditions are predictable, as under mass production, a manager can perhaps effectively 'author' on organizations scripts. But in today's world of uncertain and rapidly changing product markets, a manager is simply unable to dictate the organizations response (Boynton and Victor, 1991). Thus, firms are changing their concept of the role of senior manager, from one of author to one of 'architect'. The focus of a manager as architect is on designing an organization that clearly understands the vital role that process and know how improvements have in organizing for long-term, flexible, rapid product response. Furthermore, the focus of the manager as architect turns from the external to the internal, from a limited vision of the future to an unlimited vision of how process capabilities and know-how position an organization to aggressively pursue both know-how and most importantly, knowing future product demands (Boynton and Victor, 1991).

2.5 Matching Operations and Market Strategy

The marketing strategy of a firm is to provide broad line equipment for selected market segments. It is, therefore, crucial to provide a statement of the operations mission that fits with the business objectives and marketing strategy. Above all else, operations should maintain its quality standards. Since the company sells in the quality end of the market, operations must also maintain flexibility to introduce new products, and it should build capacity to support growth. Cost is a secondary objective, but costs should be controlled at reasonable levels to meet profitability

objectives. In other words, the mission of operations is to produce a quality product, while maintaining flexibility to change products and capacity to meet market needs (Schroeder, 1984).

Too often operations management decisions have been purely reactive in this situation. They have tried to satisfy the often-conflicting demands of marketing with the facilities available. Change has been undertaken on instruction from above, or piecemeal as funds have become available or as a result of a consultants' report, but often without any coherent plan or real commitment. The result is something that works but not well, and an organization that is very vulnerable to competition.

Operations management can make two major contributions to the development of a coherent and implementable strategy. Firstly, they can identify their distinctive competence: whether they are best at quality, volume, maintaining low cost, responding to changes in customer requirements etc. Secondly, operations management should compare their own strategy, as expressed in what is actually done, with the requirements of the market they are actually dealing with. This will lead to the identification of any mismatch in process, equipment, location, labour and control systems which can then be prioritized for rational correction as and when opportunities arise.

Where operations exceed the market requirements, two alternatives arise; either the operations process can be reduced to an appropriate level, hopefully with some cost saving, or the performance can be developed as an order winning criterion (Galloway, 2000).

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Research Design

This study utilized a survey research design in its plan of procedures for data collection and analysis to elicit information on the operations strategy practices and competitive priorities in the large private security firms in Kenya.

3.2 The Population of the Study

The population for this study was all 55 private security firms in Kenya listed under either the KSIA or the PSIA. The criterion used to categorize a security firm as large or small is registration to the security industry associations. Any firms not registered under either the Kenya Security Industry Association (KSIA) or Private Security Industry Association (PSIA) was therefore categorized as small; and will thus not be studied. This being a census no sampling was required.

As at 1st January 2005 the total number of firms registered under both KSIA and PSIA is fifty- five. KSIA with twenty members and PSIA with thirty-five members. A census study was conducted. This was possible because all the firms had their headquarters based in Nairobi. The list of the firms was obtained from the KSIA and PSIA offices.

3.3 Data collection

Primary data was used, which was collected using a semi- structured questionnaire. The researcher administered the questionnaire through the drop and pick later method.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Research Design

This study utilized a survey research design in its plan of procedures for data collection and analysis to elicit information on the operations strategy practices and competitive priorities in the large private security firms in Kenya.

3.2 The Population of the Study

The population for this study was all 55 private security firms in Kenya listed under either the KSIA or the PSIA. The criterion used to categorize a security firm as large or small is registration to the security industry associations. Any firms not registered under either the Kenya Security Industry Association (KSIA) or Private Security Industry Association (PSIA) was therefore categorized as small; and will thus not be studied. This being a census no sampling was required.

As at 1st January 2005 the total number of firms registered under both KSIA and PSIA is fifty- five. KSIA with twenty members and PSIA with thirty-five members. A census study was conducted. This was possible because all the firms had their headquarters based in Nairobi. The list of the firms was obtained from the KSIA and PSIA offices.

3.3 Data collection

Primary data was used, which was collected using a semi- structured questionnaire. The researcher administered the questionnaire through the drop and pick later method.

The questionnaire was administered to the operations managers of each security firm under study.

3.4 Data Analysis

Once the data was collected it was edited for completeness and consistency. The SPSS program was used to aid the researcher in the analysis of the data. Factor analysis was used to determine the relative importance of the competitive priorities by their total scores. The data was analyzed using descriptive statistics and measures of relative position. It was presented using graphs, tables and charts.

CHAPTER FOUR

4.0 DATA ANALYSIS AND FINDINGS

The study had twin objectives of establishing the various competitive priorities and the operations competitive challenges facing private security firms in Kenya. In achieving these objectives, the study ranked relative importance of the competitive priorities. A total of 55 questionnaires were administered to the operations managers or equivalents of each security firm in the population. Of these, only 43 questionnaires were returned and successfully filled the response rate was therefore 78.18%, which compares favorably with Aosa (1992), Karemu (1993) and Nyamwange (2001), with response rates of 25%, 55% and 27% respectively.

Once the data was collected it was edited for completeness and consistency. The data was analyzed by use of descriptive statistics and factor analysis. This included the list of tables and percentages to represent the response rate and information on the variables that the study considered. Frequency distribution was also used to summarize the results for presentation. Factor analysis was used to determine the relative importance of the factors through method of cross tabulation. Cross tabulation was used to determine the relationship between various demographic aspects and the different competitive priorities. This aimed at determining the similarities and the differences in the judgments on the importance of the competitive priorities. The findings of the study are divided into three parts. The first part will present the demographics based on the branch networks, location, and security association's membership. The second part will present findings using contingency tables to determine the relationship based on cross tabulation of demographic variables against

competitive priorities tested by the questionnaire. The third will present findings based on descriptive statistics.

The analysis of this study required a census survey based on 55 private security firms.

The response rate is summarized in the table below:

Table 4.0: Response rate

Number of questionnaires	Number	Percentage
Number of questionnaires received	43	78.18
Number of questionnaires not received	12	21.82
Total distributed	55	100.0%

Source: Research data

A total of 55 (100.0 %) questionnaires were distributed, out of which 43 (78.18 %) were successfully completed. However 12 (21.82 %) were not returned. The response rate was considered sufficient.

4.1 Demographic information

The demographic characteristics considered were security firms' branches, the location (diversification) and security association registered with.

Table 4.1a

This section addresses security firms' size in terms of branch networks.

Size	Frequency	Percent	Valid percent	Cumulative percent
1 branch	30	69.76	69.80	69.80
> 1 branch	13	30.20	30.20	100.00
Total	43	100.00		

Source: Research data

The table above shows the proportion of security firm size. It shows that most of the respondents (69.80%) have only one branch while only 30.20% of them firms have more than one branch.

4.1b Diversification

In this sub- section, security firms were classified into two groups in terms of ownership of sister company in the security industry.

Table 4.1b

Sister company	Frequency	Percent	Valid percent	Cumulative percent
Have sister Co.	6	14.00	14.00	14.00
Does not have	37	86.00	86.00	100.00
Total	43	100.00		

Source: Research data

The table above shows that majority (86%) of security firms do not have sister companies in security industry, with only 14% of the overall having sister companies in security industry.

4.1c Geographical spread.

In this sub-section firms were classified into two groups based on their location of their sister companies. The security firms were categorized into those with sister company located within Nairobi area and those outside Nairobi area.

Table 4.1c location

Location	Frequency	Percent	Valid percent	Cumulative percent
Within Nairobi area	29	67.44	67.44	67.44
Outside Nairobi area	14	32.56	32.44	100.00
Total	43			

Source: Research data

Security firms with sister security companies located within Nairobi area accounted for 67.44 % of the population. The rest 33.56 % had their sister companies located outside Nairobi area.

4.1d Security association membership

In this sub-section the respondents security firms were classified into 2 groups based on the security association registered with. The security firms were categorized into those registered with KSIA and those with PSIA.

Table 4.1d.

Association	Frequency	Percent	Valid percent	Cumulative percent
KSIA	19	44.19	44.19	44.19
PSIA	24	55.81	55.81	100.00
Total	43	100.00		

Source: Research data

4.1e Range of security products

The respondents were asked to tick the security product they offer. The responses were summarized in the following table.

Table 4.1e

Product	Frequency	Percent	Cumulative Percent
CIT	6	8.96	8.96
Dog guarding	5	7.46	16.42
Security guarding and patrol	16	23.88	40.30
Security alarm response	11	16.42	56.72

Clocking system	8	11.94	68.66
Private drivers services	4	5.97	74.63
Security communication systems	6	8.96	83.59
CCTV	3	4.48	88.07
Courier services	5	7.46	95.53
Fire equipment services	3	4.48	100.00
Total	67	100.00	

Source: Research data

From the table above, majority of security firms (23.88%) indicated that they offer security guarding and patrol service as their main product. Only 4.48% of the respondents offer fire equipment services.

4.2 Cross tabulation

The basic aim of including this part was to determine the relationship between various demographic factors and the variables being tested. This section is, therefore, divided into two sub-sections based on two demographic categorizations. The sub-sections are as follows: sub-section 1, security firms' geographical spread (branches: 1 branch and more than 1 branch) and sub-section 2, the firms' association membership (PSIA or KSIA).

4.2a Security firms geographical spread cross tabulation

In this part, a cross tabulation was performed between security firms geographical spread and tested competitive priorities. In this part, the researcher was interested in observing the cross tabulation between geographical spread against quality, cost, flexibility and time/ speed.

Key: In this section the asterix, * has been used instead of the full word **against**.

Table 4.2a

Geographical spread* quality cross tabulation

Geographical spread	Quality				Total
	Not important	Important	Very important	Extremely important	
1 BRANCH:					
Count		13		12	25
% Within the size		52.0%		48.0%	100.00%
% Of total		30.23%		27.91%	58.14%
MORE THAN 1 BRANCH:					
Count	4	6	4	4	18
% Within the size	22.22%	33.33%	22.22%	22.22%	100.0%
% Of total	9.3%	13.95%	9.3%	9.3%	41.85%
Total Count	4	19	4	16	43
% Within the size	9.3%	44.19%	9.3%	37.21%	100.00%
% Of total	9.3%	44.19%	9.3%	37.21%	100.00%

Source: Research data

The above table indicates that, out of the total respondents, 12 (27.91%) of the security firms with 1 branch felt that quality was an extremely important competitive priority while 30.23% felt that quality was an important factor. However, out of 18 security firms with more than one branch, only 6 felt that, quality was an important priority and this represented 13.95% of the total population.

Table 4.2b**Geographical spread* flexibility cross tabulation**

Geographical spread	Flexibility				
	Not important	Important	Very important	Extremely important	Total
1 BRANCH:					
Count		8	4	4	16
% Within the size		50.0%	25.0%	25.0%	100.00%
% Of total		18.6%	9.3%	9.3%	37.21%
MORETHAN1BRANCH:					
Count	4	16	5	2	27
% Within the size	14.8%	59.25%	18.52%	7.4%	100.0%
% Of total	9.3%	13.95%	9.3%	9.3%	41.85%
Total Count	4	24	9	6	43
% Within the size	9.3%	55.81%	20.93%	13.95%	100.00%
% Of total	9.3%	55.81%	20.93%	13.95%	100.00%

Source: Research data

The table above shows that, on average, flexibility is rated as an important competitive priority. 55.81% of the total respondents security firms rated it as an important competitive priority. Only 13.95% of the total rated flexibility as an extremely important competitive priority.

Table 4.2c

Geographical spread* Cost cross tabulation

		Cost				
Geographical spread	Not important	Important	Very important	Extremely important	Total	
1 BRANCH:						
Count		13	4	2	19	
% Within the size		68.42%	21.05%	10.53%	100.00%	
% Of total		31.71%	9.76%	4.88%	46.34%	
MORE THAN 1 BRANCH:						
Count	6	15		1	22	
% Within the size	27.27%	68.18%		4.55%	100.0%	
% Of total	14.63%	36.59%		2.44%	53.66%	
Total Count	6	28	4	3	41	
% Within the size	14.63%	68.29%	9.76%	7.32%	100.00%	
% Of total	14.63%	68.29%	9.76%	7.32%	100.00%	

Source: Research data

The table above indicates that, cost was seen as an important competitive priority by 35 (85.37%) respondents security firms out of the 41, which participated while 6 (14.63%) of the total felt that, it was not an important competitive priority.

Table 4.2d**Geographical spread* Time / speed cross tabulation**

Geographical spread	Time				Total
	Not important	Important	Very important	Extremely important	
1 BRANCH:					
Count	10	6	2	4	22
% Within the size	45.45%	27.27%	9.09%	18.18%	100.00%
% Of total	25.0%	15.0 %	5.0 %	10.0 %	46.34%
MORE THAN 1 BRANCH:					
Count	8	5	3	2	18
% Within the size	44.44%	27.77%	16.67%	11.11%	100.0%
% Of total	20.0 %	12.5 %	7.5 %	5.0 %	45.0%
Total Count:	18	11	5	6	40
% Within the size	45.0 %	27.5 %	12.5 %	15.0%	100.00%
% Of total	45.0 %	27.5 %	12.5 %	15.0 %	100.00%

Source: Research data

The above table shows that, out of the 40 respondents 22 (55 %) felt that, time/ speed is an important competitive priority in the security industry in Kenya.

4.2b Security firms' association membership

In this part, a cross tabulation was performed between security association registered with and all the tested variables. In this part, the researcher was interested in observing the cross tabulation between quality, flexibility, cost and time / speed.

Table 4.2e

Association membership* quality cross tabulation

Quality					
Ass. Membership	Not important	Important	Very important	Extremely important	Total
PSIA:					
Count	2	14	5	2	23
% Within the size	8.7%	60.87%	21.74%	8.7 %	100.00%
% Of total	4.76%	33.33%	11.90%	4.76%	54.76%
KSLA:					
Count	4	12	2	1	19
% Within the size	21.05%	63.16%	10.53%	5.26%	100.0%
% Of total	9.52%	28.57%	4.76%	2.38%	45.24%
Total Count	6	26	7	3	42
% Within the size	14.29%	61.90%	16.67%	7.14 %	100.00%
% Of total	14.29%	61.90%	16.67%	7.14 %	100.00%

Source: Research data

The table above shows that, 36 (85.71 %) of the respondents rated quality as an important competitive priority amongst security firms in Kenya. However only 6 (14.29%) felt that, it was not an important competitive priority.

Table 4.2f**Association membership* Flexibility cross tabulation**

Ass. Membership	Flexibility				Total
	Not important	Important	Very important	Extremely important	
PSIA:					
Count	6	10	2	2	20
% Within the size	30.0 %	50.0 %	10.0 %	10.0 %	100.00%
% Of total	14.29 %	23.81 %	4.76 %	4.76%	47.62 %
KSIA:					
Count	8	11	2	1	22
% Within the size	36.36 %	50.0 %	9.09 %	4.55 %	100.0%
% Of total	19.05 %	26.19 %	4.76 %	2.38 %	52.38 %
Total Count	14	21	4	3	42
% Within the size	33.33 %	50.0 %	9.52 %	7.14 %	100.00%
% Of total	33.33 %	50.0 %	9.52 %	7.14 %	100.00%

Source: Research data

The table above indicates that, out of 42 respondents 25 (59.52%) felt that, flexibility was an important competitive operations strategy among private security firms in Kenya. Only 7.14 % (3) of them rated it as an extremely important priority.

Table 4.2g**Association membership* Cost cross tabulation**

Ass. Membership	Cost				Total
	Not important	Important	Very important	Extremely important	
PSIA:					
Count	10	7	1	1	19
% Within the size	52.63 %	36.84 %	5.26 %	5.26 %	100.00%
% Of total	23.81 %	16.67 %	2.38 %	2.38 %	45.24 %
KSIA:					
Count	8	10	2	3	23
% Within the size	34.78 %	43.48 %	8.69 %	13.04 %	100.0 %
% Of total	19.05 %	23.81 %	4.76 %	7.14 %	54.76 %
Total Count	18	17	3	4	42
% Within the size	42.86 %	40.48 %	9.52 %	7.14 %	100.00%
% Of total	42.86 %	40.48 %	9.52 %	7.14 %	100.00%

Source: Research data

The table above shows that, cost was rated as an important competitive priority by only 47.14 % (21) of the total felt that, cost was not an important competitive priority amongst the private security firms in Kenya.

Table 4.2h

Association membership* time cross tabulation

Ass. Membership	Time				Total
	Not important	Important	Very important	Extremely important	
PSIA:					
Count	12	7	3	1	23
% Within the size	52.18 %	30.43 %	13.04 %	4.35 %	100.00%
% Of total	29.27 %	17.07 %	7.32 %	2.44 %	56.09 %
KSIA:					
Count	9	5	3	1	18
% Within the size	50.0 %	27.78 %	16.67 %	5.56 %	100.0 %
% Of total	21.95 %	12.20 %	7.32 %	2.44 %	43.90 %
Total Count	21	12	6	1	41
% Within the size	51.22 %	29.27 %	14.63 %	2.44 %	100.00%
% Of total	51.22 %	29.27 %	14.63 %	2.44 %	100.00%

Source: Research data

The table above shows that, time was rated as an important competitive priority by 43.9 %(18) of the respondents, which is comparatively low, compared with the other priorities.

4.3 Ranking of competitive priorities

The respondents were asked to rank competitive priorities on a five point likert scale, where 5 is extremely important and 1 is not important to reflect the importance attached to each priority. The ranking was a mathematical ranking with no significance test ranking. The researcher estimated the statistics comprising the mean, maximum and minimum. Total sum and the standard deviation of the competitive priorities tested by the questionnaire. The results are represented in the table below.

Table 4.3a

Priority	N	Min	Max	Sum	Mean	Std. Dev	Rank
Quality	40	3.00	5.00	179.00	4.475	0.9515	1
Flexibility	43	2.00	5.00	176.00	4.093	0.978	2
Cost	42	2.00	5.00	168.00	4.000	1.089	3
Time/speed	41	1.00	5.00	162.00	3.951	1.1910	4

Source: Research data

The table above shows that, the competitive priority is a descending order from the highest sum to the lowest sum are, quantity, flexibility, cost and time. According to the table above, quality priority has the highest sum (179.00) and mean 4.475. The standard deviation from the mean is 0.9515. The least sum (162.00) goes to time/speed, which has a mean of 3.951 and 1.1910 standard deviation. The ranking of quality is consistent with the findings of Nyamwange, 2001 and Kruger's (1997).

Hill (1994) argues that even though all priorities may be pursued equally, firms may still choose to emphasize one for competitive advantage. Such a priority that is emphasized is called the current order winner while the other priorities are pursued as order qualifiers. Thus ranking of quality implies that, it is the current order winner.

However it is worthy nothing the fact the security firms that pursue some priorities, as order winners do not necessary ignore the other priorities. They still have to meet very high standard of performance on the other dimensions and they excel on the order – winning dimension. Other competitive priorities applied by private security firms were summarized as follows:

Table 4.3b

Priority	N	Min	Max	Sum	Mean	Std. Dev	Rank
Human resources	42	1.00	5.00	161.00	3.833	1.3524	1
Customer care	41	1.00	5.00	154.00	3.756	1.3702	2
Suppliers	40	2.00	5.00	148.00	3.700	2.429	3
Training	39	2.00	5.00	141.00	3.615	2.467	4
Technology	41	2.00	5.00	139.00	3.390	3.078	5

Source: Research data

From the table above, the human resources were again mathematically ranked first followed by customer care. Suppliers, training and development and technology ranked third, fourth and fifth respectively.

4.4 Summary of competitive priorities ranking

This section is a summary on how security firm's ranked competitive priorities in terms of importance. The researcher has attempted to rank all the competitive priorities both those tested and those not tested by the questionnaire. The researcher has posted the ranks separately because in both cases the respondents tended to vary greatly.

Quality was rated as number one competitive priority followed by flexibility, cost and finally time/speed. According to the study, private security firms felt that time/speed was not a very important competitive priority in security industry.

Other competitive priorities indicated by respondents were also ranked as follows: Human resources/staff was ranked as a very important priority and was closely followed by customers. Suppliers, training and development and technology were ranked third, fourth and fifth respectively.

4.5 Ranking of challenges facing security firms

The respondents were asked whether industrial competition had affected them in any way. A total of 100% of the respondent answered yes that the industrial competition had affected them.

The respondents were further asked to indicate to what extent had industrial competition affected them. The descriptive statistics for their responses are summarized in the following table:

Table 4.5 Summary of descriptive statistics on challenges facing private security firms

Challenge	Frequency	Percent	Cum. Freq.
Slow growth	2	5.00	5.00
Turn over of clients	24	56.00	61.00
Cost of production gone up	2	5.00	66.00
Price of security personnel declined	6	14.00	80.00
Price of security personnel remain constant	4	9.00	89.00
Poaching of security personnel by other firms	5	11.00	100.00
Total	43	100.00	

Source: Research data

The table indicates that, vast majority of respondents (56.00 %) felt that high turn over of clients was the major competitive challenge facing security firms in Kenya.

Only 5% of the firms indicated that, cost of production was a challenge.

CHAPTER FIVE

5.0 SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the findings and conclusions

5.1.1 Summary of the findings

The objective of the study was to determine the competitive priorities on which private security firms compete and the challenges they face. The data used in the study is from 43 private security firms representing a response rate of 78.18 %. Factor analysis was used to identify the important competitive priorities. The study found out that the competitive priorities on which private securities compete, in their order of rank are: (1) Good quality, (2) Flexibility, (3) Low cost and (4) Speed / time. Other competitive priorities on which security firms compete include: quality personnel, good customer care, excellent suppliers of raw materials for example security guards uniforms, training and development of personnel and technology.

These results support Hill's (1994) proposition of order-winners and order qualifiers. Hill (1994) argues that a firm may emphasize on one priority, known as the 'current order-winner' and pursue the other priorities as order qualifiers without necessarily neglecting them. Hence the results could imply that, quality is currently pursued as the order winner and the rest as order qualifiers.

The study also found out that, private security firms in Kenya face different challenges. It was found out that, price of the security of the security personnel (23 %), costs of production (5%), poaching of security personnel by other security firms

(11%) and high turn over of clients were rated as the major challenges facing the industry in Kenya.

5.1.2 Conclusion

The findings of the study indicate that, quality is ranked higher than the other competitive priorities, followed by flexibility, costs and time/ speed. This indicates that, there is a trade off between quality and cost and other competitive priorities. However, it is also instructive that, the other priorities are also pursued equally and hence trade offs do not necessarily exist among them. The ranking of quality is consistent with Kruger's (1997) findings. These findings suggest that, there are trade offs among the priorities pursued by the Kenyan private security firms given that they do not attach equal importance. They, therefore, support Skinner's (1969) school of trade offs theory.

5.2. Recommendations

From the results of the study, it has emerged that competitive priorities play a crucial role in the competitiveness of private security firms. It is, therefore, pertinent that, private security firms treat these priorities seriously as they come up with operation strategies so as to enhance business success. Private security firms should give more support to operations/ production function and let it play a pivotal role in the formulation, implementation, monitoring and evaluation of the firm's undertaking. For the security firms to be successful in the market place, they need to focus on the following competitive priorities (in order of priority): (1) High quality; (2) flexibility;(3) cost and (4) time/ speed. They need to have supportive systems and train their employees on the various aspects of competitive priorities. One way of

doing this is to make quality everyone's responsibility and not just for the people in the operations departments. Management of private security firms should hire qualified personnel as the best way to attainment of high quality. The employees should be supported to this end by providing them with good quality equipment.

Private security firms should maintain good relations with their customers and suppliers because this is one of the ways of supporting not only high quality raw materials but also lower costs of procurement, speed and reliability. The success of competitive priorities is not just good strategies and statements of intent but how well these are operationalized and managed. Quality policies must be communicated to all stakeholders in the firms.

5.3. Limitations of the study

In interpreting the findings of this study, one should bear in mind a number of limitations:

1. These findings are based on the response rate from 43 private security firms. This is because many private security firms were found unwilling to participate in the study because of lack of time, absence of the right persons to fill in questionnaires and company policy among other reasons;
2. The study suffers from the general problems associated with questionnaires-based research such as misunderstanding of questions and use of predetermined questions; and
3. Time and resources limited the study. This could have affected the response rate owing to the fact that the study was designed to be a census.

5.4. Suggestions for further research

This was an exploratory survey study that sought to establish the competitive priorities, which private security firms in Kenya compete. Further research could be done on other operation issues related to competitive priorities to improve on these findings. These could include the following:

1. A research to find out which of the operation priorities are order winners and which ones are order qualifiers in the security industry;
2. A replication of this research to other sectors of the economy like agriculture and investment;
3. Detailed studies into specific practices on each of the competitive priorities like cost and operation systems design; and
4. A research on how private security firms are addressing operations competitive challenges facing them.

REFERENCES

- Ahmed, S. and R.G. Schroeder (2001): *Dimensions of competitive priorities. Are they clear communicated and consistent*. The Journal of Applied Business Research Vol.18 No. 1
- Armstrong, M. (2001): A handbook of Human Resources Management. 8th Edition, London.
- Boynton, Andrew and Victor, Bart (1991): *Beyond Flexibility Building and Managing the Dynamically Stable Organization*. California Management Review. Vol. 34. No. 1. pg 53-66. Fall.
- Braentigam, Ronald (1979): *Optimal Pricing with Intermodel Competition*. The America Economic Review Journal Volume 69 No.1 pg.38-49.
- Buffa, Elwood (1984): Meeting the Competitive Challenge, Manufacturing Strategy for U.S Companies, Dow Jones_Irwin.
- Chary, S.N. (1995): Theory and Problem in Production and Operations Management. TMH Outline Series. Tata Mc Graw Hill Publishing Co. Ltd. New Delhi.
- ChaseR.B., Aquilano N.J., Jacobs F.R. (2001): Operations Management for Competitive Advantage. 9th Edition. International edition. The McGraw –Hill companies.
- Cooper, D.R. and Emory, C.W. (1995): Business Research Methods. 5th edition. Irwin. The McGraw- Hill companies, Inc.
- Dale, Barrie.G. (1999): Managing Quality. 3rd Edition.
- Eisenhardt, Kathleen (1990): *Speed and Strategic Choice: How Managers Accelerate Decision Making*. California Management Review. Vol. 32. No. 3. Pg. 39-54, Spring.
- Eric, Oliver and John, Wilson (1974): Practical Security in Commerce and Industry, Revised Edition.
- Gaither, Norman (1996): Production and Operations Management, 7th Edition Wadsworth publishing company.
- Galloway, Les (2000): Principles of Operations Management. 2nd Edition International Thompson Business Press.
- Ghalayini, A.M. and Noble, J.S. (1996): *The Changing Basis of Performance Measurements* University of Missouri, USA. International Journal of Operations and Production Management Vol. 16. No. 8. pp.68-80, MCB University Press. 0144-3577.

Gichira, P.N (2001): Employee Performance Management Practices in the Private Security Services Industry. The Case of Security Guards: Unpublished MBA Project, University of Nairobi, Nairobi.

Gilmore, Harold (1990): *Continuous Incremental Improvement: An Operations Strategy for Higher Quality, Lower Costs, and Global Competitiveness*. SAM Advanced Management Journal Winter.

Gower, L. (1994): Gower Handbook of Quality Management. 2nd Edition. Hartnolls Ltd. Bodmin.

Ham L, Johnson W., Plank and Johnson, P. (2003): *Gaining Competitive Advantages: Analyzing the Gap Between Expectations and Perceptions of Service Quality*. :

International Journal of Value Based Management. Vol. 16. No. 2. pg 197 – 203. Kluwer Academic Publishers.

Ham, Leugenia (2003): *Analyzing the Value of Service Quality Management: Gaining Competitive Advantages*: International Journal of Value Based Management. Vol. 17 No. 2. pg 131 – 152. Kluwer Academic Publishers.

Hayes, R.H. and S.C. Wheelwright (1984): *Restoring our Competitive Edge: Competing Through Manufacturing*, Wiley New York.

Hayes, Robert and Upton, David (1998): *Operations-Based Strategy*. California Management Review. Volume 40. No. 4. Summar.

Heizer, Jay and Render, Barry (1996): *Production and Operations Management. Strategic and Tactical Decisions*. 4th Edition Prentice Hall International, Inc.

Hendrick, Gregory (1982): *Organizational Structure. The Source of Low Productivity* S.A.M Advanced Management Journal. Society for Advancement of Management, a Division of American Management Associations.

Hill Terry: (1994). *Manufacturing Strategy: Text and cases*. 2nd edition. Richard D. Irwin.

King, G. (2000): *Protective Security*. Editor. Butterworths Publishers Durban, ISBN 0409 109312

Krajewski, L.J and Ritzman, L P (1999): *Operations Management, Strategy and Analysis*. 5th Edition. Addison Wesley publishing company Inc.

Kruger L.P. (1997): *strategic manufacturing priorities for South African Manufacturers. The need to shift emphasis and improve on the current performance levels*. Centre for Business Management University of S.A.

Lengewa, P.L.P. (2003): *A survey of the competitive strategies used by NGO micro-finance institutions in Nairobi*. Unpublished MBA project paper, UON.

Miles, Raymond and Snow, Charles (1986): *Organizations: New Concepts for New Forms*. California Management Review. Volume xxviii, No. 3 pg 62-73. Spring.

Nachmias, C.F. (1996): *Research methods in the social sciences*. 5th edition. St. Martin's press, inc.

NCBDA, June 2001. Nairobi Crime Survey Report. Strategic Business Options Ltd.

New, Colin (1992): *World class Manufacturing Versus Strategic Trade-Offs*. Canfields School of Management. *International Journal of Operations and Production Management*. Vol. 12. No. 6. pp 19-31. MCIS University Press

Njoroge, J.K (2003): *Customers Perspective of Service Quality in a Decentralized System in the Public Utility Sector in Kenya*. The case of K.P.& L.C. Unpublished M.B.A Project University of Nairobi, Nairobi.

Nyamwange, S. O. (2001): *Operations strategies applied for the competitiveness of Kenyan large manufacturing firms*. Unpublished MBA project paper, U.O.N.

Nzuve, N.M. and Singh, K.D. (1992): *Introduction to Manpower Management*. Edition . Veena Exports (P) Ltd. New Delhi.

Ombura, E.O. (2003): *Improvement methods applied in operations management: A survey of the practices in the Kenyan firms listed at the NSE*. Unpublished MBA project paper, U.O.N.

Peterson, Michael, (1990): *Continual Improvement for Competitive Advantage*. An Industrial Management & Data System Journal. 1990.Number 1 MCB University Press.

Rolland, Ian and Janson, Robert (1981): *Total Involvement as a Productivity Strategy*. California Management Review. Winter Volume 24. pg 40-48.

Robb, David (2004): Auckland University. Short Courses. Operations Management. The Business Schools, 1 short Street. Auckland.

Roy, Lewis (1976): *Force for the Future*. The Role of the Police in The Next 10 Years. Temple Smith Ltd. London.

Russell, R.S & Taylor III, B.W (2000): *Operations Management*, Multimedia version, 3rd Edition Prentice Hall inc.

Schroeder, Roger (1984): *Operations Strategy: Missing Link in Corporate Planning*. Management Review, August.

Skinner W. (1969): *Manufacturing: Missing link in corporate strategy*. Harvard Business Review. May – June.

Smith, Martin R. (April 1990): *Competition Leads to Quality Health Care. Quality Progress. Quality in Transition*, part two. Volume 22 pg 28 - 29.

Standard Newspaper (E.A) 1998, Business and Finance Section, September 1, Tuesday.s

Thompson and Strickland (1998): *Crafting and Implementing Strategy, Text and Readings*. 10th edition, Mc Graw-Hill.

Wild, Ray (2002): *Operations Management. Text and CD-Rom. 6th Edition*. Continuum, London, New York.

APPENDIX 1:INTRODUCTORY LETTER

Dear Respondent,

This questionnaire is designed to gather information on **'THE OPERATIONS STRATEGY PRACTICES IN THE PRIVATE SECURITY FIRMS IN KENYA'**. The study is being carried out for a management project paper as partial fulfillment of the degree of Master of Business Administration (MBA) of the University of Nairobi.

The information you shall avail will be treated with confidentiality and no instances will your name be mentioned in this research. Also, the information will not be used for any other purpose other than for this academic exercise.

Your assistance in facilitating the same will be highly appreciated. A copy of this research paper will be made available to you upon request.

Thank you in advance.

Yours sincerely,

.....

RICHU SALOME WAMBUI

MBA Student

.....

MR. NYAMWANGE, S.O

University Supervisor

APPENDIX 2: QUESTIONNAIRE

SECTION A

ORGANIZATION BACKGROUND

1. Name of your organization (optional) _____
2. Position of respondent _____
3. What is your firm's mission statement _____

4. What is your Firm's vision statement _____

5. How many branches does your firm have within Kenya _____
6. Does your firm have any sister company in the security industry? (Please tick)
Yes [] No []
7. Does your firm have any sister company in other industries? (Please tick)
Yes [] No []
8. If Yes in (7) above how many? (Please tick)
One Industry [] More than one []
9. What is the location of (7) above? (Please tick)
Within Nairobi area []
Outside Nairobi area []
10. What security association is your firm registered with?
KSIA [] PSIA []

SECTION B

1. What security products does your firm offer? (Please tick)

Cash in transit (CIT) services []

Dog guarding []

Security guarding and patrol []

Security alarms response []

Clocking system []

Private driver services []

Courier services []

Armed security personnel []

Key holding []

Fire Equipment services []

Security Communication Systems []

Others, please specify _____

2. What is your main or core security product? _____

3. Are all your branches providing similar security products?

Yes [] No []

4. If No in (3) above, kindly give a small narration as to the difference _____

5. Do you provide tailor made security products to your clients?

Yes [] No []

6. If Yes in (5) above, what criteria, under what conditions and how cost effective _____

7. If No in (5) above, kindly give a small narration _____

8. The consumers of security products come from a very wide economic gap, with varying security needs; based on this how then does your firm manage issues like quality, time, customer sustainability, acquisition of new customers, etc.

9. What supervision mechanisms do you operate. For example, VHF radios, motor bikes, vehicles, electronic systems, others (specify) .

10. Relating to (9) above, how cost effective is the mechanism and how flexible are you in it

11. You realize that the security industry is growing. How has this affected your security products in the past say five (5) years? (give a brief narration)

12. Due to the growth in the security industry, industrial competition is also likely to come in; has your firm been affected in any way? (Please tick)

Yes []

No []

13. If Yes in (12) above, to what extent? (Please tick)

Slow growth rate []

High turnover of clients []

Cost of production gone up []

Price of security personnel decline []

Price of security personnel remain constant []

Poaching of security personnel by other security firms []

14. Industrial competition is present globally and Kenya is not an exception.

Mostly competition is based on four major operations competitive priorities, namely quality, cost, flexibility and time. Has your firm experienced other types of competitive priority?

15. In reference to (14) above, how does your firm define the following operations competitive priorities? :

Quality _____

Cost _____

Flexibility _____

Time _____

Others _____

16. We all strive to excel, how does your firm utilize the various competitive priorities in this contest (Give a brief narration) _____

17. Referring to the various competitive priorities applied by your firm to various products, how would you rate them per product or which is given more weight. (Please rank)

Competitive priority applied highly

<u>List Product</u>	<u>Cost</u>	<u>Quality</u>	<u>Flexibility</u>	<u>Time</u>
	[]	[]	[]	[]
	[]	[]	[]	[]
	[]	[]	[]	[]
	[]	[]	[]	[]
	[]	[]	[]	[]
	[]	[]	[]	[]

18. Out of the four major competitive priorities generally which one does your firm treat as more important in the struggle to be the industry leader

Cost	[]	Time	[]
Quality	[]	Flexibility	[]

19.If in (18) above, your firm applies more than one competitive priority, how can you rate them (out of 5 points) (please tick)

Quality (1) (2) (3) (4) (5)

Cost (1) (2) (3) (4) (5)

Flexibility (1) (2) (3) (4) (5)

Time (1) (2) (3) (4) (5)

Key: 1 point - Not Important

2 points - Important

3 points - Very Important

4 points - Highly Important

5 points - Excellent

20. The mushrooming of security companies has obviously lead to the thorough analysis of the SWOT strategic tool, what operations competitive practices is your firm applying in this fight _____

21.Challenges are everywhere. What would you quote as your major challenges in this security industry _____

22. Referring to all your security products, which ones are more affected by the challenges mentioned above _____

23. Business expenses carry along the terminology of cost, one of the operations competitive priorities. In the security industry, stores expenses/ procurement is a must department. How does your firm apply the various priorities in this section and in its allocation of resources

24. What is the relationship amongst your corporate strategy, operations strategy and marketing strategy

25. Briefly give your comments/ideas/contributions to the growth in the security industry

26. What is your view to the future of the security industry

27. Kindly give other details you find relevant to this study

Thank you very much in advance for your kind assistance and May God bless you.

APPENDIX 3: POPULATION OF THE STUDY

KSIA MEMBERS

1. BM SECURITY SERVICES
2. COLINDALE SECURITY
3. EARS GROUP
4. FIDELITY SECURITY SERVICES
5. INSTARECT
6. SECULARMS
7. KK SECURITY
8. MAGNUM ALERT LTD.
9. PINKERTON'S
10. RILEY SERVICES
11. SECREX AGENCIES (K) LTD.
12. SECURITY GROUP LTD.
13. TANAR TECHNICAL CONSULTANTS
14. ULTIMATE SECURITY
15. WELLS FARGO
16. FALCON SECURITY
17. KNIGHT SUPPORT
18. SECURICOR SECURITY SERVICES (K) LTD.
19. RADAR
20. TRACKER GROUP

PSIA MEMBERS

1. KALI SECURITY CO. LTD.
2. INTERSECURITY SERVICES LTD.
3. PERIMETER PROTECTION LTD.
4. EAGLE WATCH CO. LTD
5. SUNRISE SECURITY SERVICES
6. LAVINGTON SECURITY GUARDS LTD.
7. SECURE HOMES
8. JOJAS USALAMA (K) LTD.
9. CORNERSTONE SECURITY CO. LTD.
10. PADA SECURITY AND ALARM SYSTEM
11. MARCO SECURITY LTD.
12. MAXICARE GUARD SERVICES
13. SPUR SECURITY SERVICES
14. TOTAL SECURITY SURVEILLANCE
15. COSSYMOBILE SECURITY LTD.
16. SENTRY AND PATROLS CO. LTD.
17. DEW SECURITY SERVICES
18. RACE GUARDS LTD.
19. JAKAMU AGENCIES LTD.
20. INTERLUDE SECURITY SERVICES
21. HATARI SECURITY SERVICES
22. MILIMANI SECURITY GUARDS
23. APEX SECURITY SERVICES
24. MODE SECURITY SERVICES

25. EVEREADY SECURITY GUARDS
26. PEAK SECURITY SERVICE
27. JAMAX SECURITY SERVICES COLLEGE
28. KLEEN HOMES SECURITY SERVICES LTD.
29. DELMAS SECURITY SERVICES LTD.
30. SKYHAWK SERVICES LTD.
31. PANTHER TRACK GUARDS (K) LTD.
32. PETERED SECURITY SERVICES LTD.
33. GILLYS SECURITY AND INVESTIGATION SERVICES LTD.
34. PATRIOTIC GROUP
35. WITEROSE SECURITY LTD.