# CHALLENGES OF STRATEGY IMPLEMENTATION IN PRIVATE SECURITY FIRMS OPERATING IN NAIROBI

BY

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# DECLARATION

This research project is my original work and has not been submitted to any institution of higher learning for the award of any degree to the best of my knowledge.

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This management project has been submitted for examination with my approval as the University of Nairobi supervisor.

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# DEDICATION

This project is dedicated to my dear parents, brother, sister and to my very special friend Samuel for their love, prayers, moral support, patience and understanding as I undertook this worthwhile project.

# ACKNOWLEDGEMENT

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# ABBREVIATIONS

KSIA ………………………………… Kenya Security Industry Association

PSC…………………………………Private Security Companies

PSIA…………………………………...Private Security Industry Association

# ABSTRACT

Successful strategy implementation is considered crucial in attainment of strategic objectives of any particular firm. Implementation of strategic plans is the greatest challenge in strategic management process. It is more challenging than strategic planning since successful strategy planning process does not always guarantee successful attainment of the firms' objectives. This study particularly sought to establish the challenges faced by private security firms operating in Nairobi in implementation of their strategic plans and also to establish methods adopted to deal with the challenges. The research has been carried out as a cross sectional survey of the private security firms that are registered with the KSIA and have operations in Nairobi. The literature review covers the empirical and theoretical literature related to strategic plan implementation and also highlights key factors to successful strategy implementation and challenges encountered in strategy implementation. Data was collected using semi structured questionnaires administered using emails and analyzed using inductive approach. Tables, charts and graphs were used to present the data. Study findings revealed that the firms in the security industry face almost common challenges in implementation of their strategic plans which include leadership, resource allocation, organizational structure and culture, strategy communication and involvement and participation. There was also a close similarity in the solutions the respondents proposed to tackle these challenges. This study also proposes recommendations to overcome these challenges which include proper leadership and management, enhancing communication of the strategic plan and milestones achieved and creating staff motivation and gives a suggestion for further research.

# CHAPTER ONE

# INTRODUCTION

## 1.1    Background of the study

In the recent past, companies have found great importance to engage in strategic management in order to achieve their corporate objectives.  As reported by Jooste & Fourie (2009), strategic management is viewed as the set of decisions and actions that result in formulation of an organization's vision, mission and strategic objectives within the business environment in which it operates. Strategy implementation is an integral component of the strategic management process and is viewed as the process that turns the formulated strategy into a series of actions and results to ensure that the vision, mission and strategic objectives of the organization are successfully achieved, (Thompson & Strickland 2003).

Strategic management is concerned with the broad, long term future of an organization and the way it will prepare for change to the extent that change is perceived as a necessary prerequisite for continued organization success, (Ansoff 1998). Strategic planning is a requirement for survival by all firms unlike in the past years when strategic planning was only done by large companies. Furthermore, both long term and short term strategic planning has been defined as key to the success of any organization (Tonui 2009).

The external environment of a firm is identified as a key factor for success of strategic management process. Cowley and Dumb as cited in Mbugua, (2009), highlights the importance of analyzing the external environment and predict what impact this environment could have on the organization over the next few years.

Political, legal, economic, social, ecological and technological changes need to be assessed for their potential as opportunities for, or threats to the organization, (Mbugua, 2009). Mbugua (2009) further argues that as with the macro-environment, the market environment that includes competitors, customers, consumers, the incumbent industry landscape, suppliers and vendors also needs to be analyzed to determine how changes in it could impact the organization.

### 1.1.1   Strategy Planning and implementation

Both strategy planning and strategy implementation are integral components in strategic management process. Strategy planning is the beginning of a challenging and delicate task where leaders cannot afford to be abstract in dealing with issues that affect the strategy implementation process, (Sesi, 2009). Different authors have come up with varied definitions of the strategy planning, Grant (1997) has demonstrated that strategy planning consist of defining the important objectives that an organization needs to achieve and outlining the action plans that need to be undertaken to achieve these objectives.

Strategy implementation on the other hands is viewed as the process that turns the formulated strategy into a series of actions and then results to ensure that the vision, mission, strategy and strategic objectives of the organization are successfully achieved as planned, (Thompson & Strickland 2003). For the past two decades, strategy formulation has been widely regarded as the most important component of the strategic management process, it is considered more important than strategy implementation or even strategic control. However, recent research indicates that strategy implementation, rather than strategy formulation alone is the key requirement for superior business performance (Jooste and Fourie 2009).

In addition, there is growing recognition that the most important problems in the field of strategic management are not related to strategy planning, but rather to strategy implementation and that the high rate of failure of organizational initiatives in a dynamic business environment is primarily due to poor implementation of new strategies (Tonui 2009). Tonui (2009) further argues that if strategy implementation is not effectively managed, the strategic plan put in place may amount to a mere 'white elephant' and nothing more. Further, this author argues that in as much as the intended strategy may be good but its implementation is done poorly, the strategic objective for which it was intended will not be achieved.

### 1.1.2 The Private Security Industry in Kenya

The private security industry is among the fastest growing industries in Kenya. The industry has been booming especially in the last decade with new players entering the market every now and then. The major reasons for the rapid growth of this industry can be attributed to government failure to regulate the industry, high crime rates and the inability of public security services to provide adequate protection, (Abrahamsen and Williams 2005).

The government failure to regulate the security industry has led to a self-initiative by some of the players in the industry to self-regulate the industry through the establishment of the KSIA, mainly for the large and medium sized companies and the PSIA for the small firms, (Abraham and Williams 2005). In the year 2011, a bill was passed in parliament (The Private Security Industry Regulation Bill, 2010) which is part of the government efforts to regulate unfair business practices in the industry, (Mayieko, 2011). There is considerable competition between these two associations

regarding issues of regulation and pay. Without a formalized regulatory structure, private security and police cooperation depends on personal relationships among security companies, police officials and local police commanders.

Development of an effective private security sector requires a regulatory framework that establishes licensing and monitoring standards and takes steps to improve the safety of security guards, (Abrahamsen and Williams 2005). The authors further argue that the rise in crime and growth of the private security sector in Kenya are connected to the erosion of state capacities and services that began in the late 1980s and continued throughout the 1990s, a period when the economy declined and state expenditure and investment were reduced.

The ability of government and municipal institutions to deliver law and order services deteriorated; corruption and fiscal mismanagement continued unabated. As a result, crime and levels of insecurity rose sharply, particularly in the capital of Nairobi. The increasingly criminalized environment led to the expansion of the private security sector, to become one of the fastest growing sectors of the Kenyan economy. The exact number of private security companies in Kenya is unknown, with estimates varying from 400 to 2000, (Abrahamsen and Williams 2005). Majority of the firms are small to medium-sized, owner-managed and employ less than 100 employees. Large security firms offer integrated security solutions while small firms mostly offer manned guarding services only. Major clients for these security firms include industries, strategic account customers, government agencies, embassies, international organizations and refugee camps.

The private security industry employs approximately 48,000 people (Abrahamsen and Williams 2005). There are normally no formal requirements for guard training and vetting, the quality of training varies widely from one company to another depending on the client where they will be deployed. Guarding services are the most common services in this industry. However, the job is notoriously low-paying and dangerous. Abrahamsen and Williams (2005) further argue that many guards work on a shift of 12-hours with most companies not offering overtime, annual leave, insurance or social benefits. Guards are also generally unarmed according to the law and often face a generally armed criminal element.

Most of the private security firms in Kenya have varied lines of business which ranges from cash in transit (CIT), risk management, guarding, and alarm response among others. As such the strategic planning process must be done in a way that all the departments are represented as they are core in ensuring the success of the overall strategic objectives.

### 1.1.3 Private Security Firms in Nairobi

Like most of the other firms, the medium and large private security firms have their head quarters in Nairobi and this is where the control of their regional offices in coordinated from. Ideally, most of the security services are also in Nairobi since this is where we have most of the industries as well and other institutions that require intense security protection like the various embassies whose headquarters are in Nairobi. Most of the Multinational Corporations and big Non Governmental Organizations are also major consumers of the security services as they try to caution

against security risks that affect their investment decisions, (Abrahamsen and Williams 2005).

Nairobi city like the other major cities is also locked by very high rates of criminal activities. The reasons for the increase in crime and insecurity in Nairobi can be contributed to rapid unplanned urbanization, high population growth, poor governance and political instability, unemployment, poverty, social inclusions and weakening of key institutions such as police stations and other law enforcement systems. The preference of the criminal activities has a temporal concentration where most of the criminal activities in the city take place between 7.00 pm and 7.00 am in residential areas. There are also more criminal activities during the weekend than during weekdays and during the end of the month more so during the last quarter of the year. The businesses community also faces a much higher risk than any other social or economic group. Goods and property with a high resale value, those with inadequate protection and those that are portable are highly vulnerable to theft, (Mkutu & Sabala 2007).

Nearly one third of all Nairobi residents, business communities and other institutions experience some form of robbery in the city either in the form of violent armed robberies, burglaries, muggings and carjacking which has inflicted chronic fear. To cope with the increased insecurity and fear, consumers have taken to providing their own security services either in terms of infrastructure investment or by employing security guards, installing electric / special fences, improving alarm and tracking systems and dogs to patrol their grounds and premises and this has increased the demand for security firms.

Currently, there is a lot of fear of insecurity in Nairobi and other major towns following threats of attacks by the Alshabab insurgents. This has heightened need for increase security services especially to monitor accessibility to shopping mall, building and other common places where there are massive crowds of people.

## 1.2 Research Problem

Strategic objectives of a company can only be achieved if there is a commitment to both strategic planning and implementation. As reported by Kibathi (2009), strategic management is the pattern of major objectives, purposes or goals and essential policies or plans for achieving company goals stated in such a way as to define what business the company is in.

Strategic planning and implementation has been a major challenge for most firms in the private sector industry. Mkutu & Sabala (2007) report the major challenges in this industry include dynamism of the market in which these firms operate, increased competition and awareness among customers, poor communication of the strategic objectives to the operational level of employees, failure to involve the operational level employees in the initial stages of strategic planning, high rate of staff turnover and frequent change in top management. Business uncertainty is also a challenge in that most of the contracts for security firms are run on a fixed duration of time with no assurance of continuity.

Successful strategy planning, formulation and implementation require top management involvement and support since they overarch several layers of a firms' operation. The top management has the perspective needed to understand the broad implication of such decisions and the power to authorize necessary resource

allocation to ensure successful strategy implementation. Strategic management issues also require large amount of firm's resources and involve substantive allocation of people, physical assets or money that either must be redirected from internal sources or secured from outside the firm.

Most of the previous studies including Gichohi (2007), Moeva (2007), Mbugua (2009) and Koske (2003) have only concentrated on the practice of strategic planning and implementation in general without looking at the challenges that face firms in strategic plan implementation. This study therefore seeks to close this gap and look at the challenges facing organizations in strategic plan implementation as well.

Previous studies have also not specifically concentrated on the challenges of strategic plan implementation in the security industry and this being an industry that is growing rapidly, there is need to identify the challenges that face it. This study therefore aims at addressing two research questions; what are the strategy implementation challenges facing security firms operating in Nairobi? and what methods have these firms adopted to deal with the challenges to strategy implementation?

## 1.3 Research Objectives

This research study seeks to achieve two objectives which are:

i.    To identify the challenges facing private security firms operating in Nairobi in their strategy implementation.

ii.   To establish methods adopted to deal with challenges to strategy implementation in the private security firms operating in Nairobi.

## 1.4     Value of the study

This study seeks to provide a basis for further reference to academicians, future researchers and scholars as there has been no specific research in the past on the challenges of strategy implementation in private security firms operating in Nairobi. The study will also contribute towards the body of knowledge, specifically in regards to strategy implementation in the security industry in Kenya and initiate the need for further research to fill existing gaps in the field of strategic management in the private security industry in Kenya. Besides, the study will also enlighten security firms' management on the challenges they face in strategy implementation and also establish interventions to mitigate these challenges.

# CHAPTER TWO

# LITERATURE REVIEW

## 2.1    Introduction

This chapter presents empirical and theoretical literature related to strategy implementation. It also highlights the key factors to successful strategy implementation as well as the challenges of strategy implementation processes. The review depended on previous research papers, text books, journals and information from the internet.

## 2.2    Strategic planning

Strategic planning is the practice of establishing organization direction, setting objectives and devising a managerial game plan for the organization to pursue (Thompson & Strickland 2005). Various authors have put forward interesting views and perspectives on what strategic planning is. Strategy means making clear-cut choices about how to compete and win. Pearce and Robinson (1997), define strategy as the large scale, future oriented plans for interacting with the competitive environment to achieve company objectives. According to Kibathi (2009), strategy is defined as a match between what a company has been capable of doing within the reality of what it could possibly do. This is done by trying to match the company's strengths and weaknesses with the environmental opportunities and threats.

The strategy planning process involves a set of nine steps; the first step is formulating the company's mission including broad statement of its purpose, philosophy and goals. This helps to instill the organization with a sense of purpose, vision and direction. The next step is developing a firm's profile that reflects the internal

conditions and capabilities. Step number three is assessing the external environment including both competitive and contextual factors, followed by analyzing the organizations options and then selecting a set of long term objectives and grand strategies that will achieve the most desirable options. The next step is the implementation of strategic choices by means of budgeted resource allocation in which the matching of task, people, and structures, technologies and rewards system is emphasized. The final process is an evaluation of the strategic process as an input for further decision making, (Sesi, 2009).

Strategic planning is an important process in any particular firm, regardless of the size of the firm or a firms' line of business. Different authors have highlighted various benefits of strategy planning; Koontz (2009), argue that the fundamental purpose of strategy planning is to facilitate the accomplishment of enterprise objectives and that any other purposes of planning are simply a by-product of this primary purpose.

On the other hand, Policastro, (2008) highlights the following as the major benefits of strategy planning; it helps a company to take advantage of its strengths, helps to reduce or eliminate company weakness and capitalize on opportunities and emerging trends, helps an organization to take defensive steps to reduce threats facing the business as well as helping to bring together company resources and to direct them towards specific goals in areas such as sales, growth, profit, productivity and service. Policastro (2008) further argues that strategy planning helps to prioritize and document all the goals that a company wants to accomplish both in the short term and long term and allocate resources and assign responsibilities towards effective achievement of these goals.

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## 2.3    Implementation of strategic plans

Strategy implementation is the most difficult part of the strategic planning process (Irwin 2011, para. 3). Irwin further argues that strategy implementation involves achieving the objectives set out in the strategic plan while remaining alert and flexible to new opportunities as they unfold. For successful implementation to happen there has to be a robust strategic plan in the first place. It must be realistic and solidly grounded in the underlying economics of the organization's markets.

Managing the implementation and execution of strategy is an operations oriented, make things happen activity aimed at shaping the performance of core business activities in strategy supportive manner, (Mbugua 2009). It is the most demanding and time consuming part of the strategy management process. Converting strategic plans into actions and results tests the managements' ability to direct organizational change, motivate people, build and strengthen organizations competitive abilities. Mbugua (2009), further argues that strategy implementation involves figuring out the specific techniques, actions and behavior needed for a smooth strategy supportive operation and then following through to get things done and results delivered.

## 2.4    Key factors to successful strategic planning and implementation

Successful strategy planning and implementation requires that companies observe and follow the key recommended factors for successful attainment of these two steps of the strategic management process, (Kibathi, 2009). Kibathi goes further to explain these factors to include; building and maintaining core competencies and competitive capabilities, ensuring there is strategic leadership through competent management team, proper communication of intended plans and implementation guidelines. Other factors include regular feedback on progress of the implementation process,

maintaining a well-defined work environment and corporate culture that supports strategy planning and implementation, tying rewards to achievement of key strategies, matching organization structure to strategy, selecting the right people for the critical job positions and ensuring there is proper coordination and collaboration.

Additional success factors include allocating ample resources to support strategy implementation, establishing productive strategy support policies, instituting best practices, pushing for continuous improvement, installing proper information and operating systems, constant monitoring and review of the plan in place so as to accommodate new developments and relevant changes and also ensuring that there is competent work force to drive strategy implementation.

## 2.5    The McKinsey 7S Framework

There are several factors that are critical to effective strategy implementation. Mbugua (2009) identifies the key variables as strategy formulation, external environmental factors, organizational structure, organizational values and culture, leadership, people, evaluation and control, communication levels and information system, resource allocation and involvement in strategic planning and implementation processes.

The McKinsey Consulting group supports this argument with their 7S's framework which suggests that managers focus on seven components to ensure effective strategy execution. These factors are strategy, structure, systems, shared values, skills, style and staff. McKinsey found out that neglect of one of these factors can adversely affect the strategy execution process since each of these factors is equally important and interacts with all the other factors to ensure successful strategy execution.

**Figure 2.1: McKinsey 7S model**
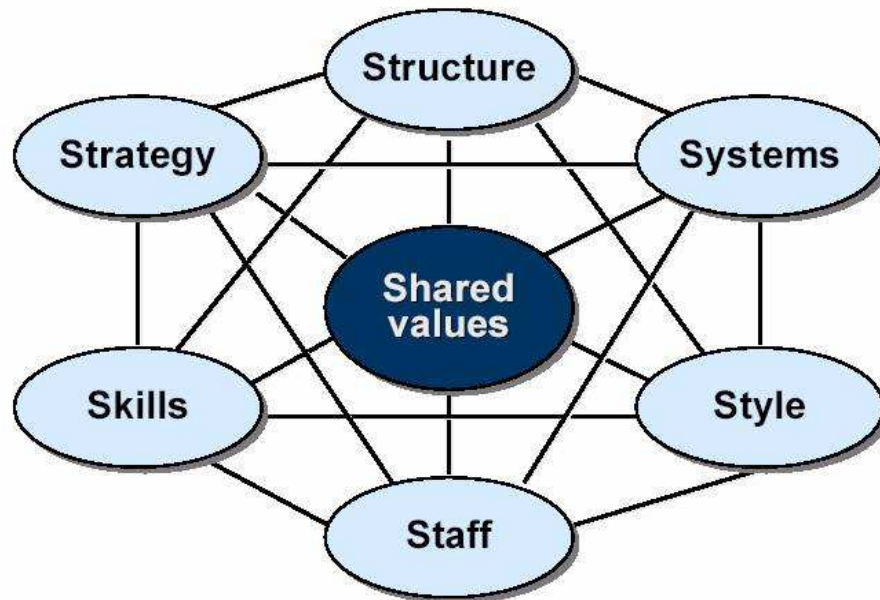


*Source: http://www.mindtools.com/pages/article/newSTR_91.htm, date of access 18.05.2012*

The McKinsey, 7S Model is named after a consulting company, McKinsey and Company, which conducted applied research in business and industry. The model demonstrated the interconnectedness of the seven elements which shows that intervention in any one of them would affect the others. This challenged the traditional management thinking that "structure follows strategy". The model further explains that success in strategy success is not just a matter of devising a new strategy and following it through nor is it a matter of setting up new systems and letting them generate improvements.

All the seven variables in the McKinsey model are equally important in ensuring successful execution of strategy. It has been found; according to Pearce & Robinson (1997) that successful strategy implementation depends in large part on the firm's

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primary organization structure. The organization structure specifies a firms reporting relationships, procedures, controls and authority and the decision making process (McShane and Glinow 2008).

Strategy is the overall plan of the whole organization. This helps to define how the organization intends to achieve its strategic objectives. Systems on the other hand are the processes and flows that show how an organization gets things done in its day to day operations. They include financial systems, hiring, promotion, manufacturing and quality control, performance appraisal and information systems followed within the organization. Staff is described in terms of the number and qualification of the employees in the organization.

Companies need to get right people on board with the correct qualification doing the right jobs so as to ensure successful strategy implementation, (Musyoka 2009). This author further argues that successful companies view its employees as a resource that should be carefully nurtured, developed and maintained. Style, according to McKinsey 7s Model is taken to refer to the leadership style of the organization. As demonstrated by McShane and Glinow (2008), leadership is about influencing, motivating and enabling others to contribute towards the effectiveness and success of organizations. A company has to have the right leaders in place, who practice the best leadership practices to drive the organization successfully to achieve its strategic objectives.

The shared value element refers to the shared culture, values and norms of the organization. Musyoka (2009) argues that there is no one best corporate culture, an optimal culture is one which supports the mission and the strategy of the company. All companies should have a strategy supportive culture to ensure successful strategy

implementation. Another key element is the skills of the employees which are defined by their qualification and experience on the job. Firms' strategic objectives will not be achieved unless the firms employ staff with strategy supporting qualifications, (Musyoka 2009).

## 2.6     Challenges to Strategy Implementation

Successful strategy formulation does not always guarantee successful strategy implementation since implementation of strategic plans is more challenging and delicate than its formulation, (Muniu 2010). In many big organizations strategy formulation is a responsibility of the top level management while strategy implementation is a responsibility of the business and operational level staff. Consequently, transition from strategy formulation to strategy implantation therefore requires a shift in responsibility from strategists to the operational staff.

To ensure successful implementation of strategic plans, organizations must ensure that there is involvement and participation in both the strategic planning and implementation process by all the relevant stake holders. Every organization has different stakeholders and they should be engaged in the strategic management process as much as possible by soliciting their input on the current state of the organization and the vision and the ways of improving the organization's performance. As reported by Musyoka (2009), it is apparent that whatever nature of the decision and the level in the organization at which decision is taken, the decision will only be regarded as effective if it's supported by the people who must implement it and if it achieves the objectives it is intended to.

In most organizations, the only time that middle managers get to know about the strategy is closer to execution time. This actually means that they have not had sufficient time to engage with it and also to have their concerns addressed. This normally leads to the middle managers feeling unsure about how best to move on. As stated in Tonui (2009), positions of authority and responsibility are important in strategy implementation but equally important are the operational people who are supposed to implement the strategies.

Leadership, and specifically strategic leadership, is widely described as one of the key drivers of effective strategy implementation. McShane and Glinow, (2008) define leadership as the process of influencing, motivating and enabling others to contribute towards the effectiveness and the success of the organization. The level of leadership influence is dependent on the leaders' personality, style, commitment, reputation, attitude, skills and experience. However, a lack of strategic leadership by the top management of the organization has been identified as one of the major barriers to effective strategy implementation (Jooste and Fourie 2009). Thompson and Strickland (2003) support this idea and argue that weak leadership can wreak the soundest strategy.

Organization structure is another critical component of effective strategy implementation. A firms organization structure specifies its formal reporting relationships, levels of control and authority and decision making processes (Hitt, Hokinson and Ireland, 2007). As stated by Pearce and Robinson (2003) and David (1997), there is no optimal design for an organization and neither is there a universally acceptable structure for a given strategy.

The idea that structure should follow strategy and not the other way round is clearly brought out, (Thompson and Strickland 2003). Ideally, most firms prefer to maintain the structural status quo and its familiar working relationships until when the firms' performance declines to a point where change is absolutely necessary (Musyoka 2009). To ensure success, changes in corporate strategy should be followed by a change in organization structure to ensure that they support each other. The challenge for most companies has been to find an appropriate organization structure which enables them to maintain control while innovating and managing change in a dynamic and turbulent environment.

Communication stands out as another key success factor when it comes to strategy implementation. According to Musyoka (2009), the best strategic plans are not likely to be successful if they are not effectively communicated to those who must implement them. One of the ways to ensure improved communication support in strategy implementation is by involving the middle and operational level staff in the strategic planning process such that they will be in a position to embrace changes that will support the strategy implementation and they will also feel part of the process, (Tonui 2009).

The development of a strategy can be a case for change, a new service, or a further development of an existing service and can involve major changes or relatively minor changes that need to be communicated to the relevant stakeholders. Thus, when strategy is being communicated, change is being communicated as well, (Mbugua 2009). The key challenge however has been trying to align the extent and scope of the change and the approaches of implementation with the values and principles outlined in the related policy document.

Organization culture is defined as the general collection of beliefs, morals, customs, value systems, behavioral norms and ways of doing business that are unique to each organization and which set a pattern of behavior and emotions characterizing life in the organization, (Kotter and Heskett (1992). Sometimes the organization culture in place may not be supportive to strategy at hand. The implementation of strategic plans often encounters rough going because of deep-rooted cultural biases, (Muniu 2010).

When a strategy requires massive organizational change and meets cultural resistance, a firm should determine whether reformulation of the strategy is appropriate. The more extended the mismatched aspects of culture, the greater the difficulty in implementing new strategies. It takes a lot of management effort to replace an unhealthy culture with a healthy one or root out certain unwanted cultural obstacles and instill the ones that are more strategy supportive.

Strategic management allows resources to be allocated according to the long term objectives intended to be achieved. Thompson and Strickland (2005) argue that organizations have at least four types of resources that can be used to achieve desired objectives. These are financial, physical, technological and human resources. However, successful strategy implementation may be inhibited by several factors including over protection of resources, too much emphasis on short term financial plans, organizational politics, vague strategies, reluctance to take risks and lack of sufficient knowledge to support efficient resource allocation (David, 1997).

Reward systems on the other hand have a direct influence in strategy implementation. Establishing a motivational system that blends the attainment of personal goals with

those of the organization is a key motivator to successful strategy implementation, (Musyoka 2009). As reported by David (1997); a major challenge in matching remuneration to attainment of strategic objectives is the strict control of remuneration system that prevents line managers from using financial compensation as a motivating factor.

## 2.7 Summary

The literature review related to this study has demonstrated that the field of strategic management is of a great interest to many authors and scholars. Though most of the previous studies have all been done on a different perspective, there is some similarity in the challenges that face the strategy implementation process which include inadequate leadership skills, frequent changes in top management, scarcity, misallocation and mismanagement of resources, lack of involvement and participation of all employees in the strategic management process and lack of proper communication of the intended strategy. Other challenges include declined staff motivation, limited information technology, system capacity and lack of alignment of functional strategy and culture have also been highlighted as a challenge to successful strategic execution.

Gaps identified from the literature review indicate that most of the scholars including Gichohi (2007), Moeva (2007), Mbugua (2009) and Koske (2003) concentrated on challenges of strategy planning in general without looking at the challenges of strategy planning in the security industry. This study therefore looks to close this gap by specifically identifying the challenges in strategy implementation in security firms operating in Nairobi.

# CHAPTER THREE

# RESEARCH METHODOLOGY

## 3.1    Introduction

This chapter presents the methodology to be used in collecting data so as to meet the objectives of the research. It contains the intended research design, data collection methods and a description of how the data was analyzed so as to come up with findings, interpretations and conclusions of the study.

## 3.2    Research design

The research was conducted through a cross sectional survey of the factors posing as challenges in strategy implementation in the private security industry. This method is also referred to as transversal or prevalence study. It refers to the research design that involves observation of all of a population or a representative subset at a specific point in time. (Mugenda & Mugenda 2003). The primary focus for this study was all the firms that are registered with KSIA.

This method is recommended because the population of study is not large and therefore each and every item is selected for the study.  The major benefit of this method is that the data collected is accurate as the data has been collected from all the units of study. The methods also allows for extensive and detailed study of the population.

## 3.3    Population

The population of interest for this study was all the Private Security Firms who are members of Kenya Security Industry Association (KSIA). According to the latest information in the KSIA website, there are 21 firms who are registered members (**see**

**appendix 2.).** The small size of the population allows for data to be collected from all the units. This was to enhance the accuracy of the data collected and consequently allow for better inference of to the wider population.

## 3.4    Data Collection

The study used both primary data and secondary data. Primary data is first hand information collected from original sources; data collected in this case has not been previously collected. Secondary data is obtained from sources that have been collected and compiled for another purpose. They consist of not only published records and reports, but also unpublished records.

Primary data for this study was collected through use of questionnaire with both structured and open ended questions. The study targeted one respondent for each firm preferably from the Operation Level Staff, this is preferably the Operations Manager or equivalent since these are the ones who are charged with the responsibility of strategy implementation. Mail survey method was used to administer the questionnaire. Follow up was done through personal visits, telephone calls or email to facilitate response and also enhance the response rate. Secondary data was obtained from the firms' strategic plans, internet, publications and relevant journals.

## 3.5    Data Analysis

Once the raw data has been collected, the responses were checked for errors and completeness. It was then be analyzed by use of descriptive statistics.  Graphs were used to analyze various trends, for example deviation of actual strategies from the planned strategies, loss of business to competitors and the entry of new players in the

markets. Tables were used to outline the information and assist in data presentation and analysis.

Inductive approach was also used for qualitative data analysis and this allowed the prevailing patterns, themes and categories of the respondent's responses and research findings in relation to the adoption, implementation and challenges faced in the strategy implementation to emerge from the data rather than be controlled by factors predetermined prior to data collection and analysis. Both quantitative and qualitative data was collected for analysis. Qualitative data was reported in context to the respondents' views and response while quantitative data analyzed and represented using descriptive statistics.

# CHAPTER FOUR

# DATA ANALYSIS, RESULTS AND DISCUSSION

## 4.1 Introduction

This chapter contains the results, interpretation and analysis of data collected and the findings of the study as set out in the research methodology. Semi structured questionnaires designed in line with the objectives of the study and administered through email were used to collect the data. The questionnaires focused on gathering data on the challenges of strategy implementation in private security firms operating in Nairobi and targeted private security firms that are members of the KSIA. Data collected was checked for completeness and errors. Tables, graphs and pie charts were used to summarize and present the study findings. Data analysis was done through descriptive and content analysis method.

Conceptual and qualitative content analysis was used due to the nature of the data collected. This is a technique for making inferences by systematically and objectively identifying specified characteristics of information and using the approach to relate trends, (Mugenda & Mugenda 2003).

## 4.2 Response Rate

The study targeted 21 private security firms operating in Nairobi with a specific focus on the firms that are registered with KSIA. Semi structured questionnaires were sent to respondents through email and responses were received on email as well. All questionnaires received from the respondents were used for data analysis.

**Table 4.1 Response rate**

| Targeted respondents | Actual respondents | percentage response |
|---|---|---|
| 21 | 14 | 66.70% |

*Source: Research data*

According to the table above, the response rate was 66.7%. This was found to be satisfactory for data analysis and to help draw a valued conclusion and recommendation. This was also consistent with the widely held rule of thumb that a sample of 30% response and above provides good statistical confidence and is adequate for application of statistical tools used in data analysis (Mugenda & Mugenda 2003).

**4.3 Demographic characteristics of respondents**

**4.3.1 Gender**

The study sought to investigate the gender of the respondents.

**Table 4.2 Gender**

| Gender | Frequency | Percentage (%) |
|---|---|---|
| Male | 10 | 71.4 |
| Female | 4 | 28.6 |
| **Total** | **14** | **100** |

*Source: Research data*

This table above shows that majority of the respondent were male at 71.4 % while 28.6 % represented the female respondents. The researcher found this to be a realistic representation since the targeted respondents were operations level staff and this is generally a male dominated field.

**4.3.2 Length of service**

Respondents were asked to provide response on the number of years that they have worked with their respective companies.  The data collected has been summarized in the table below:

**Table 4.3 Distribution of respondents by years of service**

| Years of service | Frequency | Percentage (%) |
|---|---|---|
| Less than 5 years | 8 | 57.1 |
| 5-10 years | 4 | 28.6 |
| 10-15 years | 2 | 14.3 |
| 15-20 years | 0 | 0 |
| **Total** | **14** | **100** |

*Source: Research data*


The years of service were divided into five years or less, 10-15 years, 15-20 years and over 20 years. From the study findings, the responds years of service were not evenly distributed, there was a big years of service gap in terms of percentages and frequency. However, respondents with less than five years of service were the most, representing 57.1%, employees with between 5-10 years of service represented 28.6 % while those with 10-15 years of service represented 14.3 %. There were no respondents who had worked with their respective firms for more than 15 years.

**4.3.3 Ownership**

Respondents were requested to indicate the type of ownership of the companies they worked for.

**Table 4.4 Distribution of types of ownership plans**

| Ownership plan | Frequency | Percentage (%) |
|---|---|---|
| Foreign owned | 3 | 21.4 |
| Locally owned | 9 | 64.3 |
| Hybrid of local & foreign | 2 | 14.3 |
| **Total** | **14** | **100** |

*Source: Research data*

From the study findings, most of the private security firms under study are locally owned and this represents 64.3 % of the total firms studied. 21.4 % of the firms are foreign owned while 4.3 % of the firms have a hybrid of local and foreign ownership.

### 4.3.4 Number of staff

Further, the respondents were requested to indicate the total number of staff in the firms that they work for. From the data collected and represented in the table below, the researcher was able to determine that the firms in the security industry have massive number of employees. The largest percentage of the firms, at 57.2% employ more than 3000 employees. None of the firms that participated in the survey employ less than 500 employees. This data is summarized and represented in the table below.

**Table 4.5 Distribution of number of staff**

| No. of staff | Frequency | Percentage (%) |
|---|---|---|
| Less than 500 | 0 | 0 |
| 500-1000 | 1 | 7.1 |
| 1001- 2000 | 1 | 7.1 |
| 2001 - 3000 | 4 | 28.6 |
| 3000 and above | 8 | 57.2 |
| **Total** | **14** | **100** |

*Source: Research data*

**Figure 4.1 Distribution of number of staff**

The above data is also represented in the graph below:
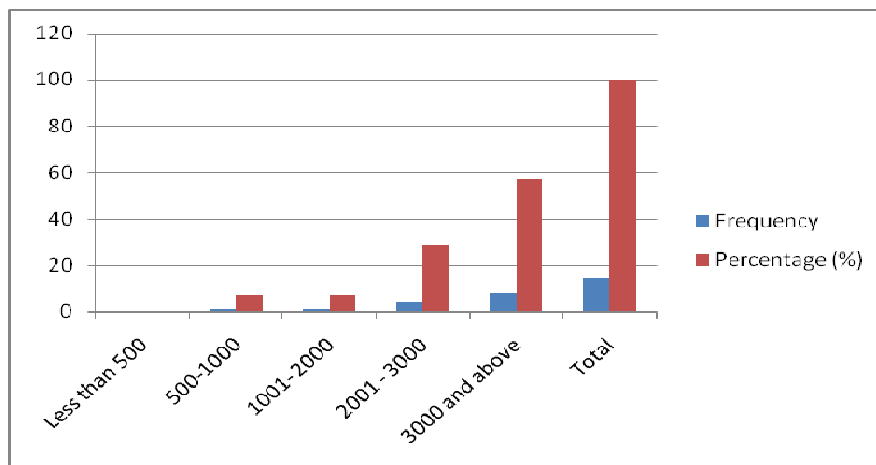


*Source: Research data*

## 4.4    Strategic Planning

The researcher determined from the data collected that all the private security firms studied have formal strategic plans in place which guides the firms' activities. For

most companies, the responsibility for formulating the strategic plan lies with the business leadership team, and the respondents indicated these to include the directors, general managers and senior management staff. Involvement of other staff in the strategy formulation process is very moderate in all the firms which gave responses.

## 4.5 Communication of strategy

The respondents were also supposed to provide feedback on whether strategy is normally communicated to all staff after formulation.

**Table 4.6 Communication of strategy**

| Is the strategy communicated | Frequency | Percentage (%) |
|---|---|---|
| Yes | 6 | 42.9 |
| No | 8 | 57.1 |
| **Total** | **14** | **100** |

*Source: Research data*

The study data has determined from the data collected that the strategy, as formulated by the top management is not always communicated to all the staff. 57.1% of the firms do not communicate the strategy to all staff and this can be attributed to the fact that most of the security firm employees are based at client sites and this becomes hard to communicate or share such important information.

## 4.6 Review of strategic plans

Further, the respondents were requested to indicate whether the strategic plans in place are normally reviewed and the frequency of review if any.

**Table 4.7 Frequency of review strategic plans**

| Review of strategic plans | Frequency | Percentage (%) |
|---|---|---|
| Quarterly | 2 | 14.29 |
| Semi annually | 3 | 21.42 |
| Annually | 2 | 14.29 |
| Occasionally | 1 | 7.14 |
| Not indicated | 6 | 42.86 |
| **Total** | **14** | **100** |

*Source: Research data*

From the data collected, the researcher determined that most of the companies review their strategies as the influencing factors change. The frequency of review as brought out by the respondents is either being quarterly, bi-annually or on an annual basis. Major reasons given for strategy review include the need to achieve stretching targets, to incorporate new initiatives and or innovations as well as to take into account changes in other operational strategies.

Other reasons include changes in economic conditions and market paradigms, need to react to competitor action, change in legislation and political conditions as well as changes in internal structure and leadership. Additional reasons include need to change institutional culture and change in top management. Strategy is also reviewed when the initial strategy put in place fails to achieve the targeted objectives or when unprecedented events which are beyond the management control come into play as well as for improvement and change.

## 4.7     Strategy Implementation

Finding from the data collected indicated that the responsibility of strategy implementation lies with the top management and directors in most of the companies. However in a few firms, the responsibility for strategy implementation has been cascaded to the heads of departments and support staff. It was also identified that there are changes made during the implementation process. Most of the changes are in processes and polices, restructuring, pricing, change of management team, strategy implementation champions, resource allocation, and review of strategy to accommodate new ideas, financial implications and other prevailing crucial factors.

Most of the changes are done so as to respond to in internal and external environmental factors which include changes in competitors action, change of market forces, change of client needs,  innovation leading to different and new ways of doing things, financial constraints, change in senior management and external influence from the parent companies.

## 4.8     Challenges to strategy implementation

The findings in this section were meant to bring out the extent to which the various pre-determined factors pose as challenges to effective strategy implementation in the firms in the private security industry firms operating in Nairobi. These factors are leadership, resource allocation, organization culture, strategy communication, organization structure, performance and pay strategies and participation and involvement. The respondents rated each factor on a five point scale i.e. strongly agree, agree, indifferent, disagree and strongly disagree .The findings are summarized in the table below.

**Table 4.8: Factors posing as a challenge to successful strategy implementation**

| Factor | Strongly agree | Agree | Indifferent | Disagree | Strongly disagree |
|---|---|---|---|---|---|
| Leadership | 6 | 4 | 3 | 1 | 0 |
| Resource allocation | 5 | 2 | 3 | 1 | 2 |
| Organization structure | 5 | 4 | 3 | 2 | 0 |
| Organization culture | 4 | 6 | 1 | 2 | 1 |
| Performance and pay | 5 | 6 | 2 | 1 | 0 |
| Strategy | 5 | 4 | 2 | 2 | 1 |
| Involvement and | 7 | 4 | 0 | 2 | 1 |

*Source: Research data*

Additional factors indicated as challenges to effective strategy implementation include bureaucracy, failure to integrate strategy to operations, misunderstanding and lack of trust, low tolerance to change, poor staff training and development to augment specific skills required to perform the job and lack of expertise in the strategic development and implementation.

**Figure 4.2: Factors posing as a challenge to successful strategy implementation**



*Source:  Research data*

**4.9 Suggested solutions to overcome strategy implementation challenges**

The researcher has determined the following as proposed solutions to mitigate the challenges to strategy implementation; having realistic performance yardsticks, embracing culture change, improving skills, motivating staff and raising their morale, proper resource allocation, proper analysis of in-house capabilities so as to ensure their best applicability to meet company needs, communication of strategic plans prior to implementation, having realistic objectives, maximum involvement of staff at all levels, development of homegrown initiatives and sourcing of leaders who are able to strategically drive the business to attainment of set objectives.

**4.10 Key factors to successful strategy implementation**

Key factors to successful strategy implementation as brought out from the data collected are existence of a clear vision of the company and objectives to be achieved, effective and proper communication of strategy, involvement of staff in strategy formulation, efficient allocation of resources, putting in place measures to raise staff morale and motivation, assessment and feedback on achievement of the strategy on a regular basis.

**4.11 Discussion**

Findings from the data collected indicates that all the firms studied have strategic plans in place and the responsibility of formulating the strategic plans lies with the leadership team. Strategies are communicated to staff and reviewed but at varying frequencies so as to reflect changes in the environment. Responsibility for strategy implementation differs across the firms, it lies with the top management in some

firms and operations staff in others.  Common challenges to strategy implementation have been identified as leadership, resource allocation, organization structure and culture, performance and pay strategies, strategy communication and involvement and participation. Solutions suggested to overcome the challenges include having realistic performance yardsticks, embracing culture change, improving skills, motivating staff and raising their morale, proper resource allocation,  proper analysis of in-house capabilities so as to ensure their best applicability to meet company needs, communication of strategic plans prior to implementation, having realistic objectives, maximum involvement of staff at all levels, development of homegrown initiatives and sourcing of leaders who are able to strategically drive the business to attainment of set objectives.

# CHAPTER FIVE

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Introduction

This chapter gives a summary of the findings of the study as well as conclusion drawn from the suggestions and comments given by the respondents. It also includes the recommendations for policy and practice as well as suggestions for further research. The findings are summarized alongside the objectives of the study.

### 5.2     Summary of the findings

Target firms for the purpose of this study were 21 and one respondent from each of these firms was targeted to respond on the data collection questionnaire. 14 respondents gave feedback and this represented 66.7 % respondent rate. Most of the respondents, representing 71.4% of the total respondents were male. This explains the nature of the Security Industry workforce establishment which is generally a male dominated industry.

In terms of the respondents' years of service, 57.1 % have worked with the respective companies for less than 5 years. 28.6 % of the respondents  have worked for between 5 and 10 years. 14.3 % have worked for 10 – 15 years while there was no respondents who had worked for their respective companies for 15 years and above. Ownership of the target companies was either foreign, local or a hybrid of both. From the data collected, 21.4 % of the firms are foreign owned, 64.3 % locally owned while 14.3% have a hybrid of both local and foreign ownership. Firms in the security industry are known for having a large establishment of staff. None of the targeted firms had a staff establishment of less than 500 employees. 7.1 % of the respondents have a staff

establishment of between 500 – 1000 employees while another 7.1% has an establishment of between 1001 – 2000 employees. 28.6 % of the firms have an establishment of between 2001 – 3000 employees while the biggest percentage of the targeted firms at 57.2% has an establishment of 3000 employees and above.

Majority of the respondents indicated that strategic planning is done in their firms and that that the responsibility for strategy formulation lies with the top management with very moderate involvement of the other staff.  However, it is only 42.9 % of the firms, that communicate the strategic plan to the other rest of the staff, 57.1 % of the firms do not communicate the strategic plan to their employees. In terms of review of the strategic plans, 14.29% of the firms review their strategic plans on a quarterly basis, 21.42% semi annually and 14.29% on an annual basis. Feedback received indicate that7.14% of the firms only review their strategic plans occasionally while 42.86% of the respondents did not indicate whether strategy review is done and how often this is done.

Key factors to successful strategy implementation have been brought out to include the existence of a clear vision of the company and objectives to be achieved, effective and proper communication of strategy to all staff, involvement of all staff in strategy formulation process, proper allocation of resources, putting in place measures to increase staff morale and motivation, and assessment and feedback of milestones on achievement of the strategy on a regular basis.

From the data collected from the respondents, private security firms face challenges in implementation of their strategic plans. Most of the respondents indicated to face same challenges which include leadership, resource allocation, involvement and

participation, organization culture and structure, performance and pay strategies, bureaucracy, failure to integrate strategy to operations, low tolerance to change and poor staff training.

The researcher has determined the following as proposed solutions to mitigate the challenges to strategy implementation; having realistic performance yardsticks, embracing culture change, improving skills, motivating staff and raising their morale, proper resource allocation, proper analysis of in-house capabilities so as to ensure their best applicability to meet company needs, communication of strategic plans prior to implementation, having realistic objectives, maximum involvement of staff at all levels, development of homegrown initiatives and sourcing of leaders who are able to strategically drive the business to attainment of set objectives.

## 5.3    Conclusion

From the results and discussions on the feedback received from the respondents; the researcher's conclusion is that private security firms are faced with challenges during implementation of their strategic plans. Most of the challenges are experienced by all firms across the industry. This can be attributed to the fact that all these firms operate under similar environmental conditions. The levels of influence from the highest to the lowest are involvement and participation, leadership, strategy communication, resource allocation, organization structure, performance and pay strategies and the least being organization culture. The study also revealed that the methods adapted by the firms' management to deal with these challenges are. There is also a similarity in the recommendations to mitigate these challenges.

## 5.4 Recommendations

Based on the conclusion of the study, the management of private security firms should put in place the following measures to minimize challenges to strategy implementation.

i. Proper leadership transition plans to ensure proper business continuity especially where there is change in top management.

ii. Enhance communication of the strategic plan and achievement milestone which is very core in ensuring success of strategy implementation. Communication strategies for firms in the security industry should aim at making sure that all the staff, including the ones who work from the client location are well informed.

iii. Staff motivation should be emphasized to encourage staff to work towards achievement of the strategic plans that have been put in place. This could include improving staff working conditions like improved pay, considerable hours of work, paid time off from work and also promotion from within especially from union to management terms. This will help manage challenges like increased staff turnover and resistance to change which are a hindrance to successful attainment of strategic plans.

## 5.5 Limitations of the study

The finding of this study should be interpreted with the following limitations in mind:

i. This study was limited to only the firms the firms that a registered with KSIA and this only presents a small percentage of the firms in the Security Industry which is one of the fastest growing industries in Kenya. Therefore the results obtained from this study might not be an objective to be generalized to all the other firms.

ii. Most of the respondents were middle and operational level staff who were biased in their respondents so as to protect the name of the firms they work for.

iii. Some of the respondents were also hesitant to provide response on their strategic planning process since they felt this could be a breach of confidentiality especially coming at a time when the security industry is being faced by stiff competition and the firms' are coming up with new strategies to boost their performance.

iv. Pre determined questionnaires were used for data collection which might have limited respondents from responding on relevant issues omitted in this research.

## 5.6    Suggestion for further research

From the insights gained in the course of this study, the researcher offers the following suggestions for future research.

i. A replica study should be done on the firms that are not registered with KSIA and a comparison with the current research findings done.

ii. A study concentrating on the responses of the firms to challenges of strategy implementation should be carried out.

iii. Further study on the impact of the challenges of strategy implementation on attainment of organization objectives should also be carried out.

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**APPENDIX 1: INTRODUCTION LETTER**

Catherine Wambui Nguchu

School of Business

University of Nairobi

P.O Box 30197

Nairobi

July 2012

Dear Respondent,

**<u>RE: COLLECTION OF SURVEY DATA</u>**

I am a post graduate student at the University of Nairobi, School of Business. In order to fulfill the partial requirement to qualify for a Masters of Business Administration Degree, I am undertaking a management research project on the "Challenges of strategy implementation in security firms operating in Nairobi."

You have been selected to form part of this study. This is to kindly request you to assist me collect the relevant data by filling out the accompanying questionnaire which I will collect from your office. The information and data required is needed for academic purposes only and will be treated in Strict-Confidence. A copy of the research project will be made available to your organization/firm upon request.

Your co-operation will be highly appreciated.

Thank you in advance.

Yours faithfully,

**Catherine Wambui Nguchu**                              **Dr. James Gathungu**

MBA Student                                                      Supervisor, University of

                                                                          Nairobi

# APPENDIX II: KSIA MEMBER LIST

1. Bob Morgan Services Limited

2. Brinks Security Services Limited

3. Cobra Security Limited

4. Colindale Security

5. Corporate Security Limited

6. Delight Security Services Limited

7. Fidelity Security Services Limited

8. G4S Kenya Limited

9. Instarect

10. KK Security

11. Magnum Allied Systems Limited

12. Pinkerton's Limited

13. Radar Security Limited

14. Riley Services Limited

15. Securex Agencies Kenya Limited

16. Security Group of Companies

17. Sunrays Solar Limited

18. Total Security Limited

19. Ultimate Security Limited

20. Watchdog Alert Limited

21. Wells Fargo Limited

Source: Kenya Security Industry Association (KSIA) website.

# APPENDIX III: QUESTIONNAIRE

**Section 1: Personal Background**

*Please answer the following questions about yourself.*

1. Name:         --------------------------------------------------------------------------------

    (optional)

2. Job     Title:      ---------------------------------------------------------------------------

    (optional)

3. Name of your Organization: ------------------------------------------------------------------

    ----------------------------------------------------------------------------------------------

    --------

4. Gender: Male  [   ]Female  [   ]

5. Academic and professional qualification-----------------------------------------------------

    --------------------------------------------------------------------------------------

    (optional)

6. Length of service in the organization.

    i.   Less than 5 years. [   ]

    ii.   5 - 10 years     [   ]

    iii.   10 – 15 years[   ]

    iv.   15 – 20 years[   ]

    v.   <20 years. [   ]

7. Using the categories below, please indicate the ownership of your firm.

    Foreign owned [   ] Locally owned [   ]

    Hybrid of local & foreign ownership [   ]

8. Please indicate the average number of staff in your organization

Less than 500[    ]      500 – 1000          [    ]

1001 – 2000[    ]      2001 – 3000          [    ]

3000 and above    [    ]

**Section 2: Strategic Planning**

9.  Does your firm have a strategic plan?

    Yes  [    ]            No  [    ]

10. If yes, is the plan formal or informal (written / unwritten)?--------------------------

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11. Who has the responsibility of formulating the strategic plan?----------------------

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12. What is the level of involvement of staff in the strategic planning process?

   None   [    ]       Minimal     [    ]

   High    [    ]       Moderate   [    ]

13. Is the strategic plan communicated to all staff?

   Yes   [    ]                     No   [    ]

14. Is the strategic plan reviewed? How often is it reviewed?

   Yes   [    ]                     No      [    ]

15. If yes, what do you think are the major reasons why your strategic plan is

reviewed-----------------------------------------------------------------------------------

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    **Section 3: Strategy Implementation.**

16. Who is responsible for strategy implementation?------------------------------------

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17. Do you have strategy implementation champions?

　　　Yes　[　]No　[　]

18. Are there any changes made during the strategy implementation process?

　　　Yes　[　]No　[　]

19. What are the major changes that take place during the strategy implementation

process----------------------------------------------------------------------------------------

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20. What are the major causes of these changes?----------------------------------------------

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21. In your opinion, what do you think are the key factors to successful strategy

implementation?--------------------------------------------------------------------------------

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22. What is the level of involvement of staff in the strategy implementation process?

　　　None [　]Minimal[　]

　　　Moderate[　]High [　]


**Section 4:　Challenges to Strategy Plan Implementation.**

23. In your opinion, do you think your firm faces any challenges in strategy plan

implementation?

Yes [   ] No [   ]


24. In a scale of 1 to 5 where; 1- strongly agree; 2- agree; 3- Indifferent; 4- Disagree; 5- Strongly disagree, is the strategy implementation process faced by the following challenges?

| Leadership | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Resource allocation | | | | | |
| Organization structure | | | | | |
| Organization culture | | | | | |
| Performance and pay strategies | | | | | |
| Strategy communication | | | | | |
| Involvement and participation | | | | | |

25. In your opinion, which other factors would you highlight as being a challenge to effective strategy implementation?----------------------------------------------------------

-----------------------------------------------------------------------------------------------

26. In  your opinion, what would be your suggestion as a solution to the above challenges -------------------------------------------------------------------------------------

-----------------------------------------------------------------------------------------------

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27. In your opinion, do you think that your company achieves its strategic plan?

Yes  [   ] No[   ]

Not sure   [   ]


Thank you for your cooperation.