

**SERVICE QUALITY STRATEGIES BY PRIVATE SECURITY FIRMS IN KENYA**

**GATOTO FLORENCE WANGUI**


**B211-0010/2012**

**A Thesis Submitted to the School of Business Management and Economics in Partial  
Fulfillment of the Degree of Master of Business Administration of Dedan Kimathi  
University of Technology.**

**JANUARY, 2015**

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**DECLARATION**


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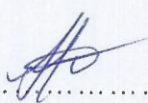
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## **DEDICATION**

I dedicate this research to my loving parents Mr. and Mrs. Gatoto and my entire family for their unwavering support and encouragement throughout this masters program. May God bless you abundantly.

## **ACKNOWLEDGEMENT**

I thank God Almighty for His love, care and the gift of life. I also wish to thank Dedan Kimathi University of Technology for offering me a chance to further my studies. I acknowledge all my lecturers who have imparted invaluable knowledge to me. I single out Dr. Anita Wachira and Dr. Lilian Mwenda, who guided me in writing this thesis. I also acknowledge the branch managers, operations managers, base commanders, and supervisors of Wells Fargo Limited, Bob Morgan Services, G4S Security Services, Securex Agencies, Total Security, Security Group, Radar Security Limited, Fidelity Security, Corporate Security, Cobra Security and Riley Security who were the respondents in the study and provided necessary information which this project successful. Lastly but not least I wish to appreciate my family who have been there for me and supported me throughout my studies.

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## **LIST OF ABBREVIATIONS AND ACCRONYMS**

IT	Information Technology
KSIA	Kenya Security Industrial Association
PSIA	Protective security Industrial Association
PSCs	Private Security Companies
TQM	Total Quality Management

## **ABSTRACT**

This study sought to identify service quality strategies by private security firms in Kenya. Specifically the study aimed to; evaluate the effects of employee capacity on service quality, assess the relationship between service process and service quality, and to analyze how relationship with stakeholders influences service quality. To achieve the above objectives, the study adopted a descriptive research design. The target population was a census of 60 managers comprising of 11 branch managers, 11 operations managers, 18 base commanders and 20 supervisors of all selected 11 companies under Kenya Industrial Security Association (KSIA) located within Nyeri County. Self-administered questionnaires were used to collect data from the respondents. Descriptive statistics such as frequency distribution and measures of central tendency were used to analyze data. A regression model was also used to establish the relationship between the dependent variables and the independent variables. Service process had the greatest influence on service quality, seconded by relationship with stakeholders while employee capacity had the least influence on service quality. Additionally the regression model generated explains the variables of the study. The study recommends that security firms should continue improving in service process since it has the highest influence on service quality; delivering quality service is essential for achieving organizational success and survival in the competitive world. Additionally to enhance service quality the private security firms should create synergy between service process and relationship with stakeholders since the variables had a significant relationship with service quality; in order to enjoy economies scale through delivery of quality services.

## CHAPTER ONE: INTRODUCTION

### 1.1 Background of the Study

For the last two decades the service industry has been identified as a key driver in the growth of developed and developing economy. In this increasingly competitive market, one of the most important tenets of service organization is to maintain an on-going relationship with their customers in order to protect their long term interest. Considering this competitive environment, there is a need for service providers to plan strategies that will differentiate them from others. This can be achieved through the delivery of superior service which leads to increased customer satisfaction (Ronnback and Witell, 2008).

According to Abrahamsen and Williams (2005), the private security industry comprises those actors who provide security services. The main market for private security industries are: banks, government agencies, commercial farms, embassies, international organizations, NGOs, and refugee camps. The functions of private security companies include; patrolling and guarding of private property, prevention and detection of theft, protection of individuals from bodily harm, maintaining public order at events concerts, reporting and responding to incidents and calls, installation and maintenance of alarm systems and alarm centers, fleet management and cash in transit management.

The Private Security Regulation Bill (2010), allows individual or firm person to provide the following private security services : provision of private security guard services, installation of burglar alarms and other protective equipment, private investigations and consultancy, car tracking and surveillance; close-circuit television, provision of guard dog

services, security for cash in transit, access control installation; or any other service authorized by the Board through a notice in the Gazette (Republic of Kenya, 2010).

Today the global trend for contracting out the supply of military and security services is steadily growing. Security is being transformed from a service for the public or common good into a privately provided service. The private security service sector has experienced spectacular growth since the end of the Cold War. The steady increase of the industry's global turnover was maintained even during the international financial crisis (2008–2009) due to the impressive expansion of the market for this type of service in emerging economies (Steden and Sarre, 2007).

Governments also contract private security firms where the option is cost-effective. Many states worldwide are increasingly outsourcing functions to private contractors that were traditionally undertaken by their military and police, partly in response to public security sector downsizing, but also because of the changing nature of warfare. This allows governments and public institutions to increase efficiency by concentrating on their core functions whilst transferring surplus responsibilities to private sector (Lernihan and Siochana, 2008).

According to Freedonia Report (2011), the global security service market was worth \$138.6 billion in 2007 and was estimated at \$152.5 billion in 2009; it will continue to grow at 7.4% annually, reaching \$218.4 billion in 2014. Much of the sector's growth will be stimulated in the leading emerging economies where it is projected that the turnover will increase at double-digit rates. The Confederation of European Security Services estimated in 1999 that

more than 500,000 guards were employed by 10,000 Private security companies (PSCs) in the European Union. The report also indicates that over 200,000 private security guards are employed in South Eastern Europe, considerably more than the number of police officers employed in those states. For example in Israel, the United Kingdom, United States and South Africa the number of employees in (PSCs) they employ exceed those of public law enforcement agencies.

The private security sector in Africa is in itself a reflection of a global trend, by which the post-Cold War triumph of neo-liberalism at the turn of the 1990s and its global expansion has given drive to a shift towards privatization. This has been demonstrated by outsourcing of non-core functions to PSCs in the west and the exportation of these privatized services to conflict and post-conflict settings, giving way to an increasing ceding of the traditional security space to private actors on a global scale. However, while more stable countries of the West have managed to hold on to the control over the use of legitimate violence by retaining their core security functions and effectively regulating private security providers, this is far from the case in Africa. The low institutional capacity of the African states to deliver the public good of physical security for citizens efficiently and effectively has created the security vacuum (Krahmann, 2003).

Kenyan government institutions, specifically the law enforcement agency is charged with the responsibility of providing internal security to the citizens. The Kenyan security situation has deteriorated in recent years with an upsurge of car-jacking, bank robberies, burglaries, attacks on business and individuals has adversely affected business viability, economic

stability and in turn community stability. As insecurity increases in Kenya out of the state's inability to provide adequate security to the people and enterprises people are turning to private security firms to ensure their personal and property safety. The evident gaps in security were first filled by non-profit neighborhood groups who gradually graduated to vigilante and militia groups who started charging protection fees to guarantee security this resulted to more insecurity and bigger security gaps. The PSCs came in to fill these evident gaps their services are available to people who can and are willing to pay (Wairagu, Kamenju and Singo, 2007).

In Kenya, the private security industry is one of the fastest growing sectors of the economy and it is a significant employer. In 2004, the industry was valued at 43\$million and provided employment to about 50,000 Kenyans. It is spread across the country, although it is much more visible in urban centers than it is in rural areas. The private security industry fills the gaps that government may be unable to bridge using their security architecture (Mkutu and Sabala, 2007).

There are currently two competing industry associations in Kenya: the Kenya Security Industry Association (KSIA) and the Protective Services Industry Association (PSIA). KSIA is an association of the bigger companies, whereas PSIA consists of the medium to smaller PSCs. KSIA is the older of the two associations, the main aim of KSIA is to establish and maintain quality standards and good practices in the sector, and also to provide a central organization to liaise with government, police and emergency services. KSIA specifies technical and operational standards that all members must comply with aiming to make



KSIA membership a seal of quality to clients who adhere to the set standards .Currently the association currently has a membership of approximately 30 companies ( Abrahamsem and Williams, 2005).

KSIA has endorsed the new minimum wage requirement as stipulated in Private Security Regulation Bill (2010). PSIA was formed in direct attack response to the new minimum wage requirements. By arguing that the new minimum wage increase by 12.5%, would significantly add to the cost of salaries for private security would make security available only to the wealthy, additionally it would force a number of smaller security companies out of business. Currently the association has a membership of approximately over 50 companies. PSIA members do not comply with the minimum wage requirement, giving a leeway to substandard services (KSIA, 2005).

The private security market in Kenya is highly differentiated and highly competitive. While the leading PSCs offer a package of advanced, integrated security services, the vast majority of companies provide only low-skilled manned guarding services. This differentiation in the sector consists of three-tier structure; at the top a few big companies offering integrated security solutions at a high cost; middle tier providing predominantly guarding and use of technology and a bottom tier of small, often unregistered companies, offering only manned guarding at very low prices. Guarding remains essential for most organizations, resulting in intense competition as companies from all three tiers bids for the same contracts. This makes the security companies to use pricing strategies to gain competitive advantage and ignore the quality aspect of services (Abrahamsen and William, 2005).

Currently in the country the number of asserted that here are currently as many as 2000 private security companies in the country however no exact number is available. This discrepancy has come into existence since no special license is required and security companies are registered in the same manner as any other business, hence a vast number of companies are not registered and operate illegally as the security industry remains largely unregulated by government. This is a critical omission on the part of government as it allows industry players to lower standards of security services provided to citizens (Wakefield 2005).

Makumi (2010), notes that although there are over 2,000 security companies operating in Kenya, only 21 companies were members of the KSIA. This means that the majority, fall outside the ambit of the industry self regulation mechanisms. Besides, a sizeable number of locally owned security companies operate illegally, since they are not registered with government authorities. Additionally, there is no specific government body to regulate the industry, neither is there a policy framework that sets the rules and guidelines for the industry. As a consequence, many companies pay little attention to labor laws, work ethics and service standards. Employees of the private security companies are often young, incompetent, inadequately trained and equipped, and lack the motivation to deliver quality services.

## **1.2 Statement of the problem**

Currently there is no specific government oversight body to regulate the private security industry, consequently there are over 2,000 security companies operating in Kenya.

Approximately 30 PSCs are members of the Kenya Security Industry Association (KSIA). This means that majority fall outside the ambit of the industry self regulation mechanisms. Besides, a sizeable number of locally owned security companies operate illegally, since they are not registered with government authorities. As a consequence, many companies pay little attention to service standards .To bridge the gap KSIA was formed by companies in need to comply with the set standards which are drawn from the Laws of Kenya, internationally accepted technical and systems specifications, and the professional experience of all member companies, to establish a set of benchmarks. The study therefore evaluated the extent of implementation of set service strategies to enhance service quality by private security firms so as to advice relevant bodies on the same.

### **1.3 Purpose of the Study**

To assess service quality strategies by private security firms in Kenya.

### **1.4 Objectives**

- i. To evaluate the effects of employee capacity on service quality by private security firms in Kenya.
- ii. To assess the relationship between service process and service quality by private security firms in Kenya.
- iii. To analyze how the relationship with stakeholders influences service quality by private security firms in Kenya.

## **1.5 Research Questions**

- i. What is the effect of employee capacity on service quality by private security firms in Kenya?
- ii. How does service process influence service quality by private security firms in Kenya?
- iii. What is the effect of stakeholder relationship on service quality by private security firms in Kenya?

## **1.6 Significance of the Study**

Service quality is one of the critical success factors that influence the competitiveness of an organization. The results of study are anticipated to provide a positive contribution in the development of healthy competition strategies among service providers by providing high service quality that satisfies customer needs. The customers may benefit since they will be better informed of their purchase rights under unregulated and volatile market conditions.

The research also invited submission of papers that present role, barriers, challenges and issues of quality improvement initiatives in the service sector due the fact service sector has become the dominant element of the economy in the industrialized nations. It may have implications for managers and entrepreneurs responsible for quality improvement in service sector including SMEs by gaining a better understanding of customer needs and the use of this knowledge to design better services.

Further, such information will enhance the achievement of Kenya's Vision 2030 since security is a vital enabler in economic pillar. Since security is critical in ensuring human and

economic development by creating a favorable environment for generating wealth and by extension brings about a reduction in crime and lawlessness which will make Kenya globally competitive.

### **1.7 Scope of study**

The study was confined in Nyeri County, specifically the 11 members of KSIA targeting specific employees in the PSCs. The association was selected over its many years of operations, wide coverage and incorporation of service standards.

### **1.8 Limitations of study**

The proposed study was faced with a number of limitations. Since information on quality service was provided by employees there is a possibility of failure by the respondents to disclose vital information due to confidentiality of the information and need to conceal their business secrets which may distort the results. The study was mainly based on assessment of employee capacity, service process and relationship with stakeholders on the impact of service quality, hence the study gives room to other studies in the same area, since service quality has become a major area of attention to practitioners, managers and researchers owing to its strong impact on business performance, cost efficiency, customer satisfaction, customer loyalty and profitability.

### **1.9 Assumptions of the Study**

The study was based on the assumptions that all listed members of KSIA have a quality of seal as a set of standards additionally that number of registered members will not vary over a period of study and that police, customers and employees are the stakeholders in the PSC's.

## 1.10 Operational Definitions of Terms

**Employee Capacity:** Degree of ability in which an employee is empowered to deliver services

**Private Security Companies:** Companies offering different security services to people willing to pay for the services.

**Relationship with Stakeholders:** Nature of relationship between public security, employees and customers as stakeholders and private security firms.

**Service:** Activities to satisfy security needs in exchange of cost.

**Service Process:** The sequence of activities and steps, the flows and interactions between these activities, and the resources required for producing and delivering the service outcome.

**Service Quality:** A measure of how well the service level delivered matches specifications.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter presents the theoretical as well as the empirical literature, the theoretical literature focuses on the relationship that exists between service quality and gap model, SERVQUAL theory and extended service model. The empirical literature focuses on what previous researchers have found out in the area, it is guided by the research variables.

### **2.2 Overview of Service Quality**

Today, globalization and liberalization are affecting the economies of not only developing but also developed countries. The focus areas for organizations are also changing from profit maximization to maximizing profits through increased customer satisfaction. In today's world of global competition, rendering quality service is a key for success, and many experts are of the view that the most powerful competitive trend currently shaping business and marketing strategy is service quality. The same need has been identified in businesses and specifically the private sector (Mazzeo and Michael, 2003).

Need of quality management has been caused by the prevailing market environment in the service sector: increasing competition from private players, changing and improving technologies, and continuous shifts in the regulatory environment, which has led to the growing customer sophistication. Additionally, customers have become more aware of their requirements and demand higher standards of services, since their perceptions and expectations are continually evolving, making it difficult for the service providers to measure

and manage services effectively. Hence, the success of any organization lies on effective customer service management (Talib and Rahman, 2010).

According to Asubonteng, McClearly, and Swan (1996), due to intense competition and the hostility of environmental factors, service quality has become a cornerstone marketing strategy for company's in order to survive and grow. Service-based companies are compelled to provide excellent services to their customers in order to have a sustainable competitive advantage by understanding service quality in order to attain their objectives.

Service quality management impacts positively on business performance. Delivering service quality to customers is essential for achieving success and surviving in the competitive world as it enhances the reputation of the firm, attracts new customers through word-of-mouth, and increases profitability. Organizations achieving a higher level of service quality have high levels of customer satisfaction, which is an antecedent of sustainable competitive advantage (Wang, Lo and Hui, 2003).

Studies undertaken by Guo, Duff and Hair (2008) indicate that having an effective service quality strategy has a strong correlation with financial performance by reducing manufacturing costs, increasing customer loyalty and customer retention and enhancing IT capability resulting to successful marketing strategy.

Study by Duncan and Elliot (2004) examined the link between service quality, financial performance, and efficiency. The study supported that there is a positive relationship between service quality and financial performance, whereas the positive relationship between efficiency, financial performance, and service quality were rejected. These results provide an



empirical evidence of the positive relationship between service quality and financial performance, a fact which has also been proved by (Guo *et. al.*, 2008).

In the study by Looy and Dierdonck (2003) asserted that quality holds the key to competing in today's global market by assisting in clear development of marketing strategies by building strong brand names,. Despite the fact that quality management practices are primarily embraced in the manufacturing sector, quality management in the service industries has been gaining momentum over the past decade through TQM.

## **2.3 Theoretical Framework.**

### **2.3.1 Gap Model in Service Quality**

The main idea of the model is focused on the premise that service quality is

The gap model was developed by Parasuraman, Zeithmal and Berry (1985), they proposed that service quality is dependent on the size and direction of the five gaps that can exist in the service delivery process. The various gaps visualized in the model are:

Gap 1:                   Difference between consumers' expectation and management's perceptions of those expectations, not knowing what consumers expect.

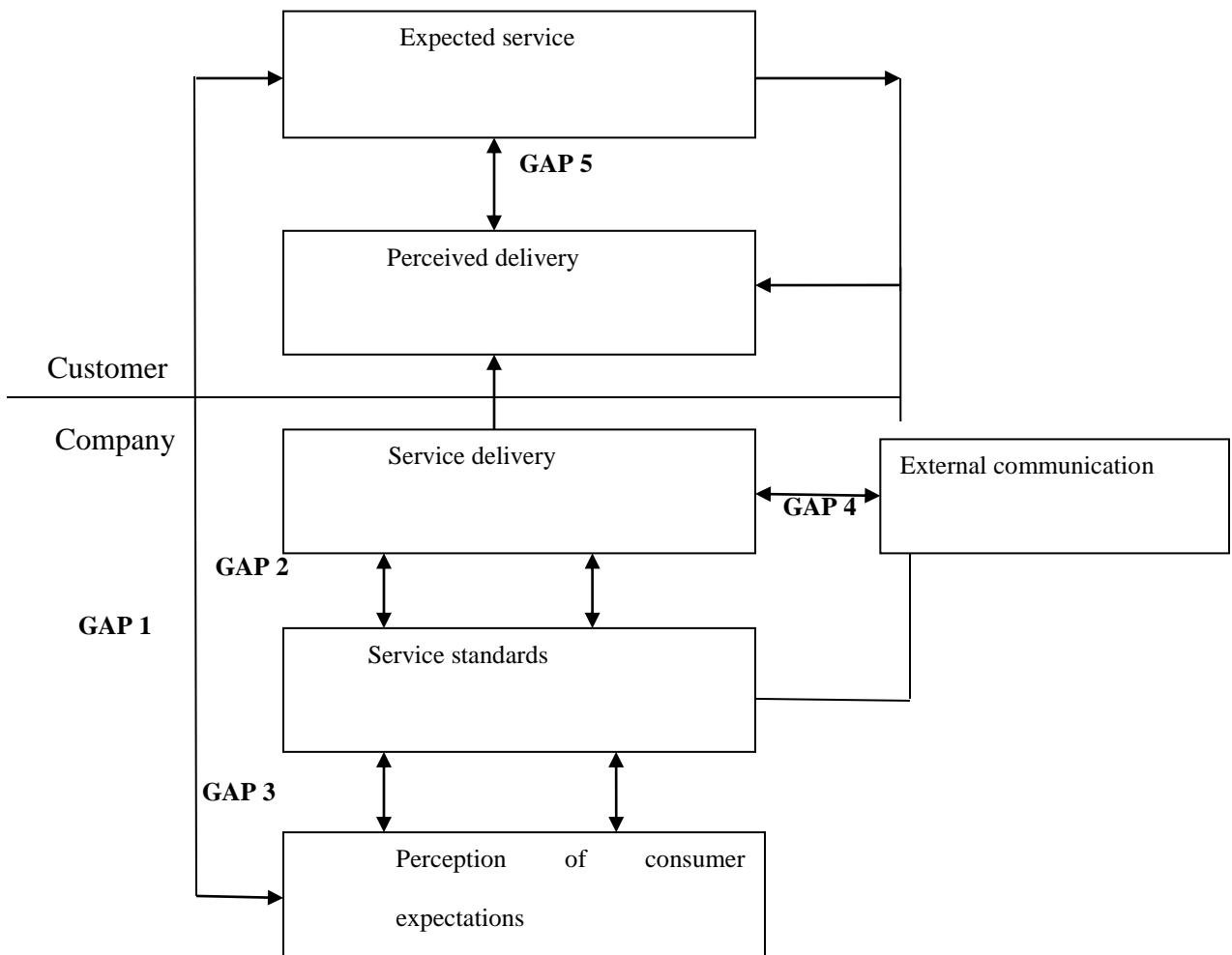
Gap 2:                   Difference between management's perceptions of consumer's expectations and service quality specifications, improper service-quality standards.

Gap 3:                   Difference between service quality specifications and service actually delivered.

Gap 4: Difference between service delivery and the communications to consumers about service delivery whether promises match delivery.

Gap 5: Difference between consumer's expectation and perceived service, the gap depends on the size and direction of the four gaps associated with the delivery of service quality on the marketer's side.

The gap model for the study is presented in Figure 2.1 below



**Figure 2.1 Gap Model**

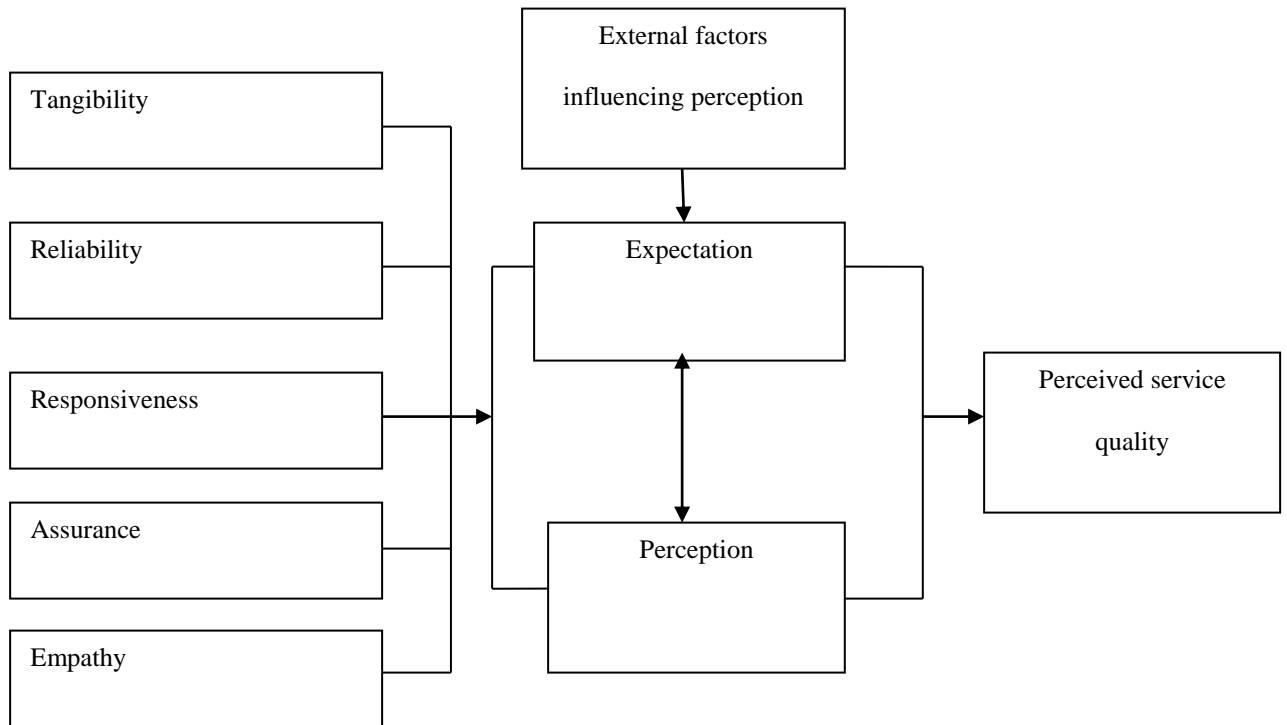
**Source: (Parasuraman, Zeithmal and Berry 1985)**

### **2.3.2 SERVQUAL Theory.**

The theory was developed by Parasuraman, Zeithaml and Berry (1988) found five dimensions of service quality and developed a conceptual model. Each item in the instrument is of two types. One to measure expectations about firms in general within an industry and the other measures perceptions regarding the particular company whose service is being assessed. Tangibility compares consumer expectations and the firm's performance regarding the firm's ability to manage its tangibles. Reliability reflects the consistency and dependability of a firm's performance, it establishes if the firm has kept its' promise. Responsiveness concerns the willingness or readiness of employees to provide service and the firm's ability to meet customers' needs. Assurance addresses the competence of the firm, the courtesy it extends to the customers and the security of its operations thus winning the customers' trust and confidence in the firm. Empathy understanding the customer needs and making the services available and accessible to their customers, it also consists of the firm's willingness to go beyond customer needs.

The SERVQUAL model for the study is presented in Figure 2.2 below

## SERVQUAL Dimensions



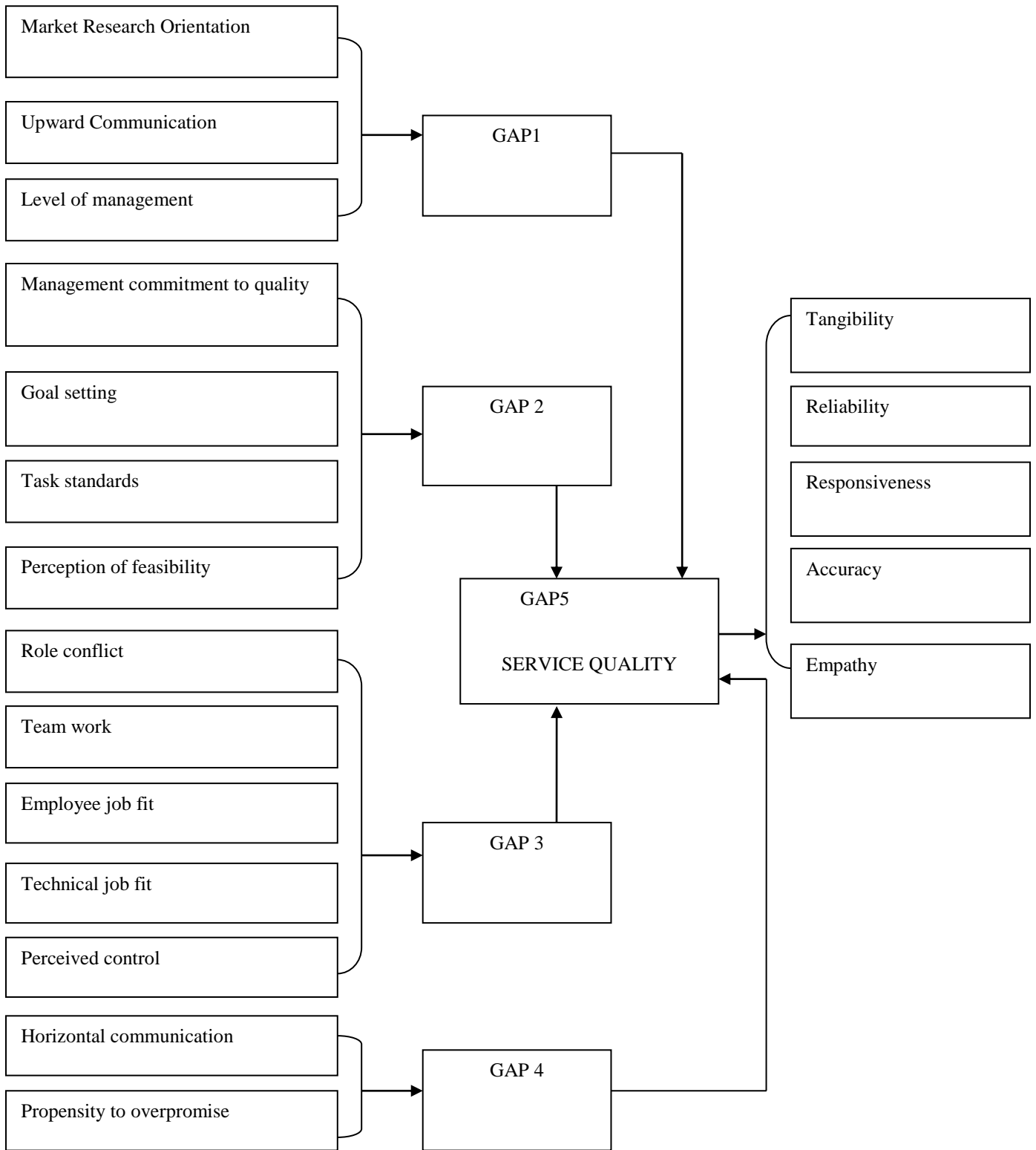
**Figure 2.2 SERVQUAL Model**

**Source : ( Parasuraman, Zeithmal and Berry 1988)**

### 2.3.3 Extended Model

The extended service model of service quality is a combination of Gap theory and SERVQUAL theory, it is relevant to this research study as private security service requires high consumer involvement in the consumption process; hence, the attainment of quality service relies significantly on the co-contribution of the employees to the service delivery process. In this study service quality is influenced by many other factors such as employee capacity, service operation and relationship with stakeholders.

The extended model for the study is presented in Figure 2.3 below:



**Figure 2.3 Extended model**  
**Source: (Zeithmal, Berry and Parasuraman 1988)**

## **2.4 Empirical Review**

### **2.4.1 Employee Capacity**

According to Luecke (2006), authorities in business organizations during the early 19th failed to accord employees' the required recognition and respect. But after the initiation of the theory of human capital it was realized that human resource management should be combined with the organization's overall business strategy since human resource practices play a crucial role in the management of service operation. In this regard it then it became necessary for leadership to develop strategies to retain employees through human resource development.

Kumra (2008) argues that service quality is not only involved in the final product and service, but also involved in the production and delivery process, thus employee involvement in process redesign and commitment is important to produce final products or services.

Tornow and Wiley (2004) in their study found a positive correlation between the capacity of employees and service quality. They also found that customer satisfaction is directly related to the attitude and perceptions of employees, which relates to the organization and its management practices. To improve effectiveness in service quality, organizations must build the capacity to retain, attract and employ an adequate number of high-quality employees' in order to adapt to circumstances that are constantly changing.

#### **2.4.1.1 Training and Development**

According to a study by Schneider, Russell, Beatty and Baird (2003), asserted that to provide high quality service, employees need to get enough training in the necessary technical skills

and knowledge, and interactive skills. Interactive skills help employees to provide courteous, caring, responsive and empathetic service. Successful companies invest heavily in training and make sure that the training fits their business goals and strategies.

To grow and maintain a workforce that is customer-oriented and focused on delivering quality service requires the organization to develop and invest in the right employee through frequent training. Training and development are significant essentials in ensuring the effective and beneficial performance of employees. This ensures that they render efficient and quality service to their customers whilst improving on their competencies (Palmer, 2008).

Despite the size of the private security sector, there are no specific regulations or requirements in terms of the training and vetting of guards, and the quality of training and services vary considerably from company to company. Most companies provide some training for their guard force, but some PSCs place guards on duty with little or no knowledge of basic security provision, while others provide fairly extensive courses. Given the unevenness of training and standards, concerns are frequently raised about the quality and integrity of security staff, with allegations that guards are in collusion with criminals (Thuranira and Munanye, 2013).

#### **2.4.1.2 Job Terms and Conditions**

The private security sector is a major source of employment in Kenya, and it is currently estimated that the sector employs approximately 48,811 employees. Given the high dependency ratios in the country, it is further estimated that that the industry supports

indirectly a total of 195,524 people. Private security is thus an important part of the economy; providing much needed employment stipulation of a minimum wage is currently the main, and most controversial, area of government regulation of the private security sector (Thuranira and Munanye, 2013).

According to Luecke (2006), discontent is unlikely to be derived solely from remuneration or working hours and that work enhancement is required for essential motivation and that it is a constant process for the management to ensure that the work should have an adequate assessment to exploit the full capability of employees. Additionally, certain factors such as opportunity for advancement, gaining recognition, responsibility, challenging or stimulating work, sense of personal achievement ought to be taken into consideration in order for employees to render efficient services to attain customer satisfaction and loyalty.

#### **2.4.1.3 Recruitment and vetting**

It is the duty of management to recruit the right personnel to fill the required positions within the organization in order to ensure that stated objectives are achieved. Therefore the main objective of recruiting is the need to attract and retain the right employee for the right work within the organization. In this regard service organizations tend to engage employees for their service competencies and preference (Luecke, 2006).

Organizations should not only focus on recruiting the precise employees' but also need to retain the best employees. Employee turnover is a major setback to the service organization, as it can be detrimental to customer satisfaction, employee morale and overall service quality. When an employee leaves the organization, it might affect the customers, due to the attachment the customer may have with that employee. Companies that consciously enact



strategies to create a culture of employee motivation are the companies that attract and retain the best talent and surpass their corporate objectives (Valaries, Zeithaml, Bitner and Gremler, 2009).

Highly skilled employees are critical in producing high-quality outcomes and effective quality improvement hence organizational growth. Hence there is a need for selective hiring of qualified staff. Successful recruitment and retention of staff is tied to empowerment of staff by treating them as full partners in management and giving them opportunities for advancement. In order to facilitate service quality and growth, organizations must implement effective human resource strategies which involve selective hiring and retention of employees by monitoring and ensuring that they meet performance and practice standards to retain credentials (Argote and Ingram, 2000).

A survey by Wairagu, Kamenju, and Singo (2004), cited that employees of the private security companies are often young, incompetent, inadequately trained and equipped, and lack the motivation to deliver quality services additionally the majority of the workforce in the private security industry comprises young school leavers aged between 18 and 30 years.

As part of their effort to ensure higher quality and standards, KSIA requires all its members to subscribe to staff check, a database that contains information on employees, including guards previously employed by PSCs or laid-off for misconduct. To try to curb the problem KSIA have developed investigative capacities and collect information pertaining their employees through polygraph tests (KSIA Report, 2005).

### **2.4.2 Service Process**

A service process can be described as the sequence of activities and steps, the flows and interactions between these activities, and the resources required for producing and delivering the service outcome. An efficient and effective service delivery system is made up of multiple, interdependent service processes which should define the roles of people, technology, facilities, equipment, layout and processes that generate the required service outcome (Goldstein, Johnston, Duffy, and Rao, 2002).

A study by Guo, Duff and Hair (2008) indicates that companies with an excellent customer service record reported a 72% increase in profit per employee, compared to similar organizations that have demonstrated poor customer service. It is also very costly to attract new customers than retain existing customers; therefore achieving high levels of service is one method to keep customers both satisfied and loyal.

According to Goldstein *et. al.*, (2002), service process leads to an outcome resulting in the customer being either satisfied or dissatisfied with the service experience it is of paramount importance that service organizations pay attention to designing the system by which service concepts are produced and delivered to customers .It is the role of delivery to ensure that the expected service outcome is received by the customer.

#### **2.4.2.1 Technology Use**

Researchers in quality management have strongly emphasized on continuous improvement of products and processes and have argued that IT investments are very important elements in increasing productivity and reducing costs. Service providers are seeking continuous

improvements in business performance through business process re-engineering, management resources planning, just-in-time, and self-directed work teams. Technology is essential for harnessing of information and data plays a critical role in the quality service investments that facilitate service assessment and improvement process (Chau and Kao, 2009).

A study by Zhu and Nakata (2007) argues that customer orientation is driven by service quality and impacts significantly on business performance. Furthermore, the study argues that the relationship between customer orientation and business performance can be positively influenced by IT capability. The impact of IT capability on customer orientation is the result of enhanced service quality driven by technological changes that results to increased automation and better connectivity. This then leads to the facilitation of customer related activities such as the sharing of customer knowledge within the organization, gathering customer information, analyzing customer information and behavior, making decisions and planning customer initiatives.

#### **2.4.2.2 Organizational Structure**

Organizational structure is the organization's internal pattern of relationships, authority, and communication. A research by Sahin and Robinson (2002); Chandler (1962), agrees that organizations must fit structure and processes if the strategy wants produce positive results. The relationship between structure and performance is dependent on many other organizational functions. Therefore, a linkage between organizational structure and communication may improve communication capabilities, resulting in different levels of integration which in turn enhances quality.

Koufteros, Vonderembse, and Jayaram (2005), provides empirical evidence about the relationship between organizational structure and internal communication since organizational structure facilitates processing and flow of information. However, as organizational structure has many dimensions which affect communication, the organization need to realize the value of Total Quality Management (TQM) implementation, by building internal organizational structure. Organizational structure should be capable of fully supporting the implementation of the preferred structure by providing control and flexibility of activities in order to adapt quickly to the changing marketplace. It is thus important to assess organizational structures when evaluating an organization's TQM implementation.

#### **2.4.2.3 Service Operations**

Service operations include the process, procedures and systems towards service delivery through service design. Service design is the process of determining all the features and characteristics of a service. The design of the service must match the business strategy in order for the company to be successful. Service operations management has a pivotal role to play in support of the core business and must be closely coupled with the organization's strategy in order to create an environment that strongly supports the primary objectives of that organization (Omachonu, Johnson and Onyeso, 2008).

On research study by Guo *et. al.*, (2008) on the impact of process variation on financial performance in financial service institutions sheds further light on the dynamics of the impact of process orientation on customer satisfaction. They identify lack of rigorous policies and processes as one important factor that contributes to the substantial variation in service delivery. An improvement in processes can reduce the apparent variation in the process, and

can have an indirect effect on business results through increased customer satisfaction. Hence process orientation, like employee management, supports a firm's customer orientation and has a direct effect on customer satisfaction.

Based on the sensitivity of functions performed by PSCs they ought to employ strict and efficient supervisory and surveillance regime to ensure that the security operations systems are working. Through immensely investing in the latest appropriate and cutting edge electronic technology and other operational logistical framework to ensure the efficient delivery of its services. For rapid response vehicles they should be strategically stationed and manned on a 24 /7 basis to ensure quick response to all distress calls of any nature within a very short time in addition, they should be equipped with all the standard tools required for rescue and other interventions in emergencies. The drivers and crew should be fully trained in emergency preparedness and response (Sarre and Prenzler, 2007).

### **2.4.3 Relationship with Stake Holders**

Stakeholders in an organization include employees, finance providers, government community and environment, consumers of the organization's products and special interest organizations (Kolter and Keller, 2009).

#### **2.4.3.1 Grievance Handling**

The manner in which complaints are received and addressed demonstrates an important measure of organizational commitment to quality care and customer satisfaction. A well structured complaint and grievance policy is one of the foundations of good customer care service when clearly communicated to all parties involved (Legge, 1995).

For effective grievance handling KSIA has set up policies and guidelines towards grievance handling. Any aggrieved customer is obliged first to address his grievance to the member company itself. If and only when, a customer has failed to secure satisfaction from the company's formal channels of complaint, the customer will be entitled to submit a grievance to KSIA. The KSIA through its' tribunal will then operate a system for assessing the merits of any customer or company dispute, and will give hearing and submit its findings to both parties. The findings are intended to give both parties an independent, informed and fair-minded assessment of the dispute at hand. (KSIA,2005).

#### **2.4.3.2 Collaboration with Police**

The relationship between private security providers and the public police is crucially important in the effective delivery of security services. The private security sector in Kenya is unarmed, and PSCs relies on police backup for any serious incident involving firearms and other weapons. Most security companies report more than five incidents a week involving firearms and number has increased significantly in recent years (Wairagu *et. al.*, 2007).

In Kenya the relationship between PSCs' and police is non- formalized due to lack of a clear regulatory framework for the private sector and the absence of a clear and consistent policy framework structuring the public-private security relationship. For these reasons, there is little collaboration between the public and the private security sectors. A high degree of suspicion also exists, with the police regarding private security guards as frequent lawbreakers and PSCs pointing out the involvement of police officers in criminal activities (Thuranira and Munanye, 2013).

According to a study National Policy Summit Report (2004), lack of information sharing, mistrust, and misinformation are the primary barriers to effective collaboration between PSC's and public security which has an adverse effect on operations of PSC's. Police officers feel that private security personnel generally lack education and training and are threats to their policing domain of professionals versus non professionals. PSCs on the other hand believe that public law enforcement officers have limited knowledge about the private security industry and do not appreciate the important role they play in solving and preventing crimes.

#### **2.4.3.3 Industrial relations**

Industrial Relations involves all aspects of legal compliance that are required to be met by any organization, it includes changes in the Employment Relations Act, Health and Safety Legislation, Workers Accident Compensation and other obligations and developments specific to the act. In order to maintain businesses those are competitive and successful in a fast-changing global economy. Organizations must keep up with issues and trends that affect employment relationships and regulations ,labour market and economics and analyze contemporary employment issues to create healthy industrial relations ( Victoria university, 2010).

#### **2.5 Research Gap.**

Service quality issues in the private security industry, within developing economies, have long been neglected when compared to research available in developed economies including Europe and the USA. The literature clearly suggests conducting research on service quality in

developing economies will be viable since it will identify the areas of weakness with respect to service quality, and offer suitable solutions and specifically Kenya.

Most of the researches that have been conducted on service quality issues are based on consumer perspective compared to service quality issues based on management perspective hence the study intends to shed more light on the issue.



## 2.6 Analysis of variables

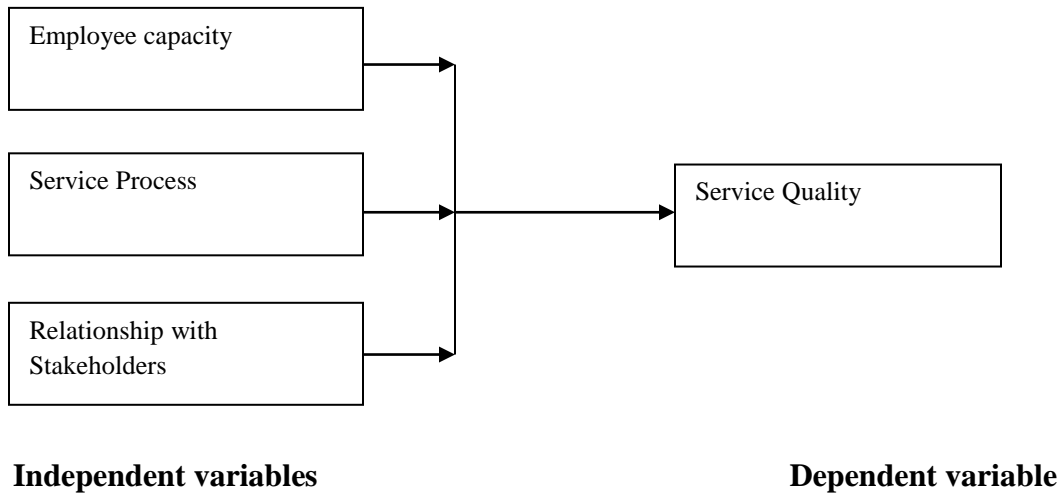
**Table 2.1 Analysis of Variables**

Variable	Author	Study	Parameters	Findings
Employee Capacity	Tornow and Wiley (2003)	A look at employee attitude, customer satisfaction, and bottom-line consequence.	-Customer satisfaction -Employee perception -Service quality	Positive correlation between employee capacity, customer satisfaction, directly related to employee perceptions which relate to management practices which in turns affect service quality.
Training and Development	Valaries <i>et al.</i> , (2009).		-Service quality -Training -Customer orientation	Training and development are significant essentials in ensuring the effective and beneficial performance of employees and ensures that they render efficient and quality service to their customers
Organizational structure	Sahin and Robinson (2002)	A study on organizational structure, integration, in manufacturing performance	-Organizational structure -Performance -Communication	There is a relationship between structure and performance, and linkage between organizational structure and communication may improve communication capabilities, resulting in different levels of integration which in turn enhances quality
Technology use	Zhu and Nakata (2007)	Re-examining the link between customer orientation and business performance	-Customer orientation -Service quality -Business performance IT capability	The relationship between customer orientation and business performance can be positively influenced by IT capability. The impact of IT capability on customer orientation is the result of enhanced service quality driven by technological changes
Service operations	Guo, Duff and Hair (2002)	Impact of process variation on financial performance in financial service	-Policies and policies -Service delivery -Service quality	Identify a lack of rigorous policies and processes as one important factor that contributes to the substantial variation in service delivery which affects service quality.

Relationship with stakeholders	National Summit Report (2012)	Collaboration between public and private security in Kenya.	-Mistrust -Lack of Information sharing -Misinformation	The findings highlight that lack of information sharing, mistrust, and misinformation are primary barriers to effective collaboration between private and public security providers
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**2.7 Conceptual Framework:**

This framework attempts to establish and explain factors that influence service quality strategies by private security companies Kenya by determining the effects of independent variables which are the service quality strategies on the dependent variable. The conceptual framework for the study is presented in figure 2.4 below.



**Figure 2.5 Conceptual framework**

### **2.7.1 Employee Capacity**

To grow and maintain a workforce that is customer-oriented and focused on delivering quality service requires the organization to develop and invest in the right employee through having constant training to ensure that they render efficient and quality service to their customers whilst improving on their competencies.

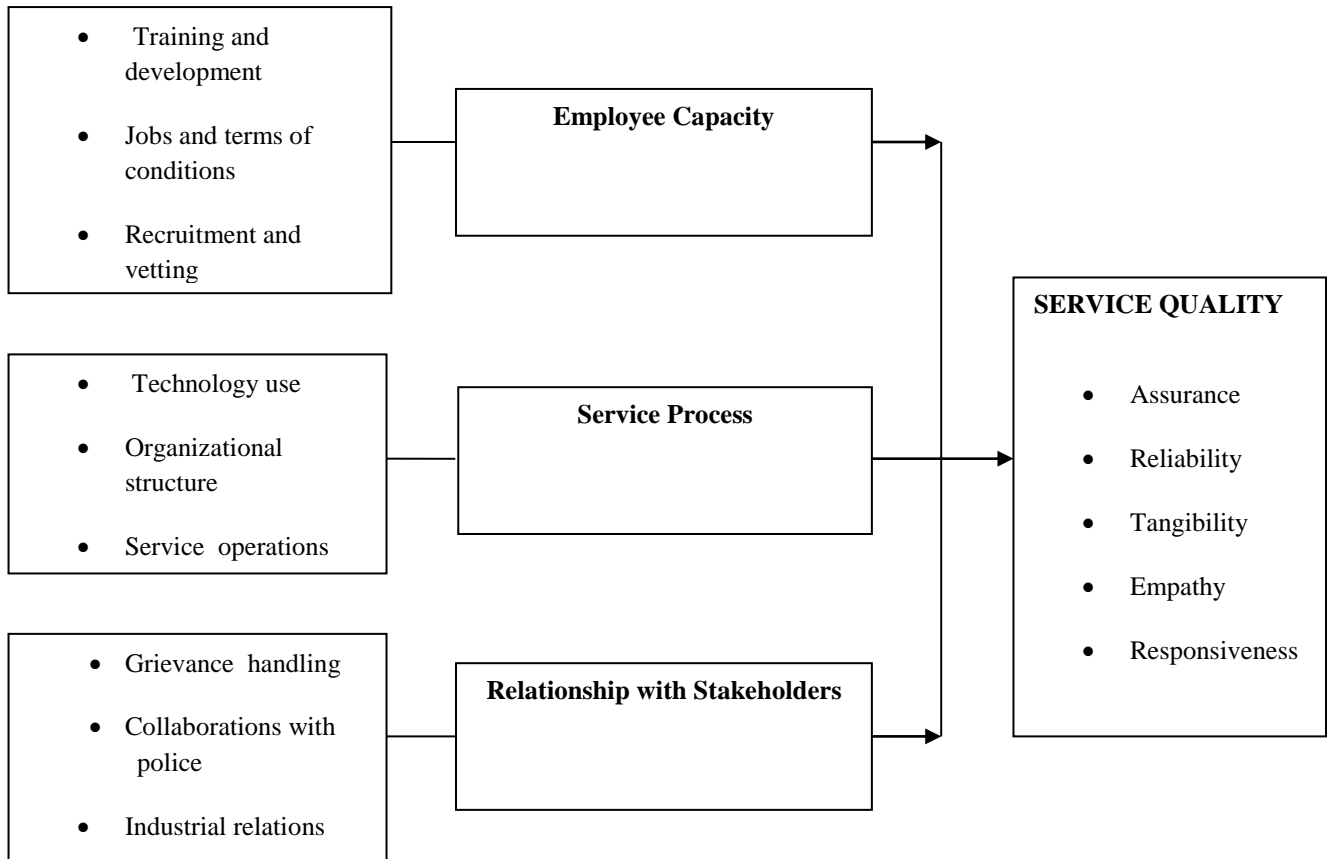
### **2.7.2 Service Operations**

Service process leads to an outcome resulting in the customer being either satisfied or dissatisfied with the service experience, it is of paramount importance that service organizations pay attention to designing the system by which service concepts are produced and delivered to customers. It is the role of delivery to ensure that the expected service outcome is received by the customer.

### **2.7.3 Relationship with stakeholders**

The manner in which complaints are received and addressed demonstrates an important measure of organizational commitment to quality care and customer satisfaction. A well structured complaint and grievance policy is one of the foundations of good customer care service when clearly communicated to all parties involved.

## 2.8 Operational Framework



**Measuring parameters**

**Independent variable**

**Dependent variable**

**Figure 2.5 Operational Framework**

The independent variable employee capacity will be measured by effectiveness of human resource practices on employee capacity. The service process will be measured by extent use of technology, effect of organizational structure on services and nature of service operations. The relationship with stakeholders will be measured by the effectiveness in redressing grievances, linkages with police and nature of industrial relations. The dependent variable on the other hand will be measured by dimensions of service quality.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter describes how the study was conducted. It examines details regarding study design used, target population; sample size and sampling procedure, data collection and data analysis procedure.

### **3.2 Research Design**

Research design is the general plan of how the researcher will go about answering research questions. It specifies the sources from which the researcher intends to collect data, measurement and analysis of data. Descriptive research design was used as it is deemed to be the most appropriate since it intends to build assessments of service quality profiles of the companies based on set standards (Saunders, Lewis and Thorn, 2009). Orodho (2009) recommends the use of descriptive design since it produces information that is of interest to policy makers even in business descriptive design is helpful.

### **3.3 Target Population and sample**

The population of the study consisted of 11 companies operating in Nyeri County specifically the employee as they directly influence service quality during the service process representing 39% of the total members under KSIA, The association was selected because of its' many years of operations and the fact it has set standards which acted as a benchmark to assess service quality.

Branch managers, operations managers, base commanders, and supervisors of PSCs' Branch were purposively selected summing to 60 respondents for the study since they provided

greater insight on quality of services offered. Orodho (2009) contends that population studies or is more representative as it gives everyone an equal chance.

**Table 3.1 Target population and sample**

Company	Branch Managers	Operations Managers	Base commanders	Supervisors	Total employees	Percentage %
Wells Fargo Limited	1	1	2	2	6	10
Bob Morgan Services	1	1	2	3	7	12
G4S Security Services	1	1	3	3	8	13
Securex Agencies	1	1	1	1	4	7
Total Security	1	1	1	2	5	8
Security Group	1	1	2	2	6	10
Radar security limited	1	1	1	1	4	7
Fidelity Security	1	1	1	1	4	7
Corporate Security	1	1	2	1	5	8
Cobra Security	1	1	2	2	6	10
Riley security	1	1	1	2	5	8
<b>TOTAL</b>	<b>11</b>	<b>11</b>	<b>18</b>	<b>20</b>	<b>60</b>	<b>100</b>

### 3.4 Data Collection Instruments

The researcher used both primary and secondary data; questionnaires were used to gather primary information from the field. Questions were both open ended questions and close ended questions. The close-ended questions provided more structured responses to facilitate tangible recommendations. The open-ended questions provided additional information that was not captured in the close-ended questions open ended questions .Open ended questions were used to encourage the interviewee to provide extensive and developmental answers;

comments and suggestions. Likert scale was used to indicate feelings or perceptions of service quality, secondary data was obtained through from journals, books and internet.

### **3.5 Reliability**

Mugenda (2003), defines reliability as a measure of the degree to which a research instrument yields consistent results or data after repeated trial. To improve reliability of the questionnaires a pilot study was conducted in Nyeri town targeting members of PSIA who are not members of KSIA. Employees were requested to comment on the representativeness and suitability of questions and give suggestions to be made to the structure of the questionnaire. The changes made were: on the extent which job terms and conditions influences service element remuneration is fair was changed to remuneration is based on merit and minimal occurrence of industrial dispute was changed to minimal occurrences of grievances.

### **3.5 Validity**

Validity is defined as the accuracy and meaningfulness of inferences, which were based on the research results Mugenda (2003). Validity of an instrument was improved through expert judgment. As such, the researcher sought assistance of the supervisors, who, as experts in research, helped to improve content validity of the instrument.

### **3.6 Data analysis**

According Saunders *et. al.*, 2009, data analysis is the process of bringing order, structure and meaning to the mass of information collected. Descriptive statistics was employed to analyze quantantive data which included mean, frequency and percentages. Further, inferential analysis was conducted to assess service quality. Regression analysis was conducted to

establish relationship between variables is the service quality offered by PSCs which was measured by either by responsiveness, assurance, reliability, empathy, and tangibility,  $\beta_0$  is the autonomous factor representing constant value of service quality when dependent variables of study are not under consideration,  $\beta$  is a vector of regression slope .Error term captures all relevant variables not included in the model because they are not observed in the data set. The general form of the model to be use  $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$

Where:  $Y =$  Service quality

$\beta_0 =$  Autonomous factors

$X_1 =$  Employee Capacity

$X_2 =$  Service Process

$X_3 =$  Relationship with stakeholders.

$\beta_i =$  Coefficient for variables

$e =$  Error term

Inferential statistics was conducted using T-test to determine whether there is a significant difference between the means of dependent and independent variables. F-test was used in order to ascertain whether the model used best fits the population used. To test significance of the variable  $p$ -Value was used with acceptable significance level of  $p \geq 0.05$ .

### **3.7 Ethical Consideration**

While conducting a study, obtaining informed consent implies that all possible information regarding the aim of the investigation, the procedure to be followed during the investigation, the possible advantages, disadvantages and dangers to which participants may be exposed should be put to the potential participants in the research. Informed consent is also required in ensuring the confidentiality of identity (Kvale, 1996). In this study the study was to ensure



no form of identification was required and the information provided thereof was treated with utmost confidentiality. Prior to participation the informed content as stipulated above was sought.

## **CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION**

### **4.1 Introduction**

This section covers data analysis, presentation, and discussion on data gathered from the field. The major findings of the study as they relate to each of the research objectives are presented. The study findings are presented on service quality strategies by private security firms in Kenya.

### **4.2 Response rate**

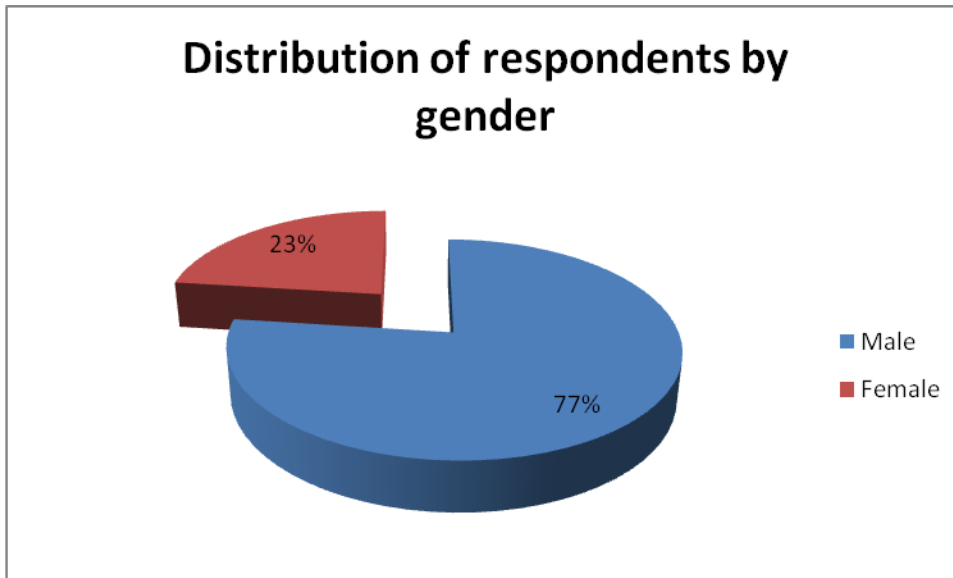
The researcher distributed questionnaires to the 60 employees who included branch managers, operations managers, base commanders and supervisors of selected 11 companies under (KSIA) located within Nyeri Central Business District. A total of 56 questionnaires were returned; this represents a response rate of 93% which is acceptable according to Orodho (2009).

### **4.3 Socio-demographic data**

The researcher collected background data of employees in the PSCs. This was in order to establish the characteristics of the people offering these services. This was achieved by evaluating the respondents' gender, age and level of education.

#### **4.3.1 Distribution of respondents by gender**

Findings in Figure 4.1 indicate that a significant number, 77% (n=43) were male, while 23% (n=13) were female. This shows that the private security sector is male dominated.



**Figure 5.1 Distribution of respondents by gender**

#### **4.3.2 Distribution of respondents by age**

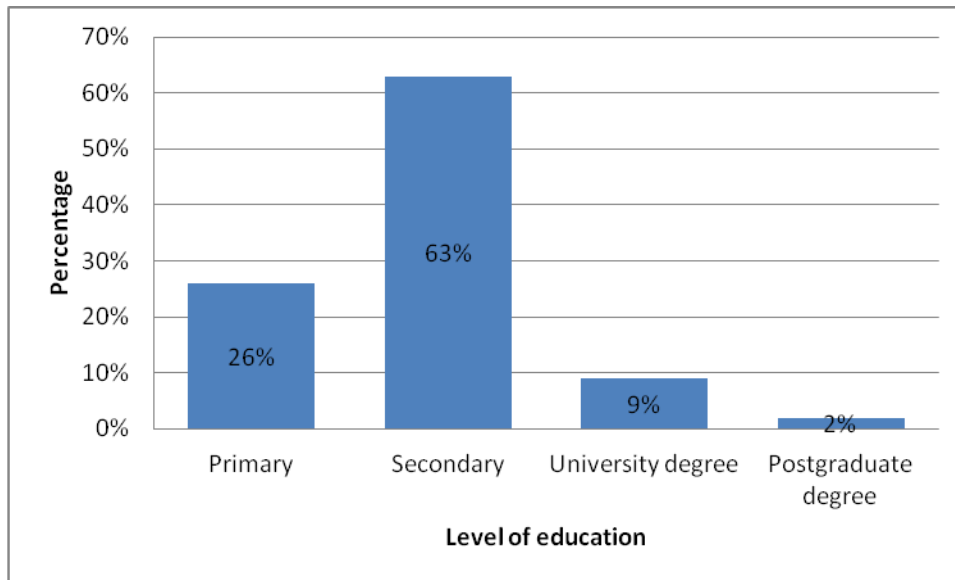
Respondents aged between 26 and 35 years accounted for 48%, while those aged between 36 and 50 years accounted for 25%. This shows that the majority of employees were young.

**Table 5.1 Distribution of respondents by age**

Age (years)	Frequency	Percentage
18-25	8	14%
26-35	27	48%
36-50	14	25%
Over 50	7	13%
Total	56	100%

### 4.3.3 Distribution of respondents by level of education

Findings in Figure 4.2 reveal that a significant number, 63% (n=35/56) of the respondents had attained secondary education as their highest qualification. This reveals that the majority of employees are semi-skilled since they possess secondary education qualifications.



**Figure 5.2 Distribution of respondents by level of education**

### 4.4 Service Quality Dimension

The purpose of this study was to establish the service quality strategies by private security firms in Kenya. To achieve this, the researcher sought information from the respondents on the quality of service delivered to customers. The questions which were in Likert scale were analyzed using (1=Strongly disagreed;2= disagreed;3= not sure;4=agreed and 5=strongly agree).

#### 4.4.1 Assurance

According to the study, 59% (n=33/56) of the participants indicated that there were no contradictions in decision making between employees and management in their respective organization's ; 56% (n=31/56) of the respondents indicated that the organizations' had good reputation; 83% (n=47/56) of the respondents indicated that there were no delays due to bureaucratic factors and procedures. According to 69% (n=39/56) of the respondents agreed that there was respect for stakeholders, however a significant number of participants 57% (n=32/56) were uncertain that they felt secure and safe in their workplace.

**Table 5.2 Assurance**

Item	S.A		A		U		D		S.D		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
No contradictions in decision between personnel and management in the organization.	17	31%	16	28%	5	9%	13	23%	5	9%	3.7	0.938
The organization has good reputation.	13	23%	18	33%	5	9%	7	12%	13	23%	3.8	0.325
You feel secure and safe in your workplace	9	16%	6	11%	32	57%	6	10%	3	6%	2.8	0.436
No delays due to bureaucratic factors and procedures	24	42%	23	41%	1	2%	4	8%	4	7%	4.0	0.763
Respect for stakeholders	13	23%	26	46%	3	6%	10	18%	4	7%	3.9	1.02

S.A = Strongly Agree, A= Agree, U=Uncertain, D = Disagree, S.D = Strongly Disagree and SD= Standard deviation.

#### 4.4.2 Reliability

According to the study, 61% (n=34/56) of the respondents, were in agreement that the organizations in the study identified and rectified any errors in the service delivery, 51% (n=28/56) of the respondents indicated that the organizations had a precision of systems while 84% (n=47/56) of the respondents indicated that there was immediate response to customers. A significant number, 95% (n=54/56) of the respondents indicated that services were offered within the stipulated time.

**Table 5.3 Reliability**

Item	SA		A		U		D		S.D		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
The organization identifies and rectifies any errors in the service delivery	17	31%	17	30%	5	9%	2	14%	9	16%	3.9	0.635
The organization has a precision of systems	16	29%	12	22%	7	12%	2	17%	13	23%	3.6	0.538
Immediate response to customers	34	60%	13	24%	3	6%	1	6%	2	4%	4.3	0.422
Services are offered within the stipulated time	30	53%	24	42%	0	0%	0		0		4.6	0.010

S.A = Strongly Agree, A= Agree, U=Uncertain, D = Disagree, S.D = Strongly Disagree and SD= Standard deviation.

#### 4.4.3 Tangibility

Findings in Table 4.4 indicate that a significant number, 93% (n=53/56) of the respondents indicated that their respective organizations in the study provided quality services to customers, 70% (n= 40/56) of the respondents indicated that the organizations maintained good level of the cleanliness and 81% (n=45/56) indicated that the facilities were well-decorated and neat. The findings show that companies under study had higher precision on the tangibility dimension of service quality.

**Table 5.4 Tangibility**

Item	SA		A		U		D		S.D		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
The organization provides quality services to customers	29	51%	24	42%	2	4%	2	3%	0	0%	4.1	0.375
The organization maintains good level of the cleanliness of facilities.	24	42%	16	28%	5	9%	7	12%	5	9%	3.9	0.228
The organization's facilities are well-decorated and neat	27	48%	18	33%	4	7%	4	7%	3	5%	4.1	0.12

S.A = Strongly Agree, A= Agree, U=Uncertain, D = Disagree, S.D = Strongly Disagree and SD= Standard deviation.

#### 4.4.4 Empathy

Findings from the study, indicate that 70% (n=39/56) of the respondents agreed that organizations in the study had individualized attention to customers, 61% (n=35/56) of the respondents agreed that there was easy access of information to customers and 60% (n=34/56) of the respondents indicated that communication within and outside the organization was clear, appropriate and timely. The findings in the study reveal that there was high level of empathy in the provision of services by the private security firms in the study.

**Table 5.5 Empathy**

Item	SA		A		U		D		S.D		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
There is individualized attention to customers	13	23%	26	47%	7	12%	5	9%	5	9%	3.8	0.435
Easy access of information to customers	11	19%	24	42%	2	4%	17	30%	3	5%	3.5	0.643
Communication within and outside the organization is clear ,appropriate and timely	10	18%	24	42%	5	9%	8	15%	9	16%	3.6	1.05

S.A = Strongly Agree, A= Agree, U=Uncertain, D = Disagree, S.D = Strongly Disagree and SD= Standard deviation

#### 4.4.5 Responsiveness

From the findings, 59% (n=33/56) of the respondents agreed that their respective firms had willingness to help customers and employees; 71% (n=39/56) of respondents agreed that the firms had flexibility to prevailing circumstances. A significant number, 90% (n=53/56) of the respondents agreed that the firms offered prompt attention to customers' requests; 76% (n=42/56) of the respondents agreed that there was prompt problem solving additionally, 75% (n=41/56) of the respondents indicated that there was effectiveness in complaint

handling. This shows that the private security firms under study had a high level of service responsiveness.

**Table 5.6 Responsiveness**

Item	SA		A		U		D		S.D		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
Willingness to help customers and employees	12	22%	21	37%	6	11%	9	16%	8	14%	3.9	0.711
Flexibility to prevailing circumstances	21	38%	18	33%	4	7%	9	16%	3	6%	3.8	0.320
Prompt attention requests and questions	31	56%	22	40%	2	4%	0	0%	0	0%	4.1	0.491
Prompt problem solving	24	43%	18	33%	4	7%	4	8%	5	9%	4.3	0.131
Effectiveness in complaint handling	20	35%	17	30%	3	6%	13	23%	3	6%	4.3	0.216

S.A = Strongly Agree, A= Agree, U=Uncertain, D = Disagree, S.D = Strongly Disagree and SD= Standard deviation

## 4.5 Descriptive Statistics on Research Objectives

### 4.5.1 Effect Of Employee Capacity On Service Quality

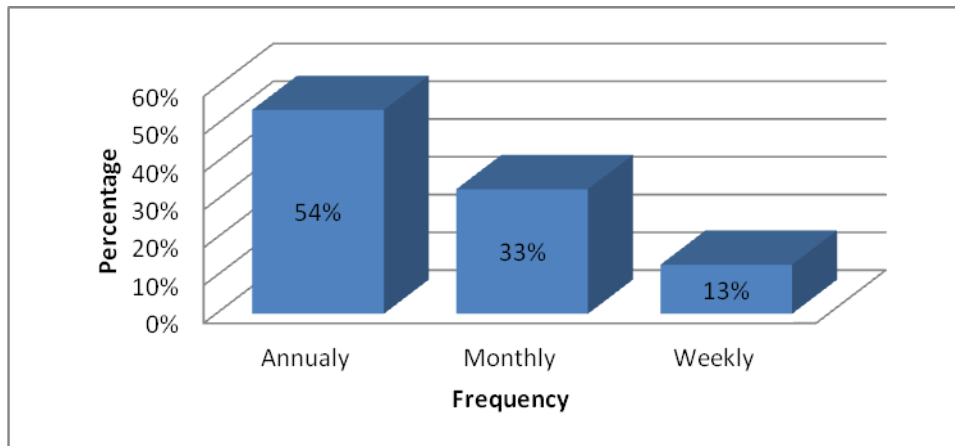
The first objective of the study sought to evaluate the effects of employee capacity on service quality by private security firms in Kenya. To achieve this, the researcher collected information from the respondents on employee training, employment terms and conditions and recruitment and vetting. The findings are presented in this section.



#### 4.5.1.1 Training and development

##### 4.5.1.1.1 Frequency of employee training

According to the study, 54% (n=30/56) of the respondents indicated that their companies offered trainings once every year. This shows that companies under study did not emphasize on employee training.



**Figure 5.3 Frequency of trainings offered to employees**

##### 4.5.1.2 Effect of employee training on service quality

Findings in Table 4.8 indicate that 57% (n=32/56) of the participants were of opinion that employee capacity influenced service quality; 52% (n=30/56) of the respondents indicated that training had a positive effect on service quality; 90% (n=50/56) indicated that technical skills provided matched with job specifications. Additionally, 54% (n=30/56) of the respondents agreed that interpersonal skills provided had an impact on their personality and 58% (n=32/56) of the respondents indicated that interactive skills provided had an impact on the way they handled customers.

**Table 5.7 Employee training**

Item	SA		A		U		D		S.D		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
Employee capacity influences service quality	15	27%	17	30%	5	9%	11	20%	8	14%	3.9	0.654
Training has a positive effect on service quality	15	26%	15	26%	3	5%	11	20%	13	23%	3.7	0.433
Technical skills provided match with job specifications	31	56%	19	34%	3	6%	1	2%	1	2%	4.0	0.314
Interpersonal skills provided has impact on your personality	15	26%	15	27%	7	12%	10	18%	10	17%	3.6	0.473
Interactive skills provided has Impact on the way you handle customer	14	25%	18	33%	5	9%	13	23%	6	10%	3.6	0.685

S.A = Strongly Agree, A= Agree, U=Uncertain, D = Disagree, S.D = Strongly Disagree and SD= Standard deviation

#### 4.5.1.2 Job Terms and Conditions

##### 4.5.1.2.1 Employee appraisal

Fifty seven percent (n= 32/56) of the respondents indicated that their respective companies rarely reviewed their employees' job terms.

**Table 5.8 Employee appraisal**

Age (years)	Frequency	Percentage
Very often	11	20
Often	4	7
Rarely	32	57
Never	9	16
Total	56	100%

#### 4.5.1.2.2 Job terms and conditions

Findings in table 4.9, 53% (n=30/56) of the participants indicated that remuneration was not merit based additionally, 80% (n=45/56) of the respondents indicated that the number of working hours were not conducive. The findings also indicate that 70% (n=39/56) of respondents disagreed that there was provision of necessary equipment, uniforms and facilities; in addition, 90% (n=50/56) of the respondents disagreed that working environment was conducive. The study also found that there was provision of insurance or medical cover against hazards according to 70% (n=39/56) of participants, but limited opportunity to career development according to 97% (n=54/56) of the participants. The findings show that the private firms had unsuitable job terms and conditions in terms of remuneration and working conditions.

**Table 5.9 Job terms and conditions**

Item	SA		A		U		D		S.D		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
Remuneration is based on merit	11	20%	10	18%	5	9%	17	30%	13	23%	2.3	0.345
Number of Working hours are conducive	4	7%	5	9%	2	4%	21	37%	24	49%	2.8	0.315
Provision of necessary equipment ,uniforms and facilities	4	8%	7	13%	5	9%	27	48%	12	21%	2.5	0.213
Working environment is conducive	0	0%	2	4%	3	6%	17	31%	33	60%	1.9	0.222
Provision of insurance or medical cover against hazards	21	37%	18	33%	4	7%	6	11%	7	13%	3.6	0.431
There is opportunity for Career development	0	0%	0	0%	2	3%	23	41%	31	55%	1.4	0.404
The organization review job terms and conditions often	0	0%	4	7%	3	5%	12	22%	37	66%	2.6	0.51

S.A = Strongly Agree, A= Agree, U=Uncertain, D = Disagree, S.D = Strongly Disagree and SD= Standard deviation.

### 4.5.1.3 Recruitment and Vetting

Findings in Table 4.10 show that 80% (n=39/56) of the respondents indicated that there was a strict background check before recruitment; 60% (n=33/56) of the respondents indicated that recruitment was based on merit by following the set recruitment procedures while 50% (n=28/56) of the respondents indicated that the firms had continuous monitoring after recruitment. However, 79% (n=44/56) of the participants disagreed that there was attractive strategies to attract and retain best talents additionally, 84% (n=47/56) of the respondents also disagreed that there was fairness in recruitment and vetting. This shows that private security firms placed emphasis on recruitment and vetting, however the companies did not have effective strategies to retain employees.

**Table 5.10 Recruitment and vetting**

Item	SA		A		U		D		S.D		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
Strict background check before recruitment	26	47%	13	23%	3	6%	8	14%	6	10%	4.0	0.344
Recruitment is on merit by following the set recruitment procedures	12	22%	21	38%	5	9%	9	16%	8	15%	3.6	0.581
Continuous monitoring after recruitment	12	21%	16	29%	2	4%	15	26%	11	20%	3.9	0.612
Presence of attractive strategies to attract and retain best talents	4	8%	6	11%	1	2%	17	30%	27	49%	2.2	0.713
Fairness in recruitment and vetting	2	4%	3	6%	3	6%	11	20%	36	64%	1.9	0.812

S.A = Strongly Agree, A= Agree, U=Uncertain, D = Disagree, S.D = Strongly Disagree and SD= Standard deviation

## 4.5.2 Relationship Between Service Process And Service Quality

The second objective of the study sought to assess the relationship between service process and service quality by private security firms in Kenya. The findings are presented in this section.

### 4.5.2.1 Technology Use

Findings in Table 4.11 indicate that 63% (n=35/56) of the respondents agreed that service process influences service quality, 89% (n=50/56) of the participants also agreed that there was use of technology in service delivery, 59% (n=33/56) of the participants indicated that there was continuous improvement by adopting new technology. A significant number, 87% (n=49/56) of participants agreed that technology had a positive influence on facilitation of customer related information. The findings show that private security firms had invested in technology to enhance service delivery.

**Table 5.11 Technology use**

Item	SA		A		U		D		S.D		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
Service process influences service quality	20	36%	15	27%	2	4%	11	19%	8	14%	3.6	0.612
Use of technology in service delivery	26	47%	24	42%	2	3%	2	3%	3	5%	4.2	0.453
Continuous improvement by adopting new technology	17	31%	16	28%	6	11%	9	16%	8	14%	3.9	0.546
Positive Influence of technology on facilitation of customer related information.	25	45%	24	42%	2	3%	3	6%	2	4%	4.3	0.413

S.A = Strongly Agree, A= Agree, U=Uncertain, D = Disagree, S.D = Strongly Disagree and SD= Standard deviation.

#### 4.5.2.2 Organizational Structure

Findings from the study indicate that 58% (n=32/56) of the respondents agreed that there was fitness between organizational structure and strategies, 67% (n=38/56) of respondents agreed that there was free flow of necessary information in the organization. However, 97% (n=54/56) of the respondents disagreed that there were involved in decision making by their respective employers.

**Table 5.12 Organizational structure**

Item	SA		A		U		D		S.D		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
Fitness between organizational structure and strategies	14	25%	18	33%	1	2%	10	18%	12	22%	3.6	0.389
Free Flow of necessary information in the organization	18	32%	20	35%	5	9%	7	12%	7	12%	3.6	0.219
Flexibility of organizational structure to changes	13	23%	18	33%	2	4%	10	17%	13	23%	3.7	0.319
Involvement in decision making	0	0%	0	0%	2	3%	22	40%	32	57%	1.8	0.674

S.A = Strongly Agree, A= Agree, U=Uncertain, D = Disagree, S.D = Strongly Disagree and SD= Standard deviation.

#### 4.5.2.3 Service Operations

Findings from the study indicate that, 52% (n=29/56) of the respondents agreed that their organization implemented elements in the service charter. A significant number, 63% (n=35/56) of the respondents agreed that service procedures and techniques were customer oriented, 97% (n=54/56) of the respondents agreed that there are familiarity and competency on use of facilities in service delivery. However, a significant number of respondents, 95% (n=53/56) disagreed that there was availability of facilities necessary in service delivery.



### 4.5.3.2 Industrial Relations

A significant number, 87% (n=48/56) of the respondents agreed that industrial relations influence service quality, 50% (n=33/56) of the respondents agreed that there was an effective approach by management towards collective bargaining whereas 90% (n=50/56) of the respondents agreed that collective bargaining agreements are honored.

**Table 5.15 Industrial relations**

Item	SA		A		U		D		S.D		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
Industrial relations influences service quality	26	47%	22	40%	2	3%	3	6%	2	4%	4.0	0.413
Effective approach by management toward collective Bargaining	15	27%	18	33%	4	8%	10	17%	8	15%	3.6	0.392
Collective bargaining agreements are honored	27	49%	23	41%	3	6%	2	4%	2	4%	4.1	0.514

S.A = Strongly Agree, A= Agree, U=Uncertain, D = Disagree, S.D = Strongly Disagree and SD= Standard deviation.

### 4.5.3.3 Grievance Handling

A significant number, 99% (n=55/56) of the participants agreed that grievance handling influences service quality. Although, 98% (n=55/56) of the respondents agreed that there was occurrence of grievances, 95% (n=53/56) of the respondents agreed that there was ease in communication grievances additionally, significant number 84% (n=47/56) of the respondents also agreed that there was promptness in redressing grievances.

**Table 5.16 Grievance handling**

Item	SA		A		U		D		S.D		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
Grievance handling influences service quality	25	45%	30	54%	1	1%	0	0	0	0	4.5	0.214
Occurrence of grievances	39	69%	16	29%	0	0%	1	2%	0	0	4.4	0.219
Ease in communicating grievances	40	72%	13	23%	1	2%	2	3%	0	0	4.1	0.119
Promptness in redressing grievances	35	62%	12	22%	3	6%	3	6%	2	4%	4.0	0.203

S.A = Strongly Agree, A= Agree, U=Uncertain, D = Disagree, S.D = Strongly Disagree and SD= Standard deviation.



#### 4.6 Inferential Statistics

The researcher conducted a multiple linear regression analysis to determine the relationship between employee capacity, service process and relationship with stakeholders with service quality in companies under (KSIA) located within Nyeri Central Business District. The regression adopted model as indicated in chapter three to produce following equation:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where: Y = Service quality

$\beta_0$  = Autonomous factors

$X_1$  = Employee Capacity

$X_2$  = Service Process

$X_3$  = Relationship with stakeholders.

$\beta_i$  = Coefficient for variables

$e$  = Error term

The analysis was carried out in SPSS version 20 at a 95% confidence level. The findings are presented in this section.

**Table 5.17 Regression output**

Variable	Unstandarzied coefficients	Standardized Coefficients	T-test	Sig	R2	Adjusted R2	F	Sig.F
	0.280		2.166	0.0031	0.592	0.581	34.4	0.0000
Employee capacity	0.190	0.199	2.058	0.103				
Service process	0.371	0.402	3.521	0.0431				
Relationship with stakeholder	0.343	0.357	2.710	0.0459				

From the ANOVAs results, the probability value obtained was less than  $\alpha=5\%$ , which implied that the regression model was significant in predicting the relationship between service quality and the predictor variables. The F calculated at 5% level of significance was 34.4. Since F calculated is greater than the F critical = 4.05058, this shows that the overall model was significant.

Service process *P*-value ( $P = 0.043$ ) and Relationship with stakeholders *P*-value ( $P = 0.045$ ) was statistically significant at 95% confidence level. There was no significant relationship between employee capacity *P*-value ( $P=0.103$ ). This implies that service quality and relationship with stakeholders affected the service quality in private firms.

$R^2$  which is referred as the coefficient of determination shows the variation in the dependent variable that is due to change in the independent variables. According to the table above the value of  $R^2$  was found to be 0.592, this shows that variation of 59.2% in the service quality in private security firms is caused by employee capacity, service process and relationship with stakeholders. Substituting the beta values in the model with the unstandardized coefficients, the specific model was estimated as follows:

$$Y=0.28+0.91 X_1 +0.371 X_2 +0.343 X_3 + 0.0004$$

Where: 0.28 =Represent service quality that is constant despite the variations of independent variable. According to the regression equation taking all factors employee capacity, service process and relationship with stakeholders constant at zero, the service private firms would achieve 0.28 service quality.

Employee Capacity ( $X_1$ ) indicates that one unit of change in employee capacity would lead to 0.190 increase in service quality. Service Process ( $X_2$ ) indicates that one unit of change in

service process would lead to 0.371 increase in service quality. Relationship with stakeholders ( $X_3$ ) indicates that one unit of change in relationship with stakeholder would lead to 0.343 increase in service quality. The error value 0.0004 represents other variables that have not been considered by the study but affect service quality by private security firms. Such factors include cost, response strategies and customer relationship management.

The model indicates that service process has the highest  $\beta$  value of 0.371; relationship with stakeholder is the second highest variable with  $\beta$  value of 0.343 and employee capacity is the least variable with  $\beta$  value of 0.190. This implies that service process had the highest influence to service quality in comparison to employee capacity and relationship with stakeholders.

## **CHAPTER FIVE: SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter provides a summary of the findings of this study, the conclusions drawn and the recommendations of the study. The chapter discusses the study variables and how they affect service quality. The chapter makes suggestions for further research and recommendations for quality and practice.

### **5.2 Summary of findings**

#### **5.2.1 Service Quality Dimensions**

##### **5.2.2.1 Assurance**

On the assurance dimension majority 83% (n=46/56) of the respondents indicated that their respective firms' did not experience delays due to bureaucratic factors and procedures; 69% (n=39/56) of the respondents indicated that there was respect for stakeholders. From the findings, 59% (n=33/56) of the participants, there were of the opinion that there were no contradictions in decision between employees and management in the organization; 56% (n=31) of the respondents indicated that the organization had a good reputation; however a significant number of participants 57% (n=32/56) were uncertain that they felt secure and safe in their workplace.

##### **5.2.2.2 Reliability**

According to the study, 61 % (n=34/56) of the respondents indicated that their organizations in the study identified and rectified any errors in the service delivery, 51% (n=28/56) of the

respondents were of opinion that that their respective organizations had the precision of systems, while 84% (n=47/56) of respondents indicated there was immediate response to customers' needs by offering services within stipulated time. Findings in the study show that the firms had a high level of service reliability.

#### **5.2.2.3 Tangibility**

According to 93% (n=52/56) of the respondents, they were of opinion that their respective organizations provided high quality services to customers; 70% (n=39/56) of the respondents agreed that the organizations had good level of the cleanliness, additionally 81% (n=45/56) of the respondents also agreed that facilities were well-decorated and neat. The findings show that the firms under study had high quality of services in terms of tangibility.

#### **5.2.2.4 Empathy**

From the findings in the study, 70% (n=39/56) of the respondents agreed that their respective organizations had individualized attention to customers and had customized their services according to customers' needs and preferences, 61% (n=35/56) of the respondents agreed that there was easy access of information to customers as they maintained customers' database and 60% (n=34/56) of the respondents agreed that communication within and outside the organization was clear, appropriate and timely. The findings reveal that there was high level of empathy in the provision of services by the private security firms in the study.

#### **5.2.2.3 Responsiveness**

From the findings, firms under study had prompt attention to customers' requests as indicated by (90%) (n=53/56) of respondents, firms were also flexible to prevailing circumstances according to 71% (n=39/56) of the respondents .Additionally, the firms observed promptness

in problem solving according to 76% (n=42/56) of the respondents rendering complaint handling effective as indicated by 75(n=41/46) of the respondents .This shows that the private security companies had a high level of service responsiveness.

### **5.2.2 Effect of employee capacity on service quality**

From findings on employee training,54% (n=30/56) of the respondents indicated that their respective companies offered trainings once every year ,although technical skills provided matched with job specification as indicated by 90% (n=50/56) of the respondents.

From findings in the study on recruitment and vetting, majority 80% (n=39/56) of the respondents agreed their respective firms employed strict background check before recruitment and that recruitment was on merit according to 60% (n=33/56) of the respondents. However, 84% (n=47/56) of the respondents disagreed that there was fairness in recruitment and vetting and lack of attractive strategies to attract and retain best talents according to 79% (n=44/56) of the participants.

From the findings on job terms and conditions, the majority of the respondents, 80 % (n=45/56) indicated that the number of working hours were not conducive, additionally 70% (n=39/56) of respondents disagreed that there was provision of necessary equipment, uniforms and facilities and there was limited opportunity for career development according to 97% (n=54/56) of the respondents.

The study found out that although the PSCs emphasized in the recruitment process, they had not well implemented employee capacity as service quality strategy in terms of training, employee appraisal, working conditions and career development. From the findings in the

study employee capacity was found to have a significance level of ( $P=0.103$ ) at 95% confidence level indicating that it was not statistically significant.

### **5.2.3 Effect of service process on service quality**

From the findings on the use of technology, 89% ( $n=50/56$ ) of the respondents indicated that their respective companies used technology in service delivery which had a positive impact on facilitation of customer related information according to 87% ( $n=49/56$ ) of the respondents. However, 59% ( $n=33/56$ ) of the respondents indicated that there was continuous improvement in adopting new technology.

From the findings on organizational structure, 58% ( $n=32/56$ ) of the respondents agreed that there was fitness between organizational structure and strategies. Although a significant number, 67% ( $n=38/56$ ) of the respondents agreed that there was free flow of necessary information in the organization; 97% ( $n=54/56$ ) of the respondents disagreed that they were involved in decision making.

From the findings on service operations 52% ( $n=29/56$ ) of the respondents agreed that their organizations' implement elements in service charter. Additionally, 97% ( $n=54/56$ ) of the respondents agreed that there was familiarity and competency on use of facilities in service delivery and 63% ( $n=35/56$ ) of the respondents also agreed that service procedures and techniques were customer oriented. However, the majority 76% ( $n=53$ ) disagreed on availability of facilities in service delivery.

The study found out that the PSCs implemented service process as a strategy to enhance service quality in terms of use of technology, fitness between organizational structure and strategy and customization of service procedures and techniques but there was shortage of

facilities necessary in service delivery. From the findings in the study service process was found to have a significance level of ( $P=0.043$ ) at 95% confidence level indicating that it was statistically significant.

#### **5.2.4 Effect of relationship with stakeholders and service quality**

From the findings on collaboration with police, 48% ( $n=27/56$ ) of respondents disagreed that there was an immediate response by police in emergencies while 48% ( $n=27/56$ ) of the respondents also disagreed that the collaboration with public security is effective.

Findings on industrial relations indicate that 50% ( $n=33/56$ ) of the respondents agreed that there was an effective approach by management towards collective bargaining; 90% ( $n=50/56$ ) agreed that collective bargaining agreements are honored.

Findings on grievance handling indicate that a significant number, 98% ( $n=55$ ) of the respondents agreed that there was occurrence of grievances .However, there was ease in communication grievances as indicated by 95% ( $n=53/56$ ) of the respondents and promptness in redressing grievances as indicated by 84% ( $n=47/56$ ) of the respondents.

From the findings in the study relationship with stakeholders was found to have a significance level of ( $P=0.045$ ) at 95% confidence level indicating it was statistically significant.

### **5.3 Discussion of findings**

#### **5.3.1 Effect of employee capacity on service quality**

From the findings in the study, statistically no significant relationship was found between employee capacity and service quality. Findings indicated that the private security companies



emphasized on recruitment and vetting but offered minimal training to their employees and the employees' job terms were rarely reviewed. In addition the findings indicated that the job terms and conditions were not motivating to the employees and ineffective employees' retention strategies. Employee capacity was therefore not emphasized by private security firms. Training of employees is very crucial for organizational performance; in the context of security sector employees need to be trained in emerging forms of crime and how to handle them. Through training the companies will be able to offer improved service quality. Underpaid, unmotivated, untrained and ill equipped employees may not deliver the required quality of service. The findings are in agreement with Tornow and Wiley (2003), who in a similar study found a positive correlation between the capacity of employees and service quality. The findings are also in agreement with Schneider *et. al.*,(2003) who concluded that to provide high quality service, employees need to get enough training in the necessary technical skills and knowledge, and in-process or interactive skills.

### **5.3.2 Effect of service process on service quality**

A significant relationship was found between service process and service quality. The major finding in this area was the use of technology. Security companies employ various forms of technology such as closed circuit television surveillance (CCTV), global positioning position tracking (GPS) and radio calls to enhance security. Technology has grown in leaps and bounds and is aiding operations in many areas. Improved uptake of technology by the firms has led to improved security. The findings of the current study are in agreement with Chau & Kao (2009) who found that technology for harnessing of Information and data play a critical role in the quality service According to the authors, investments in Technology that facilitate service assessment and improvement process is essential. The findings are also in agreement

with findings from a study by Zhu and Nakata (2007) which argued that customer orientation, driven by service quality, impacts significantly on business performance.

### **5.3.3 Effect of relationship with stakeholders and service quality**

A significant relationship was established between relationship with stakeholders and service quality in private security firms. The findings indicated that the security companies had minimal occurrence of grievances, had ease in communicating grievances and there was promptness in readdressing grievances. There was an agreement that every company received complaints from customers; but the firms have devised strategies to effectively handle grievances to increase customer satisfaction and build customers' loyalty. This is important because of the competitive environment in which the security firms operate in order to gain competitive advantage and the fact that their services have become a basic necessity in the due to upsurge of crime rates in the country. The findings are in agreement with (Legge, 1995) who concluded that the manner in which complaints are received and addressed demonstrates an important measure of organizational commitment to quality care and customer satisfaction.

## **5.4 Conclusion**

### **5.4.1 Service process and service quality**

Well implemented service processes are responsible for the quality services delivered by PSCs in the Nyeri Central Business District. Use of technology and fitness between organizational structures and strategies are their main strengths.

#### 5.4.2 Relationship with stakeholders and service quality

Prompt redress of grievances, ease in communicating grievances are the strengths of these companies. However, delayed response by police to emergencies is an obstacle hindering effective collaboration between public and private security providers.

#### 5.4.3 Employee capacity and service quality

Private security have not well invested in employee capacity in terms of unfavorable job terms and conditions, inadequate training and absence of attractive strategies to retain the best talents.

**Table 6.1 Ranking of the variables**

Rank	Co-efficient	Variables
1	0.371	Service process ( $X_2$ )
2	0.343	Relationship with stakeholders ( $X_3$ )
3	0.190	Employee capacity ( $X_1$ )

#### 5.5 Recommendations of the study

1. On service process private security firms should continue improving in the service process since it has the highest influence on service quality; delivering quality service is essential for achieving organizational success and survival in the competitive world. Private security companies need to align with current world trends which are imperative for survival in this competitive world. They should use the advantages of new technology and new knowledge to update their operations and businesses, such as exploring e-commerce business opportunities, to enlarge the firm's business scope, in order to add value to the company.

They should also bring convenience to customers by getting closer to customers with electronic channels which will enrich the customer choices and provide the ability to customize their services.

2. On collaboration with private security firms should continue enhancing collaboration with public police it has the second highest influence on service quality. They should seek to create a better rapport with the public security by freely sharing information to enhance service delivery through quick responses to emergencies.
3. To improve service quality the private security firms should create synergy between service process and relationship with stakeholders since the variables had a significant relationship with service quality; in order to enjoy economies scale through delivery of quality services.
4. On employee capacity since the service industry in a customer-oriented era PSCs' should identify the importance of service employees is critical in improving customer satisfaction. The companies should increase employee satisfaction by training employee regularly, improving working conditions of employees by reviewing job terms and conditions in order achieve success in delivering quality services.

## **5.6 Recommendations for future studies**

The current study targeted employees of private security companies under KSIA a similar study should be carried out targeting customers of private security market; additionally a similar study should be conducted targeting members of PSIA to compare the service strategies among the competing associations. Research should also be conducted in other parts of the country to generalize the findings.

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## **APPENDIX I: LETTER OF INTRODUCTION**

FLORENCE GATOTO,  
P.O BOX 189-10204,  
MURANG'A.  
7<sup>TH</sup> JULY 2014.

Dear Respondent

### **RE: DATA COLLECTION**

I am a student pursuing Masters Degree of Business Administration (MBA) at Dedan Kimathi University of Technology, Nyeri. I am writing thesis project which is a requirement for partial fulfillment of this course.

The aim of my research is to assess service quality strategies by private security firms in Kenya; your organization has been selected for data collection. The purpose of the correspondence is to humbly request your company to allow me to collect data.

The information you will provide in this questionnaire is for academic purpose only and will be treated with utmost confidentiality. Enclosed here is a copy of my research questionnaire, which I request your time to fill it.

Thank you for your cooperation and participation

**Yours faithfully**

**Gatoto Florence**