STRATEGIC DECISIONS AND PERFORMANCE OF BOB MORGAN SECURITY COMPANY IN KENYA

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This research project has been submitted for examination with my approval as the

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DEDICATION

I dedicate this project to my Family. In a special way my dad Kigera Mwangi and Mum Leah Kigera for their financial, emotional and unconditional support. To my brothers James and Cornelius Kigera for their encouragement .To all my friends and colleagues for their guidance and general support. And all who have made this project a reality. God bless and thank you all.

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ABBREVIATIONS AND ACRONYMS

Bob Morgan
Industrial Organization
Non-Governmental Organizations
Private Security Industry Association
Private Security Regulatory Authority
Resource Based Theory
Return on Assets
Return on Investment
Sustainable Competitive Advantage
Statistical Package for Social Science
Valuable, Rare, Imperfectly Imitable, Non-Substitutable

ABSTARCT

Security companies have being operating in a very dynamic business environment due to the security threats and rapid increase of many market participants entering the market. This brings up competition among the companies by offering better services to their customers. The objective of the study was to establish the relationship between strategic decision and operational performance of the BM security company in Kenya. The study adopted a case study in which seven senior managers who is involved in the strategic decision development and implementations were considered and interviewed. Data collection was done through interview guide in whom the researcher interviews the respondents and data was analyzed using the content analysis. The study established that the company has value for experienced personnel for effective and efficiency operational performance. The Strategic Decisions involved all stakeholders through a strategic committee which main duties are proposal writing, reviewing, monitoring and implementation. Staff Resistance to strategic change is experiences but minimized by proper education, champion identification, option limited and team management and training of security guards, technicians, crews. Evaluation of available alternatives, information and discussion in the Senior Management and Board Directors who sometimes disagree. Strategic decision making is devolved to lower levels of management from top management, association, unions, staff, customers and the government. The contributions of employees are included in strategic decision making gives a feedback mechanism from top level managers to low management level. The strategic decisions are made effectively by proper communication to the organization which influences the performance of the company. The study recommends that the CEO and the directors should be empowered by the board of directors to make and implement strategic decision.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

International organizations strategic decision is the core responsibility of top echelons of organizations. Strategic decision or corporate decisions provide a framework within which organizational activities are to be executed (Lucia, et al, 2015). The decisions have a wide impact to the performance of the organization because they impact an organization strategic plan, competitiveness, (Dutton, 1987) . Top management in making strategic decisions, environmental factors contextual to the business to elicit the opportunities and threats. Internal factors are also considered in strategic decision making to determine organizational capabilities. Security has applied strategic decisions in defining corporate business diversification strategy, technology adoption, geographic expansion or branch network expansion and industrial positioning.

Resource-based view theory, Industry organization theory and Behavioral theory will be applied in the study. The resource-based View theory (RBV) explain the competitive advantage while the Industry Organization theory specifies that the industry. Behavioral theory is the view that top managers are subjective when making decisions. There is therefore an assumption of fostering for interests, politics, and house trading (Robinson et.al, 1988). The theories will serve to give deeper insight to strategic decision making.

IBM Security is the second largest private security firm in the private security industry. Mbuvi (2015) found out that the firm commands 24% of the market share .BM security services are in unrelated businesses in the security industry. The organization has managed to market an industry position that is associated with

customer satisfaction and excellence. The position growth of the organization to country wide branch network, latest security technology adoption is largely out of strategic decision by top management. BM security has managed to fight competition and maintain market leadership because of rational and comprehensive strategic decisions.

The dynamics of security have changed with concepts of technology, alertness, continuous surveillance, participation or inclusiveness and intelligence gathering forming key components of proactive security management (Grespaches, 2007). Internal security has opposed to external or cross border security has gained unprecedented importance owing to rise in crime and global terrorism (Mkutu et, al.2007). Private Security firms are as a consequence being engaged in high risk areas like banks, embassies, local and international meetings and guarding of executives. Private security forms are an area of interest to the research because it is involving and requires a lot of strategic thought. BM security firm provides a representative case study of the industry because the firm offers customer segmented market service.

1.1.1 Strategic Decision

Strategic decisions are key roles of the directors and top managers, middle level managers to provide strategic direction to the organization. Dutton et.al (1987) describes strategic decisions to be those concerned with strategic issues of the organization. Strategic issues and strategic decisions have characteristics of being; broad, impact on the whole organization, are ambiguous in nature, complex, long-term, future oriented and involve a lot of capital outlay (Noorie, 2012). Factors affecting strategic decision making are contextualization to; the decision being made, internal factors within the organization, external environment factors and management

characteristics. Decision contextualized ideas includes, decision familiarity, decision magnitude, decision risk and decisions complexity.

Papadakis, (1998) points out that decision familiarity and magnitude influences rationality and decentralization of decision making. Rational decisions are objective and are largely arrived at after empirical analysis. Decentralized decisions are delegated largely involving tactical level of organization. Decision risk occurs where the decision made involves high cost and it is difficult to reverse. Decision complexity involves analysis of many variables which are interrelated. Schilit (1987) suggests that risky and complex strategic decisions take time to be concluded, involve negotiations or building of alliances. Internal factors to the organization which influences strategic decision making includes; organizational structure, size/organization performance and resources and resources available. Structure-decision relationship is depicted by Miller (1988).

Highly formalized structures positively influence rationality while centralized structure increased the speed at which the decision is made. Organizational size-strategic decision relationship occurs through involvement and comprehensiveness of decision being made. Duhaime(1987) interprets that small size organizations are associated with high involvement and comprehensiveness. Eisenhardt (1989) observed that highly performing organizations have a high speed in decision making because they are less cautious. External environment Hostility of environment characterized by high completion and process volatility will require increased analysis to reduce the level of risks (Paradakis et.al, 1998).

The decision are the core and Important direction any firm can follow because they determine the strategic plan (Dutton, 1987), Resource allocation (Eisenhardt, 1989),

competitiveness and Strategic alliances (Mundia, 2014) and the mission of the organization. Strategic plan adopted by the organization is arrived at after the top echelons agree that business and activities to be adopted. The plan is then drawn to support the strategic decision without which the plan wouldn't have crystallized. Prioritization of resources which are scarce to the organization is done at strategic levels; Eisenhardt suggests that politics at top level management play an important role in allocation of resources. Strategic alliances and other external organizational mode of acquisition are made at strategic level to reinforce organizational mode of acquisition are made at strategic level to reinforce organization's resources and innovation. Though competitive strategies are at tactical level, Porter suggests that top echelons play a critical role in allocating resources and approving such strategies.

1.1.2 Organizational Performance

Organization performance can be viewed from various dimensions which include; size, growth, profitability and increase in product or service breadth (Fredrickson, 1984) size of the organization is interpreted from the geographical spread of branches, number of employees and physical assets. Growth is multidimensional, reflected by increased market share or wide penetration in the market. Growth is related to increase in variety of products or services offered and diversification because they help in market penetration. Profitability arises from revenue sales increase and decrease of operational cost. Commonly applied financial ratios of performance include investment on Assets and leverage, liquidity and profitability index.

Strategic decision making is closely linked to organizational performance because top the decisions made influence growth, size, profitability and diversification by an organization. Top echelons make decisions on new business to be adopted by an organization. Such decisions include whether to diversify, adopt innovation and technology investment decisions undertaken at strategic level also influence resources allocation and profitability. Investment into new product lines or operating of new divisions for related or unrelated business is undertaken at strategic level through strategic decisions.

BM security has witnessed high performance through increase in size growth, profitability and diversification. Number of employees and assets has grown through time. The organization is geographically represented in the country and the region by many branches. Services offered are of broad variety though all are security related. They include, guarding, electronic surveillance, cash management, executive protection and rescue service. The key aim of the research is understand the role of strategic decision making in profitability at BM security.

1.1.3 Private Security Industry in Kenya

Private security market has grown to prominence out of increased crime rate and proliferation of small arms (Thuranira et.al, 2013) citizens out of fear, needs of being more safe, distrust and lack of confidence with government security agents have resulted to purchasing of security service from private security firms. The shift has redefined security as a demand based services as compared to the previous view of the general public utility service only provided by state (Wairagu et.al, 2004)

Commercialization of security lead to antecedent outcomes which define private security industry in Kenya as an array of large number of private security firms have emerged. KSIA, 2014 report indicates that there are over 374 registered private security firms. The number is however higher because not all private companies are registered with lobby associations. Mbuvi, 2015portends that there are only 67 private

security firms registered with KSIA and 44 with PSIA. Competition has increased following free entry into industry whose barriers to entry are weak and non-consistent.

According to Porter (1985) five forces, the model increased level of competition requires firms to develop competitive strategies. Such strategies require the private security firms to make strategic decisions .Government has moved in to regulate the sector because private security firms can also be a source of insecurity if not effectively monitored (Kaguru, et.al, 2014). Private security Industry regulatory Authority (PSIRA) was formed through private security services because they have a wide range of choice in the many private security firms.

1.1.4 Bob Morgan Security Company

BM security was founded in 1984 from a simple idea of offering security for Hollywood cinema production in Kenya namely "Out of Africa." The idea was nurtured and developed to what is now a leading private security company in the industry. Mbuvi (215) states that BM Security command 24% of the market share making it second to G4S which commends 34% of the market share. With a base of 5000 guards and over 1300 alarm installation (BM Website), the company has clients drawn from almost all sectors of the economy and is geographically spread across the country. Key clients are all in the sectors of Telecommunication, Banking, Commercial buildings (medical, petroleum and NGOs)

Services offered by BM Security are customer focused. Customer approach is always incorporated in service design and delivery. The services include; guarding in corporate buildings, residential, industrial and events; Cash management like cash counting and banking, payroll management, cheque encashment, bulk cash handling,

pay packeting and pay-out services; dog services, executive protection services and BM systems which include access control, intruder alarms, electric fencing, and rescue services. The company services and customer orientation has enabled it to maintain market positioning of efficiency and meeting customer expectation.

1.2 Research Problem

Strategic decision making and its influence on organizational performance has received antecedent importance out of realization that it is the decisions which determine resources prioritization, firm's external relationships, strategic plans and overall organizational strategy. How the strategic decisions are made, how they impact on the organization and how to improve on them is now a central concern to the field of strategic management (Naooviai,2012) Though the strategic decisions are made by top management across the organizations, they are industrial, organizational and management specific (papadakis,1998)

Bob Morgan Security Company has maintained a persistent growth trend and market leadership in a private security industry with intense competition. The strategies of business diversification, branch network establishment and market positioning are made by top management of the organization. Such strategic decisions define the competitiveness of the organization and determine its performance. The organization has adopted modern technology in its security operations implying a conscious top management effort through strategic decisions.

Several studies on private security or strategic decision making have been undertaken at international and national levels. Fredrick (1985) studied on effect of decision motive and manufacturing firms to determine how strategic decisions influence firms performance. Rhyne (1986) researched on relationship of strategic planning to

financial performance with a business of strategic decisions, planning and financial performance. Nooraie (2012) studied on factors influencing strategic decision making process. The study was across sectional for commercial manufacturing firms in Malaysia. The study concluded that both internal and external factors influence strategic decisions.

Kaguru et.al (2014) focusing on G4S security service (K) Ltd to study the contribution of effective performance. The study focused on regulatory framework and performance. The findings and conclusions were that a flexible regulatory framework would enhance performance of G4S and other private security firm. Githimi et.al (2015) studied private security services and crime control in Karen location Nairobi control. The study focused on customer requirements and choice of private security firms. The findings were that there is high customer consciousness in private security customers and a high demand for quality service from private security firms.

In the current research field, no recognized research has been undertaken on strategic decision and organizational performance at Bob Morgan private security firm. The study seeks to close this research gap by answering the following research questions: How do strategic decisions influence organizational performance in Bob Morgan Security Company in Kenya?

1.3 Objective of the Study

The objective of the study is to determine the influence of strategic decisions on performance in Bob Morgan Security Company.

1.4 Value of the Study

The study will benefit the directors and stakeholders of BM Security in understanding of the process of strategic decision making, the policies will include participative decision making whereby input of the lower level management will be incorporated in the overall corporate decision making. Improvement of strategic decision making will lead to improved performance at BM.

Theoretical foundation applied in the study will provide an insight on how to make strategic decisions. Behavioral theory will assist top management in utilizing cognitive divergence, cognitive risk and consensus in strategic decision making process. Rationality will also be applied in strategic decision by top management of private security firms. Thus will involve close analysis of both internal and external variables to the organization the two theoretical frameworks will help in arriving at practical and optimal strategic decision.

Academicians and researchers will find the study to be of value because it adds a new body of knowledge to the area of strategic decision making. They will seek to apply contextual findings at BM Security services in other industries in an attempt to develop universal application. Since the research is a case, researchers will undertake further research to interrogate the findings and develop a consensus or discuss about strategic decision making.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents review of theories is presented highlighting on the strategic decision and organization performance. Secondly, a review of empirical studies that shows the relationship strategic decision and organization performance of security companies and the conceptual argument. The summary and conclusion on the literature reviewed is also indicated as well as the research gap therein.

2.2 Theoretical Review

This section will review the theories between strategic decision and organizational performance of security companies. The theories included Resource-based view theory, Behavioral Decision theory and Industry Organization theory.

2.2.1 Resource- Based View.

The theory is based on the available resources but not the external factors. The resources in which the company operates are maximized within minimal costs to maximize profitability, (Feurer&Chaharbaghi 1995). The theory originates from major founder mental principal of management which states that organization productivity is subjected to the quality available resources within the organization, (Wernerfelt, 1984). The resources must be within the firms strategic plan in order to maintain the competitive advantage, (Barney 1991).

According to Hitt et al (2005) resources are grouped into physical, human development and financial capital. The physical are the touchable assets with money value and appreciates in value. Human resource includes the staffs who give services in the organization for exchange of salaries and wages. Capital involves all financial

backup an organization relies on and can be either long term or short term, (Hitt et al, 2005).

2.2.2 Industry Organization Theory

The industry organization theory is supports the five forces of model which gives an organization a bargaining power within the market, (Porters, 1985). The industrial model allows the organizations to compete within the production of goods and supply of services. According to Hitt et al, 2005; firm's managers have the responsibility to make sound strategies which will make the organization competitive at all times. The organization lines of management who report direct to the departmental managers to the directors.

The theory suggests that every organization must run and operate in a stable market and maximize on the available resources to manage the industry objective, (Bain, 1968). Effective use of the five forces and rule of competition gives the organization bargaining power to its suppliers, buyers and high level competitive strategies among the market participates. The model gives a confidence of high returns when the forces are implemented within the market and the competitor's environments, (Hitt et al 2005).

The security company models have several assumption within the organization in which external market environment have a lot of pressures and constraints that affects the strategic decision making which may result to increased income to the companies. Organizations within the same market niche have exposed all available resources when developing and implementing the strategic decision. However, they import resource from the major and parent companies in which they have formed are strategic alliance with them. The scarce financial resources are fully maximized by

the strategic committees which have long working experience in terms of financial budgeting on the strategic plan, Nooraie (2012)

2.2.3 Behavioral Decision Theory

The theory was developed by Nutt (1976) and was based on the decision making procedures with an organization in which formation of strategic committee of strategic department give the organization a competitive advantage. However, the current strategic management involves the directors and board hence results are not channeled back to the strategic formulation committee, (Nutts, 1976). Decision model gives a full presentation of the vision and objectivity of the organization. According to Wildavsky (1966) the theory is not within any organization strategic decision since they lack committees and department dealing with strategic decision.

The overall decision making according to the theory is evaluated and analyzed for any variances and is not presented to the formulation committee by presented to the management, (Conarath, 1970). The theory can be used by public relation department to market the organization through company values and win the beliefs of the potential investors. Cultural values which don't promote the companies vision and goals are discouraged by the theory, (Wildavsky, 1966). The theory encourages organizations to give customers options in choosing services in which they will make final decision based on those options, (Nutt, 1976)

2.3 Determinants of Organizational Performance

Organizational performance has being a key area of many scholars. Their studies confirm that adverse changes in leadership, quality management systems, employee involvement and organizational culture have contributed to Security Company's organizational performance.

2.3.1 Employee Training

Employee training is the process of improved the already acquired skills to the staff of an organization with an aim of improving on performance, Kamenju&Singo., (2007). The training gives employees motivation to participate fully on the company strategic management and High quality training involves class work education and practical. Training is done according to the level of management since every department has different duties and responsibilities although some time a common training is done from top management to the staff, (Jonyo, 2013).

Training promotes quality operational performance and culture hence providing them with the information which is in line with the organization mission and vision. According to Jonyo (2013), employee training is one of the most important requirements in a successful security strategic decision. Management personnel, supervisors and other employees require skills and knowledge on quality dimensions and management as well as their roles in strategic decision. Security market quality needs are very dynamic hence organization must ensure continuous employee development and training, (Boidoun, 2003).

Mathews et al. (2001) points out that employee training in many security companies is considered as a key focus on strategic security decision. However, employee training determines how effective an organization's security management initiatives will be; investment in employee performance training is a core aspect of successful security decision, (Zhang et al., 2000). According to Omware (2012), there are main strategic elements which every organization must put in place before any training is conducted.

The elements are knowledge and understanding the key aim of the training. A security decision training program must equip employees with an understanding on the security program and their role in it.

2.3.2 Leadership

Leadership plays a critical role in any key business decision hence any critical decision hence the effectiveness of the decision is subjected to the manager's style of leadership, (Zakuan et al., 2012). According to Kamenju&Singo., (2004), says that directors have a key duty to enable proper security resources, structures, policies and proper communication between the company and stakeholders. Monitoring and evaluation is expected to be carried out in the above. This must be supported by an organization security culture and team work among security (Sharp et al., 2000).

According to Zakuan et al (2012), top level management should institute leadership to quality security transformation process of leadership: transformational leadership and transactional leadership. Transformational leadership is leadership is based on the reward style of management where hardworking and productive staffs are motivated by promotions and pay increment. The directors and shareholders must be in fore front of the strategic security decision process starting from the initial stages.

2.3.3 Organizational Culture

Cultures are the agreed operational principles, values and vision which drive the firm's members and guide all stakeholders to maximize the scares available resources, (Nezhadet al, (2012), Erkutlu (2011). The performance and productivity of the organization is determined by the culture among the staff and management. Some of the positive cultures are timely production and delivery, customer's service, however negative culture include lack of customer service and delayed service and goods

delivery. The culture includes the guidelines that staff and stakeholders on daily operation of the company, (Waliand&Boujelbene, 2011).

Wali&Boujelbene (2011) discussed organizational culture under main orientations which involved innovative aspect, operational stability, performance and profitability, stakeholder's involvement and communication orientation. Every company comes up with specific strategic and culture that must ensure strategic management. Organizational strategic culture influences strategic decisions process as it communicates strategic practices and norms that employees are expected to engage in. According to Jamali et al. (2010), organization strategic culture affects the employee's beliefs in strategic decision. An organization needs to create organization culture where employees understand and are encouraged to participate in quality management programs.

2.4 Empirical Review

Obiwuru (2011) established the impact of leadership on performance of SMEs. The study used a design which used interview guide to collect data and quantitative method of data analysis. The study concluded that the dependent variable influenced the performance of the SMEs in which leadership style was recommended for the small enterprises.

Pinar & Girard, (2008), investigated how the strategies on management and the contribution on the firms profitability and security business performance of Turkish firms in the Aegean region. The study involved 200 managers out of 7200 firms who filled in questioners as data collection instrument. It was established that firm's performance follows the strategies of management which is in place by the

management committee. However, it enabled the firm's performance to maximize the strategies.

Mufeed&Gulzar, (2015) studied the impact of HRM Practice on firm's profitability of Bank Employee in Punjab National Bank (PNB). Eleven managers and thirty-three staff were selected from the branches. The findings indicated that there is significant relationship of the two variables. The management of banks under study should adopt the organizational culture where people are open to discuss problems and encourage others to take initiatives. The management should execute appraisal system based on merits and performance of employees. The training system of organizations should be geared to design innovative with very productive and user friendly programs which will guarantee employee skills improvement, expansion of working knowledge in areas of work.

Jonyo (2013) studied the factors that contribute to the Challenges of managers in the strategic department at G4S (K) Limited and used descriptive case study and a census method. Respondents assert that the hierarchical nature of the structure of the organization contributed largely to the exclusion of the middle level managers in the organizations decision making process. The study concludes that managers' inputs in strategic planning is increasingly becoming necessary in the formulation of practical and directed strategies important at implementation stages as they understand what is significant at the operations level and so that they may own the process to reduce resistance to change in organizations.

Chelimo (2013) investigated the factors affecting performance of security department of Kenya Power and Lighting Company. Descriptive study and the target population was the KPLC security employees totaling 50 and a sample size was 30 and data

obtained through primary and secondary method. Data collection was by use of questionnaire and analyzed by use of descriptive statistical method. It was concluded that the company strategic structures affected the departmental performance within the company.

Oanda (2013) studied the challenges of strategy implementation among the private security companies in Kenya. The design with respondents was senior and middle managers. Questionnaires were used in data collection and analyzed using descriptive analysis. The study found that challenges were; too long time in implementation; poor and improper communication across departments and inadequate training, poor coordination; improper management and environmental uncertainty. The study proposed that proper project analysis, proper communication and training of employees.

Kihoro&Kepha(2014) studied the effect of competitive strategies on retention of customers at G4S (K)Limited. A sample of 75 out of 243 employees were considered for the study, primary date collected through questionnaire and analyzed using SPSS. The study found out that strategic decision management affected the departments which were applied.

2.5 Conceptual Framework

The conceptual framework discusses the relationship between the dependent variable and the independent variables. Organization performance is the dependent variable while the employee training, leadership, and organization culture and security management systems are the independent variables.

2.6 Summary of Literature Review

The literature review has established that there were quite a number of studies on strategic decision and organization performance in security industry. According to Obiwuru, (2011) transactional leadership style affects the operational performance. Pinar & Girard, (2008) argues that company's operational profitability and strategies used in the management to bring sound company performance. However, firm management is evaluated according to the efficiency and effective strategic performance.

Human Resource Management Practice on Organizational Performance included organization company way of operations, employee recruitment, job planning, career development, employee management system, (Mufeed&Gulzar.,2015). The organization management should adopt the organizational culture where people are open to discuss problems and encourage others to take initiatives, appraisal system based on merits and performance of employees. The training system of organizations should be geared to design innovative and highly specialized programs as a measure to improve and provide skills, knowledge and expertise in functional areas.

According to Jonyo (2013) explains how Organization Managers' inputs in strategic planning are increasingly becoming necessary in the formulation of practical and directed strategies important at implementation stages. However, understand what is significant at the operations level and so that they may own the process to reduce resistance to change in organizations. Organizations should position themselves by empowering managers in decision making and strategic formulation to get a competitive advantage with the competition. It would therefore be recommended that the vital input component of middle level managers be incorporated into the

management's decision making process in the organizations' formulation of policy and strategy.

The security departmental structure and establishment affect the performance of the security department in any given organization, (Chelimo, 2013). This comes through understaffing and poor communication are the critical factors that affect the structure and establishment of the security department, other factors- found out are unachieved departmental goals, stressed staff, poor leadership and improper chain of command.

The shortcomings in the strategic evaluation in many private security firms is the implementation of strategy, poor and improper communication, lack of skills in the junior management, inadequate training, poor coordination, improper management and environmental uncertainty, (Oanda, 2013). To manage the shortcomings, organization must improve on strategic analysis, proper communication, employees training and involve all stakeholders in decision making.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter gives full details of research techniques was used in conducting the study. They included research design, the target population, data collection methods and data analysis that was used during the study.

3.2 Research Design

The study adopted a case study design. The design is referred to as the composition of the interview guide questions, data collection and data analysis which was adopted in the study. The design adopted a survey which attempted to obtain data from the entire population in order to establish the status of the sample and population in respect to the study variables, (Mugenda, 2003).

The main key aspect of the survey was to determine the information that well explains the, attitudes, behavior or values. Given that the objective of the study was to determine the strategic decision in security industry in Kenya, a case study design is the best to fulfill the objectives of the study, (Mugenda, 2003)

3.3 Population of the Study

Research population is the specific number of units in which desired information was to be obtained hence is well defined, (Tyler & Steensman, 1995). Population studies are mostly used because they land biased information since all members are included in the study. (Mugenda and Mugenda.. (2003).

The population included seven senior and middle level managers of BM security in Nairobi. However, the managers deal with strategy issues on a day to day basis in the Strategy and Business Division. Additional respondents may be the company directors who naturally would possess sufficient knowledge on issues to do with strategic decision by the company and their impact.

3.4 Data Collection

The study concentrated on pure primary data and was collected using an interview guide which had two main parts. The sections were the strategic decisions and the organization performance. The interview guide was made up of structured questions and was administered to the seven managers (respondents) by face to face interviews. The selected private security firm was well established, have a vision, mission statements, values and a clear organization structure and have senior managers and middle managers.

3.6 Data Analysis

Data is a raw facts collected from a population and where used in giving a conclusion of a certain research activity hence data analysis in presentation of a mean full information from the collected data, (Leedy,2002). This study used interview guide to collect data from the seven management staff of the BM security company.

The Interview guide data was analyzed using content analysis since it was pour qualitative which ensured objectivity; that assisted in ensuring the data is free from any selective perception that could dilute its validity and reliability. An open ended question was used to determine the strategic decisions and their extent to operational organization performance hence content analysis was used to analyze the data.

CHAPTER FOUR: FINDINGS AND DISCUSSIONS

4.1 Introduction

The study objective was to determine the strategic decision and organizational performance in the Bob Morgan security company in Kenya. This chapter gives the findings from the quantitative data collected from the seven respondents namely: Chief financial officer, head of operations, and head of cash on transit, director, auditor, branch manager and deputy system manager. The interviewees are fully involved in the company strategic decision.

4.2 Strategic Decision

The objective of the study was to establish the strategic decision by the BM security company Ltd. From the study the respondents have worked with the security company for a period between one to eight years. The director disclosed that the strategic decision of the company is to improve the revenue by 20%. Strategic Decisions development was done into two ways which included departmental and top-down. The committee involved all stakeholders of the company who are key stakeholders of the strategic decision. The role of strategic level of management in strategic decision making was facilitating, reviewing, monitoring and implementation. The roles have influenced on the performance of the organization both positively and negatively.

Tactical level of management in strategic decision making was proposal making and implementation of the strategy. Within the company they experienced resistance to the strategic decision implementation at from staff and stakeholders of the company which influenced the performance of the organization. The resistance to implementation of strategic decisions was managed by proper education to the stakeholders, champion identification, option limited and team management. The

resistance was due to lack of enough knowledge of the strategy implementation hence had both negative and positive implication. The company invested on staff training of security guards, technicians, crews who had an influence on the performance of the security operations which influenced positively the company performance.

4.3 Strategic Decisions and Organizational Performance

The strategic decision involved the comprehensiveness of strategic decisions, speed of strategic decisions making, political behavior in strategic decisions making and participation or involvement in strategic decisions making.

4.3.1 Comprehensiveness of strategic Decisions

From the study, strategic decisions sometimes are made after evaluating all available alternatives. This influenced on organizational performance by motivation on the bottom lines. The company made strategic decision made after getting all the necessary information from stakeholders which influenced the organizational performance positively. Strategic decisions are aligned to strategic plan hence have influence to the performance. There are adequate discussions in arriving at strategic decisions involving the stakeholders of the company which also had both positive and negative influence on the performance. The procedures of making strategic decisions are always followed by both management and junior staff hence influences performance of the organization.

4.3.2 Speed of strategic Decisions making

From the study it was established that the group Senior Management and Board Directors are involved in making of strategic decisions which influenced the company performance positively. The CEO sometimes is not mandated to make strategic decisions without involving the senior Management or Board of Directors which has

positive influence on performance of the organization. The members of strategic decision making group are experienced and exposed to business hence influence the performance of the organization positively. The study found out that past experiences on a strategic decision are considered in arriving at new decisions which influenced the company performance. If not considered influenced the performance of the organization negatively. The company has rules and procedures which must be followed in making strategic decisions at all times. This aspect influenced the performance of the organization.

4.3.3 Political Behavior in strategic Decisions making

The study established that there is divergence of interests and opinions to members of strategic decision making group which influenced the performance of the organization positively. Strategic decisions are arrived through discussions at with this divergence of interest and opinion of the members hence has positive influence of operation. There is domineering members who control the interest in the strategic decision making group hence have moderate influence to the performance of the organization. It is always rationality observed in strategic decision making by the company stakeholders which affect the performance positively. From the study it was established that sometimes the situations of indecision due to disagreement or conflict hence have negative and positive influence to the company performance.

4.3.4 Participation or Involvement in strategic Decisions making

The strategic decision making is devolved to lower levels of management by the top management which has influenced the performance of the organization positively. The main stakeholders involved in strategic decision making are the association, unions, staff, customers and the government. The stakeholders affect the company

performance positively. The contributions of employees are included in strategic decision making always and have positive influence on the operational performance of the company. In the company there is feedback mechanism from top level managers to low management level of strategic decisions implementation hence influenced performance of the organization. The strategic decisions are made effectively by proper communication to the organization which influenced the performance of the company.

4.4 Discussions

From the study the strategic decision and organizational performance in the Bob Morgan security company in Kenya the respondents have worked with the security company for a period between one to eight years which means all the company staff are experienced people in the security management jobs. This is consistent with Williams (2009) who states that strategic decisions development is very key aspect and involves all stakeholders of the company since the decision affect the company positively. The role of the development committee is proposal writing, reviewing, monitoring and implementation which determine the performance of the strategy.

The study established that there is resistance to the strategic decision implementation from staff and stakeholders and is managed by proper education to the stakeholders, champion identification, option limited and team management. This is in line with literature from Eisenhard (1989) who states the resistance was due to lack of enough knowledge of the strategy implementation. The company invested on training of security guards, technicians, crews who had an influence on the performance of the security operations which influenced positively the company performance.

From the study, strategic decisions is made after evaluating all available alternatives, after getting all the necessary information from stakeholders, adequate strategic discussion by all stakeholders was found to influence the organizational performance both positively and negatively. According to Jonyo (2013) the group Senior Management and Board Directors are involved in making of final strategic decisions since CEO is not mandated to make strategic decisions without involving the senior Management or Board of Directors which has positive influence on performance of the organization. The company has rules and procedures which must be followed in making strategic decisions at all times. The political behavior in the strategic decision making there is divergence of interests and opinions from all stakeholders through full time discussion.

There is domineering members who control the interest in the strategic decision making group hence have moderate influence to the performance of the organization. This is consistent with models of Leedy (2002). It is always rationality observed in strategic decision making by the company stakeholders. Finally the study established that sometimes the situations of indecision due to disagreement or conflict hence have negative and positive influence to the company performance. Finally the study established that strategic decision making is devolved to lower levels of management by the top management, association, unions, staff, customers and the government. The study results consistent with Obiwiri (2011) that contributions of employees are included in strategic decision making gives a feedback mechanism from top level managers to low management level. The strategic decisions are made effectively by proper communication to the organization which influences the performance of the company.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

The objective of the study is to establish the strategic decision and organizational performance in the Bob Morgan security company in Kenya. The chapter gives the summary of key findings, conclusion, recommendations, limitation of the study and suggestion for further studies.

5.2 Summary

The study objective was to establish the strategic decision and performance in the Bob Morgan security company in Kenya. From the study the respondents have worked with the security company for a period between one to eight years which means all the company staff are experienced people in the security management jobs. Strategic Decisions development is very key aspect and involves all stakeholders of the company since the decision affect the company positively. The role of the development committee is proposal writing, reviewing, monitoring and implementation which determine the performance of the strategy.

The study established that there is resistance from staff and stakeholders hence managed by proper education, champion identification, option limited and team management. The company invested on training of security guards, technicians, crews. Strategic decisions are made after evaluating all available alternatives, information and adequate strategic discussion. The group Senior Management and Board Directors are involved in making of final strategic decisions since CEO is not mandated to make strategic decisions.

From the study, there is divergence of interests and opinions discussion with a member who controls the interest in the strategic decision making. Sometimes there is disagreement or conflict, strategic decision making is devolved to lower levels of management from top management, association, unions, staff, customers and the government. The contributions of employees are included in strategic decision making gives a feedback mechanism from top level managers to low management level. The strategic decisions are made effectively by proper communication to the organization which influences the performance of the company.

5.3 Conclusion

The study conclusion on the strategic decision and performance in the Bob Morgan security company in Kenya is that the company has value for experienced personnel for effective and efficiency operational performance. The Strategic Decisions development is very key aspect and involves all stakeholders from staff, directors, customers and the government. The role of the development committee is proposal writing, reviewing, monitoring and implementation which determine the performance of the strategy.

Resistance to strategic change by staff and stakeholders is experiences but minimized by proper education, champion identification, option limited and team management and training of security guards, technicians, crews. Strategic decisions are made after evaluating all available alternatives, relevant information and discussion in which it's done only buy the group Senior Management and Board Directors. Sometimes there is disagreement or conflict but solved when strategic decision making is devolved to lower levels of management from top management, association, unions, staff, customers and the government. The contributions of employees are included in

strategic decision making gives a feedback mechanism from top level managers to low management level. The strategic decisions are made effectively by proper communication to the organization which influences the performance of the company.

5.4 Recommendation

The study results enable the researcher to give some recommendation on the operational performance of the BM security company. From the study the security company should introduce young talents in the management duties through recruitment of graduate students who have good academic record. They will be trained on Strategic Decisions development since is a key aspect of the company.

The company should introduce more staff and stakeholders motivation to avoid the strategic decision resistance. This is done by creating proper training of staff, working environment, medical insurance covers and other financial benefits.

The CEO and the directors should be empowered by the board of directors to make and implement strategic decision. This will enable the company management to take the shortest time possible in formulating and implementation of strategic decision.

Finally other stakeholders of the company like the association, unions, customers and the government should be involved in the strategic management of the company. This will enable them to know the operation of the security details.

5.5 Limitation of the Study

There major limitation in this study was the reluctance of the respondents to provide information due to the nature of their duties and responsibilities. The respondents lacked enough time for the interview.

The researcher concentrated on one Security Company in which it had informal approaches to strategic decision. The approaches affected strategic decision hence found that the interview guide not applicable in some areas of strategic decision.

5.6 Suggestion for Further Research

Many researchers have conducted a lot of studies about the private security companies; there are still gaps of more research. There is importance of study on strategic decision involving all security companies in Kenya and the main international security companies. This will present the strategies adopted by the companies to survive in the competitive market.

Further study can be done on the challenges of competition and innovative and their adoption responses by security companies. This will enable complete understanding of the dynamic market which is affected by a lot of entry in the business and security threats.

Other researchers can be done on micro-economic and macro-economic factors affecting the security companies in the East Africa region like the insecurity, government regulations, inflation and exchange rates. This will give a clear picture on the effects of security business across the bounders.

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APPENDICES

APPENDIX I: INTERVIEW GUIDE

The interview guide will seek to achieve the following objectives.

- (i) Determine the strategic decision making at Bob Morgan Security

 Company Limited
- (ii) To determine the influence of strategic decisions to organizational performance at Bob Morgan Security Company Limited.

SECTION A: DEMOGRAPHIC DATA

- 1. What is your designation at Bob Morgan Security Company Limited?
- 2. For how long have you worked at Bob Morgan Security Company Limited?
- 3. For how long have you been holding this position?

SECTION B: STRATEGIC DECISIONS AT BOB MORGAN SECURITY COMPANY LIMITED

- 4. What strategic decisions have been made at Bob Morgan Security Company Limited?
- 5. How were the strategic Decisions developed? What has been their influence to organizational performance?
- 6. What was the role of strategic level of management in strategic decision making at Bob Morgan Security Company Limited? By including them how has been the influence on the performance of the organization? Was it Positive or negative?
- 7. What was the role of Tactical level of management in strategic decision making at Bob Morgan Security Company Limited? By including them how

- does it influenced on the performance of the organization? Was the influence on performance positive or negative?
- 8. Was there any resistance to the strategic decision implementation at Bob Morgan Security Company Limited? If it was there how did it influence on the performance of the organization? If not how did it influence the performance of the organization?
- 9. How was the resistance to implementation of strategic decisions managed?
 Why was it the resistance? Did it have any influence on the performance?
 Was it Positive or Negative?
- 10. Does training of security guards/technicians/crews have an influence on the performance of the security operations in BM Security Ltd? If Yes is the influence positive or negative? If No does it have an influence on performance?

SECTION C: STRATEGIC DECISIONS AND PERFORMANCE AT BOB MORGAN SECURITY COMPANY LIMITED

11. Comprehensiveness of strategic Decisions at Bob Morgan Security Company Limited

- (i) Are the strategic decisions made after evaluating all alternatives? If No why not? Does this have any influence on organizational performance? If Yes How does it influence the performance of the organization?
- (ii) Are the strategic decision made after getting all the necessary information? If No does this have any influence on

- organizational performance? How? If yes how does this influence Organizational performance?
- (iii) Are the strategic decisions aligned to strategic plan? If yes does this influence performance? |If not aligned to the strategic plan does it influence performance?
- (iv) Are there adequate discussions in arriving at strategic decisions? If yes does this influence on the performance? If No does it have an influence on performance?
- (v) Are the procedures of making strategic decisions always followed? If so how does this influence performance of the organization. If not, does it have any influence on performance?

12. Speed of strategic Decisions making at Bob Morgan Security Company Limited

- (i) Is the group (Senior Management or Board Directors) involved in making of strategic decisions big or small? How does it influence performance? If not does have an influence on performance?
- (ii) Is the CEO mandated to make strategic decisions without involving the senior Management or Board of Directors? If she does what is its influence on performance of the organization? If she is not mandated, does it have an influence on performance?

- (iii) Are the members of strategic decision making group experienced or exposed to business or are they relatively new?

 How does that influence the performance of the organization?
- (iv) Are past experiences on a strategic decision considered in arriving at new decisions? How do they influence the performance if they are considered? If not considered does this influence the performance of the organization?
- (v) Are there rules or procedures which must be followed in making strategic decisions? If yes do they influence the performance of the organization? If not does it influence the performance?

13. Political Behaviour in strategic Decisions making at Bob Morgan Security Company Limited

- (i) Is there divergence of interests to members of strategic decision making group? How does this influence the performance of the organization? Is it positive or negative?
- (ii) How are the strategic decisions arrived at with this divergence of interest?
- (iii) Are there domineering members with controlling interest in the strategic decision making group? If yes what influence does it

- have on the performance of the organization? If No does it have an influence on the performance?
- (iv) Is rationality observed in strategic decision making? What is its influence on performance? If not observed what is its influence on performance?
- (v) Are there situations of indecision due to disagreement or conflict? If yes how do they influence performance?

14. Participation or Involvement in strategic Decisions making at Bob Morgan Security Company Limited

- (i) Is the strategic decision making devolved to lower levels of management? If yes how has that influenced the performance of the organization? If not has there been any influence on performance of the?
- (ii) Are other stakeholders involved in strategic decision making?
 Who are they? And how has it influenced the performance? If
 none does that influence performance?
- (iii) Are contributions of employees included in strategic decision making? If they are, how has it been an influence on the performance? If not included has it influenced the performance in any way?
- (iv) Is there feedback mechanism to top level managers of strategic decisions implementation? If it present how has it influenced performance of the organization? If there is no feedback mechanism does it have any influence on performance? If yes how? If No what is the influence?

(v) Are strategic decisions made effectively communicated to the organization? If yes does it have any influence on performance? If No communication does it have an influence on performance of the organization?

THANKYOU FOR PARTICIPATION

APPENDIX II: SECURITY COMPANIES IN KENYA

- 1. Wells Fargo Limited
- 2. AKKAD Systems
- 3. Collindale Security
- 4. Bob Morgan Services Limited
- 5. Ultimate Security Ltd
- 6. G4S Security Services Kenya Limited
- 7. Instarect
- 8. KK Security
- 9. Magnum Allied Systems Ltd
- 10. Pinkerton's
- 11. Riley Services Limited
- 12. Securex Agencies Kenya Ltd
- 13. Security Group Of Companies Ltd
- 14. Watchdog Alert
- 15. Total Security Surveillance Limited
- 16. Radar Security Limited
- 17. Fidelity Security Services
- 18. Corporate Security
- 19. Cobra Security
- 20. Crest Security Services
- 21. Brinks Security Services
- 22. Cybertrace
- 23. Texas Alarms
- 24. Northwood Services

25. NINE ONE ONE GROUP LIMITED

- 26. Absolute Security Ltd
- 27. Infama Ltd
- 28. Bedrock Security Services Ltd
- 29. Saladin Kenya Ltd
- 30. Envag Associates

Source: KSIA 2016