Influence of Competition in the Private Security Industry on the Management of Private Security Firms in Nairobi City County, Kenya

Alex Taban Mavugano Lumadede
A Master of Science in Forensics and Security Management
Dedan Kimathi University of Technology, Kenya

Prof. Matthew M. Theuri, PhD
Institute of Criminology, Forensics and Security Studies
School of Science, Dedan Kimathi University of Technology

Dr. Anthony Ngunyi, PhD
Institute of Criminology, Forensics and Security Studies
School of Science, Dedan Kimathi University of Technology

ABSTRACT

This study assessed the influence of external environmental factors on the management of private security firms in Nairobi County in Kenya. The specific objectives were to establish how competition in the private security industry influence the Management of Private Security Firms in Nairobi County Kenya. The study also sought to establish the moderating influence of Legal and Regulatory Framework on the management of Private Security Firms in Nairobi County. The study was guided by PESTEL Framework. This study used descriptive design with structured questionnaires as the instrument for data collection. The study conducted a multiple regression analysis to determine the relationship between competition in the private security industry and the management of private security firms. Results revealed that competition in the private security industry has a statistically significant and positive influence on the management of private security firms. The findings revealed that competition in the security industry has a positive and significant association with the Management of Private Security Firms in Nairobi County. Further, moderation findings revealed that Legal and Regulatory Framework moderates the relationship between the external environmental factors and management of Private Security Firms. The study concluded increased competition in the security industry such as due to entry of new players in the industry affect the strategy of the firms' operations. The study recommends the management of Private Security Firms in Kenya adopt innovative strategies in order to remain competitive against entry of new players. The findings of this study may inform Government and other relevant security players such as KSIA, PSIA and PSRA in formulating policy frameworks for guiding their operations in the security industry.

Key Words: External Environmental, *Competition, Management, Private Security Industry, Private Security Firms*

INTRODUCTION

Collectively, external environment refers to the environmental aspects that affects directly or indirectly the management of a firm. [1] Refers to external environment as a set of external elements for instance economic, social, political, legal, demographic and technological aspects, which are beyond firm's control, and affects efficiency and management. Simply put, they are factors outside of organization's scope. Managers must continuously monitor the occurrences in outside operating environment in order to identify evolving prospects in terms of chances and threats. The external environment provides firms prospects for development, control and market domination while at the same time posing them risks such as product obsolescence, technological evolution and competition. [2] Argue that the success of any organization and achievement of the desired level of business operations is dependent on its environment; more so external environment which lies beyond the control of the organization. Owing to the market forces brought about by stiff competition among Private Security Firm, firms need to reengineer their operations in order for them to remain competitive. However, due to the shifts occurring in the external environment such as changing government policies and innovation require the management of private security firms to adopt measures such as best human resource practices integrate information technology and so forth to remain relevant.

[3] Avers that irrespective of the industry in which firms contend for the market, the external environment affects their strategic decision making as they seek to be competitive and profitable. According to [4], the general review of the circumstances that influence businesses today shows that for majority of the firms their outside environment is typified with uncertainty. In order to effectively address such uncertainties and realize strategic effectiveness for firms to thrive, managers need to take cognizance of and wholly comprehend the various manifestation of the external environment. It is with such considerations that firms can build their capacity and augment their core competences in order to safeguard themselves against damaging environmental effects whereas pursuing for development prospects. According to [5], the environmental uncertainty makes it difficult for the managers to predict the cost of decisions that they render while managing their organizations. This is because environmental uncertainties brought about by factors such as globalization or entry of new players in the market makes it unpredictable for the management to forecast their company's growth. However, [6] argues that irrespective of where firms operate in the external environment, the environment presents both opportunities and threats; and as a result, it influences the company's strategy in the attempt to remain competitive and profitable.

Irrespective of the industry firms operate, they are faced with numerous opportunities and dynamic threats, which influence their managements' strategic plans on day-to-day basis. For instance, In the United States, [7] in their study assert that a company must be cognizant and quick to adapt to the ever-changing technology for it to succeed. Moreover, the management must also be mindful of the current social forces (factors) within their operating environment for instance beliefs, values, attitudes, opinions and demographic characteristics. Just like other aspects in the external environment, social factors are dynamic and continuously evolve leading to shifts in the tastes and preferences of clients. As societal attitudes shift so does the need of various products and services. Similarly, in Brazil a study by [8] indicated that external environmental elements have a considerable effect on the organizational task environment of manufacturing industries. The unpredictable nature of the business environment are occasioned by social, economic and political factors as well as competition emanating from new

entry of players in the industry. Therefore, for a firm to succeed, the management must be mindful of the forces in the remote environment.

In South Africa, [9] sought to determine the influence of external environmental consideration in the designing strategies of automobile dealerships and found that economic factors, season factors and technological advances influence the development of marketing communication plans and promotions of vehicle dealerships in the automobile business. The study revealed that external environmental factors vary rapidly and as a result impacts greatly on customer dimensions such as tastes and preferences. Another study conducted in Kenya by [10] found that the external environment has considerable impact on growth of state corporations. In support, [11] emphasize that monitoring the current trends of the external environment factors is very fundamental for the management in their formulation of strategic plans for attaining company goals. The study indicated that a complete comprehension of shifts in the external environment by the management is vital for the success of the company. Thus, to understand fully the influence of external environmental factors on management, this study focused on private security firms operating within Nairobi City County.

Private Security Firms (PSF)

Private security has existed since ancient times (1300 BC) as indicated by Pharaoh Ramses II who employed secretly Nubian Medjai, Syrian, Libyan and Sardinian soldiers to complement his authorized security forces. This trend carried on in antediluvian Rome (400AD) where state and well-off persons engaged private security for security. Following this, the development of private security grew as the world industrialized leading to higher demand for security. The preceding events such as World Wars contributed significantly to growth of private security. Over time, various forms of private security have been formed for instance private investigators, general property guarding and close protection (bodyguards). Even though provision of security is an obligation of the state, governments cannot provide security to each citizen. This therefore, necessitates private security companies to step in to supplement the efforts of government actors in deterrence against crime [12].

[13] Argue that, states have inadequate resources and hence cannot offer all-inclusive security for their citizen thus emphasizing the importance of having Private Security Firms (PSF) to supplement government endeavours of mitigating crime. [34] Support this position and further notes no state has the ability to give exclusive security to her citizens. [14] Maintains that the necessity for private security companies is due to citizens' distress over crime and cognizance that law enforcement agencies cannot effectually prevent crime alone. Just like in other urban areas globally, safety in Kenya's capital Nairobi is offered by different agencies comprising of national police service besides other agencies that are not controlled by the government such as private security enterprises and civic policing associations (that is, neighbourhood watches / resident associations). The private security industry initially begun in the 1960s in the industrialized areas. Owing to the mounting corporate security need and increasing crime incidences, the security industry increasingly expanded especially in the 1990s. Today, the private security industry is estimated to have an annual turnover of Kenya shillings 32.2 billion [15].

The Kenya Private Security Firms provide wide-ranging services from basic guarding to sophisticated services of close protection and cash in transit [16]. [17] In support asserts that

Private Security Companies provide a multiplicity of services including; conventional physical security of private and critical infrastructure, safeguarding of VIP, protection of cash-in-transit and protection of social centres and events. The private security segment thus is an exciting security component in Kenya and with the arrival of multinational Private Security Companies for instance G4S, BM Security, Wells Fargo and SGA inter alia gave underscored the key role played by Private Security.

Competition and rivalry in the security industry is stiff with the sector dominated by a few large multinational companies (G4S, BM security, Wells Fargo, SGA and KK security) which control majority of the market share. Majority of the bigger and moderate sized private security firms are affiliates of the Kenya Security Industry Association (KSIA) [33] while bulk of the small firms are members of Protective Security Industry Association (PSIA). Even though a number of these private security firms are registered, some of them still operate unregistered despite the fact that registration is a mandatory requirement by the law. Lack of enforcement of Private Security Regulatory Act (2016) has continued to put pressure on the registered firms who compete with unregistered firms in the industry. The Act established Private Security Regulatory Authority to regulate the activities of firms that provide security consultancy, private investigation, surveillance and monitoring, canine services, training and guarding services. The Act requires that all firms in the industry be registered, guards be trained using a standard curriculum and be vetted afresh. It also controls usage of firearms and gives guidelines on the usage of animals in private security as well as utilization of communication equipment. The private security firms also still grapple with the issue of the acquisition of small firearms. However, the current law governing ownership and possession of arms prohibit private security firms from the usage and holding of weapons.

STATEMENT OF THE PROBLEM

PSF play a critical role in enhancing security in Kenya. While provision of security services and maintaining of the rule of law is the sole mandate of the National Police Service of Kenya, Private Security Firms play a vital part in supplementing the concerted efforts of the government in providing security services to the public. For example, companies such as G4S have supplemented the government's role of providing security by offering services such as, secure cash-in-transit, maintaining public order in banks, offering personalized security services to VIP, and offering secure technology-based systems such as alarm response to commercial and private buildings. However, despite the critical role played by private agencies in promoting national security, many private firms continue to face environmental hurdles that undermine effective provision of security services.

For instance, many private security firms face the environmental challenge of intense unhealthy competition among existing firms. The intense competition among existing firms is strengthened by the high barriers of entry, which limits the effective entry of new entrants, thus undermining the service delivery of private security firms. As a result, the existing private security firms engage in unhealthy competition with the intention of obtaining market monopoly. Moreover, most private security firms are faced with the environmental challenge of rapid advances in information technology. Majority of the private security firms in Kenya lack the required resource competences to undertake incremental innovation and investments in research and design, thus; making the adoption of new technologies among private security firms in Kenya a mirage. The lack of adoption of new technologies not only affects the

achievement of competitive advantage of private security firms in Kenya, but also affects the level of service delivery among private security firms.

Despite PSF management' efforts to adjust to ever-changing innovation, they are also faced with a challenge of dynamic consumer preferences. The unpredictable dynamic shift in society's demographic characteristics such as social mobility, attitudes towards technology in which the firms operate hinder managements planning for effective service delivery. Hence, failure by the management of PSF to streamline their organizational rules and plans in proportion to the cultural values of the society affects their ability to fulfil their clientele expectations. Observably, Kenya lacks an effective security policy that empowers private security firms to engage intensively in the maintenance of law and order. As such, the lack of government regulations to empower private security firms has constricted the ability and capacity of Private Security Companies to engage in the provision of law and order with reference to crime detection and mitigation. This creates a research gap, which this study sought to fill.

Research Objectives
    i.   To assess the influence of competition on the management of Private Security Firms in Nairobi County
    ii.   To explore the moderating effect of legal and regulatory framework on the management of Private Security Firms in Nairobi County

THEORETICAL REVIEW

Theoretical review helps the researcher to make assumptions on the existing association between the study variables, which are vital in developing the research questions that directs the research. This study was anchored on Institutional Theory, PESTEL Framework and Systems Theory. PESTEL framework is a very fundamental tool, which aids in explaining and identifying the different external factors that affect a business. In this study, PESTEL framework will guide this study in explaining how environmental factors such as information technology and policy framework impact on management in the security industry. According to the framework, the external environment of an organization is bound by economic, legal, technological, social, political, and ecological factors. [18] Asserts that the external environment is turbulent and dynamic. The dynamism and turbulence in the environment are caused by economic, legal, technological social, political, and ecological factors. These factors are referred to as PESTEL. Thus, for a business to maintain its competitiveness, the managers need to review constantly its strategies and operations. This will allow the organization to endure a hostile environment.

The framework postulates that political factors are very instrumental in shaping the business environment, as leaders are responsible for making regulations that control the way businesses operate [19]. However, political factors in the form of regulations such as minimum wage legislation, and pricing policies can constrain the way organizations operate. Moreover, economic factors determine the amount of revenue an organization can make. However, for it to work; the management should properly plan and monitor the aspects such as inflation as they influence the cost of loans by affecting the interest rates [20]. Social factors such as beliefs, values, attitudes and opinions about a firm can influence the reputation or perception about a firm and as a result may attract or repel potential consumers.

With respect to technological factors, the framework postulates that it is very important for the success of an organization. Given the rapidly advancing technology, a lack of creativity and innovation from the firm can significantly affect its competitiveness [21]. This is because technology today is very important in day-to-day operations such as in communication and management. The rapid, dynamic and ever evolving technological changes present in complex environment within security industry calls for prudent innovation and creativity in management's decision-making. Similarly, it is imperative to understand the role that legal factors can have on the business environment. According to [22], its environment influences every policy decision implemented by a firm. Thus, it is imperative for the management of the companies to keep an update on the emerging trends in the environment. It is also worth noting that legal factors are related to the political factors. Complying with the existing regulations can help firms avoid losing their operational license. A good example of this is the recent government's directive to all Private Security Firms to undergo vetting afresh failure to which will lead to license revocation.
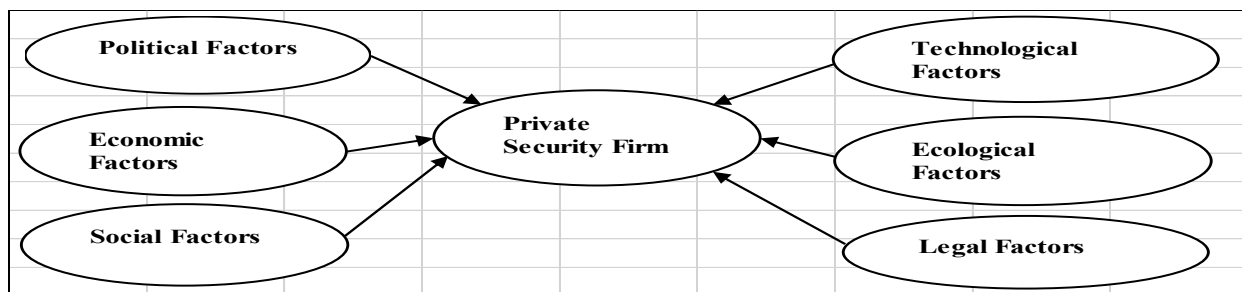

Figure 1 PESTEL Framework Showing Environmental Factors

PESTEL factors are all connected and influence business environment in some way; hence, a change in these factors can alter the organizational environments. To remain competitive, management of the firms must react to the changes. PESTEL framework above is relevant as it helps comprehend how intertwined the factors are with the business environment and the management strategies.

EMPIRICAL REVIEW
Competition in the Private Security Industry and Management of Private Security Firms
[3] Investigated the influence of industry environmental aspects on the success of Security Firms in Nairobi County. The study employed descriptive research design. Hundred and thirty-five managers drawn from private security firms within Nairobi County ware targeted and selected using stratified random sampling. Both inferential and descriptive statistics to carry out analysis. Results revealed that new entrants, buyers bargaining power and rivalry among competitors have a considerably impact on the success of Security Firms. Even though the study focused on the industry environmental factors affecting security firms, it only majorly focused on the impact of new entrants, buyers bargaining power and rivalry. This study however, focuses on policy framework, information technology, socio-cultural environment and competition on the management of private security companies in Nairobi County. [11] Sought to study the influence of the external environment on the success of Firms Listed in the Nairobi Securities Exchange in Kenya. Twenty-three firms surveyed. Both descriptive and inferential techniques were used to analyze data. Findings showed that economic, competitive rivalry, market, technological and regulatory factors along with risk of entry of new players have a

statistically significant influence on the success of firms Listed in the Nairobi Securities Exchange in Kenya. Though the study focused on external environmental factors affecting firms' success, it centred only on publicly listed firms. Thus, it presents a contextual knowledge gap. This study sought to determine the influence of competition as an environmental factor in the management of Private Security Firms in Nairobi County.

[23] Sought to determine the impact of external environmental factors on the business growth of export of services segment in Kenya. The researcher adopted cross sectional approach. The study sampled 28 professional bodies who are members of the Association of Professional Societies of East Africa. The study used descriptive analysis to analyse data. The study found that economic, competitive rivalry, market, technological and legal factors in addition to risks of entry of new players has a positive and considerable influence on the success of the export of services sector in Kenya. Though the study focused on the influence of environmental factors, it was conducted in a different context. To comprehend the magnitude of the impact of external environment on the management, this study focuses on private security firms within Nairobi County. Another study by [24] sought assess the influence of internal and external aspects on the growth of fast-growing Small and Medium Enterprises in Croatia. The study employed longitudinal research design. The study employed both inferential and descriptive methods to analyse data. Findings indicated that technology, product innovation and market roles have a significant influence on the effectiveness of small and medium enterprises. However, the study was carried out in Croatia. The study also focused only on small and medium businesses. This study looked at the impact of competition as an external environmental factor to determine its impacts on the management of private security companies in Nairobi County.

Legal and Regulatory Framework and Management of Private Security Firms
[12] Sought to find out the factors affecting the business growth of private security companies in Nairobi County. A descriptive research design was employed. Purposive simple random sampling technique was employed to pick a section of 70 senior management personnel working for the G4S Limited in Kenya. The study employed simple descriptive statistics to evaluate the data. The findings revealed that the security company functions in a segment with unclear policy framework and as a result affected their effectiveness greatly. However, the study only looked at the factors influencing the service delivery of Private Security Firm as a whole. This study specifically focused on external environmental factors (competition, socio-cultural factors, ICT and Legal and Regulatory Framework) in the management of Private Security Firms in Nairobi County.

[25] Sought assess the effect of institutional strategy framework on the policy implementation gaps. The researcher used descriptive research methodology. Two hundred and fifty participants comprising of top-level management and subordinate staff from respective Kenyan commercial banks took part in the study. Data analysis was carried out using both descriptive and inferential statistics. The findings of the study revealed that organizational policy framework such as standard operating procedures influenced loan-processing policies. The study however, examined the impact of strategy framework on policy implementation gaps. This study sought to explore the influence of policy framework as a moderation variable in the management of Private Security Firm. Currently, some of the most notable policy challenges affecting the private security firms are related to the Private Security Regulation Authority (PSRA) regulations. PSRA requirements on private security firms includes change of

uniform and rebranding as per part V section 20 of PSRA Regulations. It also entails upgrading security equipment as per part V section 21 of PSRA Regulations as well annual calibration of equipment as per part IV of PSRA Regulations. Moreover, as per part IV of PSRA Regulations, firms are required to upgrade their control rooms, vaults, rapid response vehicles, and communication tools. Finally, part VI section 25 and 26 of the PSRA Regulations requires Private Security Firm to cooperate with national security Agencies.

CONCEPTUAL FRAMEWORK

A conceptual framework refers to a pictorial illustration of the link between the independent and dependent variables of the study [26]. The dependent variable for this study is Management of Private Security Firms whereas the independent variable is competition moderated by Legal and Regulatory Framework. The conceptual framework is as presented in figure 2.
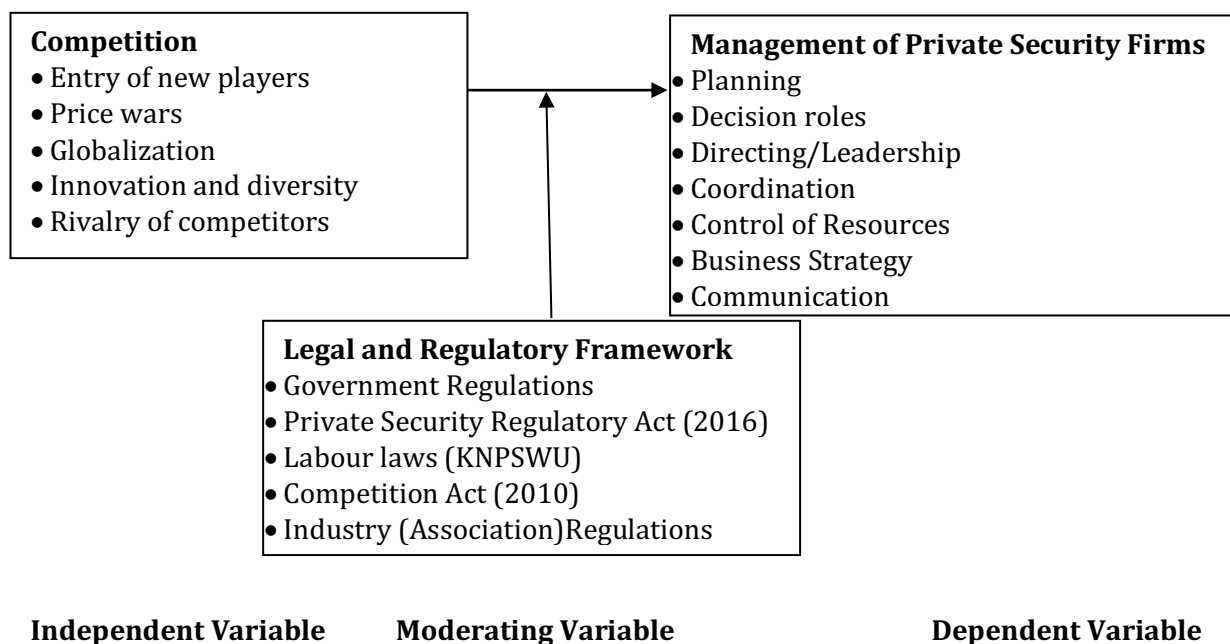
Competition • Entry of new players • Price wars • Globalization • Innovation and diversity • Rivalry of competitors		**Management of Private Security Firms** • Planning • Decision roles • Directing/Leadership • Coordination • Control of Resources • Business Strategy • Communication
	Legal and Regulatory Framework • Government Regulations • Private Security Regulatory Act (2016) • Labour laws (KNPSWU) • Competition Act (2010) • Industry (Association)Regulations	

Independent Variable　　　**Moderating Variable**　　　　　　　**Dependent Variable**

Figure 2 Showing Conceptual Framework

RESEARCH METHODOLOGY

The study adopted a descriptive survey design. Descriptive research is appropriate for identifying the characteristics, trends and correlations of the phenomena [27]. A descriptive research design hence allows the researcher to describe the effect of environmental factors on management's decision-making. The target population were the firms in the private security industry in Nairobi County. According to the Kenya Security Industrial Association (2020), there were 111 firms in the private security industry in Nairobi County. The unit of analysis was the firms in the private security industry. The unit of observation was one manager from human resource, finance, operations and ICT departments. The study adopted purposive sampling method. [28] A formula was used to obtain a more manageable sample size of 53 private security firms. The study adopted purposive sampling method because it allows the researcher to choose the respondents from the four management sub groups given their

knowledge about the subject under study. The study adopted structured questionnaires to collect primary data using drop and pick method. The study also pilot-tested the research instrument before actual data collection in order to determine it suitability and ability to obtain consistent results. 10% of the sample was used to pilot test the research instrument. This is in line with the suggestions of scholars such as [29] who indicated that for a pilot study, 10% of the sample should be used. [30] Also suggested a sample of between 1% and 10% as good for a pilot test. Quantitative data were analyzed using descriptive statistics that include means, frequencies, percentages and standard deviation. The data from the completed questionnaires was cleaned, re-coded, and entered into the computer using SPSS for Windows version 22 for analysis. Inferential statistics used included regression and correlation analysis. Data was presented using of tables. The analysis of variance (ANOVA) was used to check the overall model significance. A multiple regression analysis was used to determine the relationship between competition in the private security industry and the management of private security firms.

FINDINGS AND DISCUSSIONS

The study administered 212 questionnaires the heads of operations, human resource, and finance and ICT departments from the respective 53 Private Security Firms in Nairobi County. A hundred and sixty of the sampled 212 participants duly filled and returned their questionnaires. This translates to 75.47% response rate, which is an acceptable response rate in social research. The findings are in agreement with the assertion of [31] who affirmed that return rates of 50% are considered acceptable for a descriptive research to analyze and publish, 60% are good and 70% are very good. Hence, a return rate of 75.47% was considered adequate to allow generalization of the findings of this study to the target population.

Management of Private Security Firms
The study sought to determine whether the participants agree or disagree with the statements on management of Private Security Firms based on a 5-point Likert scale. The responses provided by the respondents were then categorized using mean scores purposely for interpretation. The findings are illustrated in Table 3.

Table 3 Descriptive Analysis Results for Management of Private Security Firms

Statement	NS	A	SA	Mean	Std Dev.
Competition for market share in the industry has improved management of private security firms	18.1 %	42.5 %	39.4 %	4.21	0.73
Social cultural factors such as settlement patterns and social classes influence management of Private Security Firm	27.5 %	35.6 %	36.9 %	4.09	0.80
Integration of latest information technology has improved management of Private Security Firm	23.1 %	41.9 %	35.0 %	4.12	0.76
Compliance with Legal and Regulatory Frameworks has streamlined the management of Private Security Firm	18.1 %	43.8 %	38.1 %	4.20	0.73
Total				**4.16**	**0.75**

Key: NS=Not Sure; A=Agree; SA=Strongly Agree

Results revealed that majority of the respondent agreed that competition for market share in the Private Security Industry has improved management of Private Security Firm (Mean=4.21).

Results indicated that most of the participants agreed that social cultural factors such as settlement patterns and social classes influence management of Private Security Firm (Mean=4.09). Moreover, the findings revealed that the participants indicated that they agree that integration of latest information technology has improved management of Private Security Firm (Mean=4.12). Lastly, results showed that most participants agreed that regulatory and legislative frameworks have streamlined business operations (Mean=4.20). In conclusion, findings of the study indicated that most of the participants indicated that they agree with the statements regarding management of Private Security Firms as shown by an average mean of 4.16. Additionally, the responses provided by the participants were less varied as revealed by a standard deviation of 0.75.

Diagnostic Tests Results
The study sought to ascertain whether residuals of the data are in line with the assumptions of Ordinary Least Squares. Specifically, the study conducted homoscedasticity, normality, autocorrelation (test for independence) and linearity tests to make certain whether the data meet or violate the assumptions of ordinary least squares. Test of assumptions of regression analysis also allowed the study to determine the robustness of the results.

Autocorrelation Test
The study carried out autocorrelation tests to check if the residuals (error terms) of the regression model were autocorrelated. One of the assumptions of ordinary least squares is that the error term should not be auto correlated over time. The study used Durbin-Watson test to check whether autocorrelation was present. Autocorrelation test results are presented in table 4.

Table 4 Autocorrelation Results

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate	Durbin-Watson
1	.646	.418	.406	.20578	2.281

Results in Table 4 revealed that the Durbin Watson t-test value is 2.281. A rule of thumb is that Durbin Watson t-test statistic values of between 1.5 and 2.5 are not autocorrelated. This implies that the residuals for the regression model are not autocorrelated as it is within a range of 1.5 and 2.5; hence, it implies that the variables of the study are not autocorrelated.

Homoscedasticity Test
Homoscedasticity Test is also referred to as equality of variance test. The study employed Levene's T-Test to observe if the variances of the sample groups (predictors) are approximately equal. Simply put, Levene's Test for Equality of Variances tests if the standard errors / variances of the two samples are roughly equal. In order to test for the equality of variance, we take the null hypothesis i.e. there is no difference between the error variances of the predictor variables. For the variances of the dataset to be homoscedastic or said to have equal variances, Levene's Test should be non-significant. That is if the significance value of Levene's Test is greater than 0.05, then we assume that the datasets are statistically similar/ have equal variances. However, if the Levene's Test is lower than 0.05 then it means that the variances are not equal or statistically significantly different.

Table 5 Levene's Test of Equality of Error Variances

Dependent Variable: Management of Private Security Firm			
F	df1	df2	Sig.
3.077	74	85	.143
Tests the null hypothesis that the error variance of the dependent variable is equal across groups.			

Levene's Test results in table 5 indicates that p-value is 0.143 (not significant). This shows that the null hypothesis is accepted; that is, the error variance of the variables is equal across groups. This implies there is no significant difference from an equality of variance across the variables of the study.

Test for Normality
One of the assumptions of Ordinary Least Squares (Regression) is that that data is distributed normally. Hence, to ensure that the data drawn from the sampled populations are valid, the residuals (error terms) of the regression should follow a normal distribution. In this study, using the graphical method approach was used to check whether the error terms (data set) are normally distributed. The findings are as shown in Figure 3.
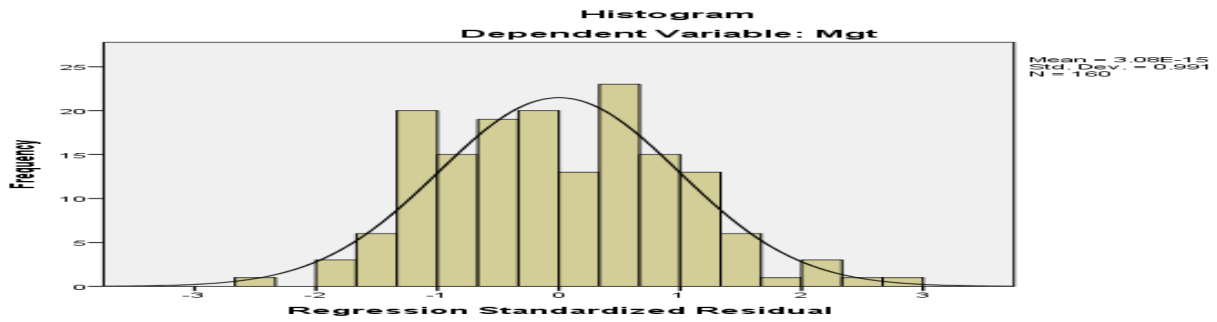

Figure 3 Test for Normality

Findings in figure 3 shows that the residuals follow a normal distribution curve. This implies that the data sets are normally distributed. Simply put, the residuals of the dataset follow a normal distribution as required for a linear regression and hence the data is fit for use in this study.

Correlation Analysis Results
Correlation analysis was used to determine the association among the study variables (both Independent and Dependent Variables). The study used Pearson Correlation coefficient (R) ranging between +1 and -1 to measure the linear association among the study variables. A Pearson correlation coefficient of +1 denotes a positive linear relationship while -1 Pearson correlation coefficient symbolizes a negative association between the variables and a Zero (0) Pearson correlation coefficient denotes that there is no linear association between the variables. Findings of correlation tests are as presented in Table 6.

Table 6 Correlation Results

Correlations		Competition in the PSI	Management of Private Security Firm
Competition in the PSI	Pearson Correlation	1	
	Sig. (2-tailed)		
Management of Private Security Firm	Pearson Correlation	.550**	1
	Sig. (2-tailed)	0.000	
	N	160	160

Results in Table 6 showed that Competition in the Private Security Industry has a positive and significant association with Management of Private Security Firms (r = 0.550, Sig = 0.000). These results are in line with the findings of a study by [3] which revealed that new entrants, buyers bargaining power and rivalry among competitors have a considerably impact on the success of Security Firms. Similarly, a study by [11] indicated that economic, competitive rivalry, market, technological and regulatory factors along with risk of entry of new players have a statistically significant influence on the success of firms Listed in the Nairobi Securities Exchange in Kenya.

Competition in the Private Security Industry and Management of Private Security Firm
The study sought to determine whether the participants agree or disagree with the statements on management of Private Security Firms based on a 5-point Likert scale. The responses provided by the respondents were then categorized using mean scores purposely for interpretation. The answers are illustrated in Table 7.

Table 7 Descriptive Analysis Results for Competition in the Private Security Industry

Statements	SD	D	NS	A	SA	Mean	Std Dev.
Entry of new players in the industry promotes adoption of better business strategy	0.0%	0.0%	21.9%	42.5%	35.6%	4.14	0.75
Price wars in the industry enhances planning and business strategy	0.0%	0.0%	30.6%	37.5%	31.9%	4.01	0.79
Innovation and diversification improve market leadership	0.0%	0.0%	25.0%	44.4%	30.6%	4.06	0.75
Globalization in the industry enhances business strategy and planning	0.0%	0.0%	23.8%	45.0%	31.3%	4.08	0.74
Rivalry of competitors in the market promotes planning and business strategy	0.0%	0.0%	33.8%	35.0%	31.3%	3.98	0.81
Total						**4.05**	**0.77**

Key: SD=Strongly Disagree; D= Disagree; NS=Not Sure; A=Agree; SA=Strongly Agree

Results revealed that majority of the respondents agreed that entry of new players in the industry promotes adoption of better business strategy (Mean=4.14). The results also indicated that most of the participants agreed that price wars in the industry enhances planning and business strategy (Mean=4.01). Moreover, the findings revealed that the participants indicated that they agree that innovation and diversification improves market leadership (Mean=4.06).

Further, results revealed that most participants agreed that globalization in the industry enhances business strategy and planning (Mean=4.08). Finally, results showed that most participants agreed that rivalry of competitors in the market promotes planning and business strategy (Mean=3.98). In conclusion, findings indicated that most of the participants stated that they agree with the statements regarding Competition in the Private Security Industry as demonstrated by an average mean of 4.05. Additionally, the responses provided by the participants were less diverse as illustrated by a standard deviation of 0.77.

Influence of Competition on Management of Private Security Firm
To determine the relationship between Competition in the Private Security Industry and Management of Private Security Firm, ordinary least squares regression was conducted. The regression model $Y = \beta_0 + \beta_1 X_1 + \varepsilon$ was thus fitted from the data where X_1 represented Competition in the Private Security Industry and Y denoted Management of Private Security Firm.

Table 8 Model Summary for Competition in the Private Security Industry

R	R Square	Adjusted R Square	Std. Error of the Estimate
.550	0.303	0.298	0.22375

Results in Table 8 indicated that the value of R and R^2 were 0.550 and 0.303 respectively. The R-value of 0.550 revealed that there was a positive linear relationship between Competition in the Private Security Industry and management of Private Security Firm. The R^2 value indicated that the explanatory power of the independent variable (Competition in the Private Security Industry) was 0.303. This means that 30.3% of the variation in management of Private Security Firm is explained by the model $Y = \beta_0 + \beta_1 X_1 + \varepsilon$.

Table 9 ANOVA Results for Competition in the Private Security Industry

	Sum of Squares	df	Mean Square	F	Sig.
Regression	3.434	1	3.434	68.594	.000
Residual	7.91	158	0.05		
Total	11.344	159			

Model fitness (ANOVA) findings in table 9 showed that the regression model of X_1 and Y was significant $(F_{1, 158}) = 68.594$, p-value =0.000<0.05), implying that Competition in the Private Security Industry is an effective predictor in the model.

Table 10 Regression Coefficient Results for Competition in the Private Security Industry

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.765	0.289		6.104	0.000
Competition	0.590	0.071	0.550	8.282	0.000

The findings in Table 10 indicate that there is a positive relationship between Competition in the Security Industry and the Management of Private Security Firm ($\beta = 0.590$). The relationship was also significant indicating that an increase in the Competition in the Security Industry significantly influences the management of Private Security Firm. These results are in

line with the outcome of a study by [3] which revealed that new entrants, buyers bargaining power and rivalry among competitors have a considerably impact on the success of Security Firms. In support, [11] also found that economic, competitive rivalry, market, technological and regulatory factors along with risk of entry of new players have a great effect on the success of firms Listed in the Nairobi Securities Exchange in Kenya.

Legislative and Policy Framework

The study sought to determine whether the participants agree or disagree with the statements on Legislative and Policy Framework based on a 5-point Likert scale. The responses given by the respondents were categorized using mean scores purposely for interpretation. Findings are as illustrated in Table 11.

Table 11 Descriptive Analysis Results for Legal and Regulatory Framework

Statement	SD	D	NS	A	SA	Mean	Std Dev.
Government regulations fosters professionalism in the industry	0.0%	0.0%	21.9 %	50.0 %	28.1 %	4.06	0.71
The enactment of Private Security Regulatory Act (2016) has promoted integrity in the security industry	0.0%	0.0%	26.3 %	43.1 %	30.6 %	4.04	0.76
Compliance with labour laws fosters communication in the industry (negotiations)	0.0%	0.0%	33.1 %	44.4 %	22.5 %	3.89	0.74
Enactment of Competition Act (2010) has promoted fair business practices in the industry	0.0%	0.0%	22.5 %	51.9 %	25.6 %	4.03	0.70
Industry regulations has streamlined the operations in the private security sector	0.0%	0.0%	34.4 %	40.6 %	25.0 %	3.91	0.77
Total						**3.99**	**0.73**

Key: SD=Strongly Disagree; D= Disagree; NS=Not Sure; A=Agree; SA=Strongly Agree

Findings in Table 11 showed that most participants agreed that government regulations foster professionalism in the industry (Mean=4.06). Moreover, the findings indicated that most of the participants agreed that the enactment of Private Security Regulatory Act (2016) has promoted integrity in the security industry (Mean=4.04). Additionally, the findings indicated that the respondents agree that compliance with labour laws fosters communication in the industry (negotiations) (Mean=3.89). Further, results revealed that the most of the participants agreed that the enactment of Competition Act (2010) promoted fair business practices in the industry (Mean=4.03). Lastly, findings revealed that most of the participants agreed that industry regulations have streamlined the operations in the private security sector (Mean=3.91). In conclusion, findings of the study indicated that most respondents agree with the statements on Legislative and Policy Framework as indicated by an average mean of 3.99. In addition, the responses given by the participants were less varied as indicated by a standard deviation of 0.73.

Regression Analysis after Moderation

The study used Process macro 3.5 [32] to evaluate the influence of Legal and Regulatory Framework as a moderating variable on the relationship between the independent and the dependent variables. The output findings of moderation analysis are in Table 12.

Table 12 Regression Results after Moderation

Model:1	Y: MPSF=Management of Private Security Firms X:CPSI=Competition In Security Industry W: LRF= Legal and Regulatory Framework

Outcome Variable: MPSF

Model Summary

R	R-sq	MSE	F	df1	df2	p
0.7144	0.5104	0.0361	32.1096	5.0000	154.0000	0.0000

Model

	coeff	Se	t	p	LLCI	ULCI
Constant	2.9309	.3149	9.3065	.0000	2.3087	3.553
Comp	0.3123	.0705	4.4305	.0000	0.173	0.4515
LRF	0.2836	0.0551	5.1433	.0000	0.1747	0.3926
Int_1	-0.301	0.1894	-1.587	0.1147	-0.6746	0.0737

Product terms key: Int_1: Comp x LRF
Test(s) of highest order unconditional interaction(s)

	R2-chng	F	df1	df2	p
X*W	.0080	2.5169	1.0000	154.0000	0.1147

Model summary results in Table 12 indicate that the model after moderation ($Y = \beta_0 + \beta_1 X_1 + \beta_2 Z + \varepsilon$) of the bootstrap samples at 95% confidence interval is significant as indicated by a p-value < 0.05. Findings also show that the average direct effect of X predicting Y controlling for the mediator is significant (p-value < 0.000). Moreover, findings reveal that the moderation effect of legal and regulatory framework is positive and significant as shown by a p-value < 0.000. However, results of interaction indicate no statistically significant interaction between legislative and regulatory framework, external environmental factors and management of Private Security Firms (p-value>0.1147). This is also demonstrated by the test(s) of highest order unconditional interactions (X*W) which indicates that there is no significant interaction.

CONCLUSIONS

Based on the results, the study concluded that competition in the security industry such as entry of new players in the industry promotes adoption of better business strategy. The study also established that rivalry of competitors in the market promotes planning and business strategy. Moreover, the study also established that globalization in the industry enhances business strategy and planning. On Legal and Regulatory Framework, the study concluded that Government regulations fosters professionalism in the industry. The study also established that Legal and Regulatory Framework such as compliance with labour laws fosters communication in the industry (negotiations). Most importantly, the study established that industry regulations have streamlined the operations in the private security sector.

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