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Relationship between Strategic Planning and Business Continuity Management of Private Security Firms in Kenya

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Abstract:

The concept of business continuity management (BCM) has gained wide acceptance in recent years and it is key for the survival of any contemporary organization during crisis. However, some of the organizations have failed to reconsider the significance of creating awareness and being prepared for the unexpected. Companies must fully understand the importance of this concept and the impact it could have on the organization. Inadequate and ineffective actions and procedures have failed to address the organization's business continuity threats. Hence, the goal of this study is to examine the importance of adding business continuity management plan into a company's strategic planning. With 200 as the sample size from various security firms in Kenya the study sought to collect data using semi-structured questionnaires and interview guides. Descriptive statistics were therefore computed to obtain information thus; averages, frequency distributions and percentage distributions.

Keywords: Strategic, continuity and security.

1. Introduction

Being more than a survival strategy, strategic planning processes and business continuity (BCM) are integral parts of an organization's business process to responsibly protect the interests of all stakeholders (Muthukrishnan, 2005). The need to be prepared, assess the risk and make an action plan to mitigate the consequences is paramount (Altman, 2006; Toigo, 2003). For a long time in Kenya and for many organizations, the possibility of business disruptions has been improbable. However, business continuity management has been high on many organizations strategic agenda in recent times. This is due to increasing occurrences of manmade as well as natural disasters which may include serious accidents, explosions, natural disasters, equipment breakdowns, supply shortages, health emergencies, employee strikes, sabotage, or a terrorist attack. Private security companies have been faced with theft of cash in transit, collusion by guards and thugs to steal, leakage of private and confidential client information and, damaging lawsuits. Therefore, organizations top managers need to take cognizant the threats to continuity through proper business strategies and planning including continuity management.

1.1. Statement of the Problem

Nurturing a culture of BCM in firm's strategy and planning processes is vital. Literature seldom concentrates on the development of continuity plans for smaller organizations like private security firms in Kenya characterized by little resources compared to large firms leading to little emphasis and difficulty in continuity plans (Weems, 1999). While the issue of association of strategic planning processes with business continuity management is urgent, the concept has attracted less attention in research (Wong, 2014). Researchers' (Muthukrishnan, 2005; Saleem, 2011; Glenn, 2002; Chatterjee, 2008; Verman, 2011; Sundström and Hollnagel, 2006; Wessels, 2007; and Wong and Shi, 2014) have theoretically and empirically studied strategic planning and implementation or extent of adoption among private security firms in Kenya. Other researchers such as Serenko et al. (2006) and Mongioi et al. (2009) have questioned the positioning or implementation of BCM in several business levels of an organization. It is critical to understand why the issue of exposure of organizations to threats and/or fail certifies the attention of detailed research study. BCM is not embraced by all organizations and its employees, and so not entrenched into the organizations strategic planning processes. Nathans et al. (2012) study shows that business continuity planning is not a high priority in every four among ten companies and that almost one third of the companies have no business continuity plans. How can sound strategic planning processes influence business continuity and recovery in the event of disruption of critical organization process or activities throughout Kenyan private security firms'? This study therefore seeks to examine the nexus between the critical factors of strategic planning processes and BCM in Kenyan private security companies.

1.2. Study Objective

- To examine the importance of adding business continuity management plan into a company's strategic planning

1.3. Hypothesis

H1: Business continuity management plan enhances the effectiveness of strategic planning

1.4. Importance BCM

The need for Business Continuity Management (BCM) has gained prominence and that contemporary organizations have embraced themselves with BCM to assure the continuity of their business. Although the need for continuity of business exists for just as long as business itself, BCM is a relatively new concept compared to most other business disciplines such as private security sub-sector. BCM came to fore in the 1960's in the advent of business interruptions due to disasters and the need to recover, gaining momentum in the last two decades or so.

1.4.1. Enhance Continuity of Businesses

Some of the reasons fronted for emergence of BCM concept in organizations include increasing pressure (from competition, higher customer demands and regulatory requirements) on organizations to guarantee for the continuity of their business processes (Wessels, 2007). This has become more complex for many companies.

1.4.2. Risk Reduction Measure

Other changes that have influenced BCM include increasing threats such as disasters, fraud and commercial espionage, increasing dependency on information systems, advent of process based approaches such as ISO certification, Total Quality Management among others (Wessels, 2007). Therefore, BCM is a continuous management process which should be directed at the organization's critical business processes with an aim to ensure the continuity of the business (Zhang & McMurray, 2013). With the characteristics of prevention, BCM limits the damages resulted from disruptive business events (Thomas and Preston, 2005), aids organizations in staying in business under extreme circumstances (Duncan et al., 2010), and documents continuity and recovery procedures during and after an event (Engemann & Henderson, 2011).

1.4.3. Gain Distinctive Competency

Wong (2009) further reiterate that organizations that incorporate business continuity management in their strategic management could gain a distinctive competency over their competitors in terms of operational resiliency which includes the speedy recovery of critical business functions at predefined period of time while minimizing the adverse impacts to their value and reputation.

1.4.4. Provide Alternative Mode of Operation

By developing strategies, plans, and actions to protect or provide an alternative mode of operations for business processes if interrupted, then in the event an interruption occurs which may have adverse consequences to the company for example lead to a serious damage or cause fatal losses to an organization then BCM, disaster recovery and crisis management plans come in handy (Matyusz, 2012). Other researchers such as Bakar et al., (2015) allude to the importance of effective BCM implementation in ensuring an organization's survivability and competitiveness.

1.5. Theoretical Framework

The study was guided by institutional theory (Ongas, 2013), which suggests that pressures in institutions push them to adopt formal structures, strategy and processes often more profoundly than market pressures. Government agencies are an example of powerful institutions that may coercively influence the actions of an organization through, for example, rules and regulations for trade among other factors (Berrone et al., 2007; Reuid, 2005). Companies therefore tend to copy what other organizations are doing in order to be in line with expectations from the society and uncertainty of the business environment (Berrone et al., 2007). This enables firms to get more support as its legality is validated by institutional actors' hence improved technical efficiency through innovative structures. However, formal structures of legitimacy can reduce efficiency and hinder the organization's competitive position in their technical environment (Reuid, 2005). Institutional theory examines how external pressures influence a company. According to Zsidisin et al., (2005) institutional theory emphasizes homogeneity; it argues that forces exist both within the firm and the environment that encourage convergent business practices.

1.6. Methodology

The study used descriptive survey design where 200 respondents were obtained through purposive sampling procedures. Semi-structured questionnaires and interviews were standardized and used to collect data. According to Kombo & Tromp (2006), questionnaires are the preferred tools when handling large sample size. The Statistical Package for Social Sciences (SPSS) v 21 was used to manipulate the quantitative data. Data was screened and edited to detect errors and omissions. It was then be serialized in readiness for coding, entry, and analysis. Cooper and Schindler (2008) refer to coding as the process of giving values to responses so that answers can be put in groups. According to Rudestam and Newton (1992), descriptive statistics entails transformation of raw data into a form that would provide information to define a set of factors in a situation therefore providing the reader with a summary of the variables and characteristics of the sample.

1.7. Findings

1.7.1. Response rate

The study targeted a total of 200 respondents from sampled institutions, i.e.160 questionnaires and 40 interviews. In total there were 142 dully completed questionnaires and 38 interviewees. Therefore the response rate was 90%.

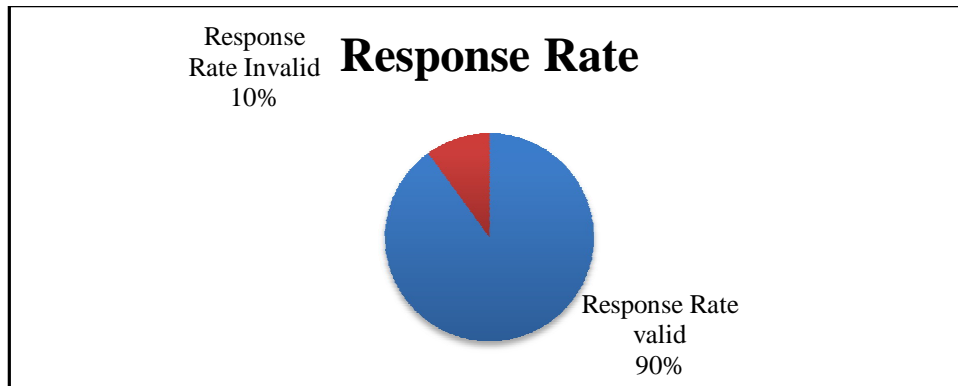


Figure 1: Response Rate

1.7.2. Job Title

The study sought out to group the respondents into different groups of individuals ranging from the lower level employees to the director level. The study targeted general employees and the directors/ the owners of the company. Data collected was analyzed and the results were as follows.

Respondents	Frequency	Percent
Employee	52	36.6
Supervisor	28	19.7
Manager	38	26.8
Administrator	21	16.9
Total	142	100.0

Table 1: Job Title

Source: Field Data by Researcher, 2016

Asked about the job title of the respondents, 36.6% of the respondents were general employees with no any other supervisory duties or responsibilities. 26.8% of the respondents for this study were managers while 19.7% were working as supervisors in different fields. The study also involved 16.9 of the administrators as respondents for this study. This shows that all the different groups of employees ranging from the junior level to senior level were involved in this study.

1.7.3. Gender

The aim of the research question was to find out whether gender had any effect on business continuity. Data collected was analyzed and the findings were as shown below.

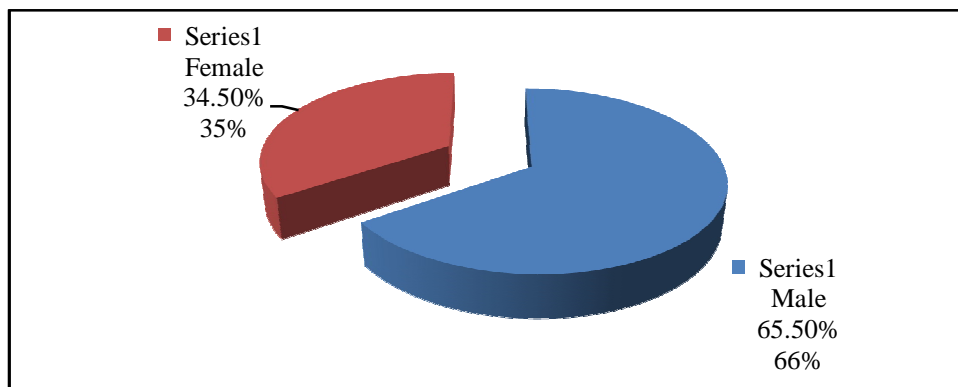


Figure 2: Gender

The findings of the study revealed that 65% of the respondents were male and 35% female. This shows that majority of the respondents engaged in this study were male. Gender distribution was not evenly distributed for this study.

1.7.4. Importance of adding business continuity management plan into a company's strategic planning

The findings of the above questions were recorded in the table below as shown;

	Frequency	Percent
Yes	96	67.6
No	46	32.4
Total	142	100.0

*Table 2: determination of whether it is important to add business continuity management plan into a company's strategic planning
Source: Field Data by Researcher, 2016*

Most of the respondents said that it was very important to add business continuity management plan into a company's strategic planning while 32.4% said that BCM was not an important thing in strategic planning. From the above results, it is crystal clear that BCM is an important component of strategic planning that must not be left out.

	Frequency	Percent
For the growth of the company	28	19.7
Continuous updating of developed plans	18	12.7
Assessing potential risks	20	14.1
For the company to run smoothly	5	3.5
To plan for the future	22	16.5
To assess the progress of the company	4	2.8
To plan well for adequate funding	7	4.9
To enhance work relations	10	7.0
For continuity	2	1.4

*Table 3: Importance of BCM in strategic planning
Source: Field Data by Researcher, 2016*

From the above table the study revealed that BCM was an important component of strategic management because it supports growth and expansion of the company. Further the respondents added that when you plan well then it means that you are planning for the future. Planning for the future is very important as it gives the guidelines for long term business continuity management. Business continuity management must be added into the strategic planning as it helps the organization in assessing potential business risks and giving a projection on where the company wants to be. This assists very much in that the company is able to run its activities smoothly. The opinions of the respondents above are therefore relevant to what Wong (2009) reiterated that organizations that incorporate business continuity management in their strategic management could gain a distinctive competency over their competitors in terms of operational resiliency which includes the speedy recovery of critical business functions at predefined period of time while minimizing the adverse impacts to their value and reputation. Additionally, the respondents said that strategic planning with regard to the long life of the business assists the company to plan well so as to get adequate funding. Planning also enhances good working relationships between the employees of the company and among different companies within similar and divergent industries.

For example, several authors have written about purposes or objectives of BCM. According to Manning (1999:243) BCM aims to stop the cessation of organizational activities as a result of an event that may lead to the failure of critical processes. The main focus is on the critical business processes in an organization (Doughty, 2002). Further, Herbane et al. (2004:435) state that BCM helps establish precautionary and quick to respond plans to completely circumvent or limit the impact that a disruption might have on the organization. Therefore, BCM entails assessment of threats or events and the management thereof, to restore critical business operations of the organization's environment to its original state prior to the disruption (Hiles & Barnes, 2001:22). The restoration of business processes needs to be at the state that a business can provide the required level of services to customers while limiting the financial impact caused by the disruption. Continuous operations of a business should be assured for the organization to meet its strategic objectives (Calderon, 2003:20). Therefore, BCM should be coordinated with the real environment of the organization (Sayana, 2005) as it is a holistic managerial activity (Graham & Kaye, 2006:10). As Cummings (2005: 4) asserts, the objective of BCM focus is on business in business continuity.

2. Conclusion

According to the findings of this study, BCM is an important component of strategic management because it enhances growth and expansion of the company. In addition, the study revealed that good plans guarantee an organization better future with minimal risks. Planning for the future is very important as it gives the guidelines for long term business continuity management. Business continuity management must be added into the strategic planning as it helps the organization in assessing potential business risks and giving a projection on where the company wants to be. This assists very much in that the company is able to run its activities smoothly.

3. Recommendations

The following recommendations are based on the findings from the study:

- i. As a new concept that is making organizational performance change, it is recommended that well-structured organizations need to adopt BCM with the guidance of this study's findings because it sustains the continuity of a business.
- ii. Business continuity management must be added into the strategic planning as it helps the organization in assessing potential business risks and giving a projection on where the company wants to be. This assists very much in that the company is able to run its activities smoothly.

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