Attitudes towards Outsourcing Security Services on Service Delivery in Commercial State Owned Enterprises in Nairobi City County, Kenya

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ABSTRACT

Security service delivery in public sector is crucial as it entails protecting government personnel as well as property. Therefore, security is increasingly viewed as a key condition for economic growth and development. Lack or ineffective security service delivery weakens the performance of any organization. This study sought to determine if service delivery improves as a result of outsourcing of security services to commercial state owned enterprises in Kenya. Specifically, this research aimed at determining the effects of outsourcing cash protection, body guarding, property protection and information/data protection services on security service delivery of selected commercial state owned enterprises in Nairobi City County in Kenya. The study was guided by two theories; the Functionalist model and securitization theory. A descriptive research design was adopted. The target population for this study was a census of all the 29 selected commercial state owned enterprises. The study targeted security managers, assistant security managers and security staff, hence total target population was 958 respondents. The sample size was selected through purposive and random sampling techniques. The research used questionnaires to collect data. Descriptive statistics including frequencies, percentages, means and standard deviations were used. Further, inferential statistics including correlation and regression analysis were used to illustrate the relationship between the independent and the dependent variables. The study used a multiple regression model. The regression results indicated that, there is a positive and significant relationship between outsourcing cash protection security services and security service delivery of commercial state owned enterprises in Kenya (β=0.247, p=0.001); a positive and significant relationship between outsourcing bodyguard security services and security service delivery of commercial state owned enterprises in Kenya (β=0.271, p=0.000); a positive and significant relationship between outsourcing property guarding security services and security service delivery of commercial state owned enterprises in Kenya (β=0.289, p=0.033); and a positive and significant relationship between outsourcing information security services and security service delivery of commercial state owned enterprises in Kenya(β=0.389, p=0.015). From the findings, the study concluded that outsourcing security services has a significant influence on security service delivery of commercial state owned enterprises in Nairobi City County, Kenya. In particular, the study concluded that outsourcing cash protection, body guarding services, property guarding and information security services, had a positive and significant effect on security service delivery of commercial state owned enterprises in Kenya. The study recommended that commercial state owned enterprises should strengthen their cash protection security services, security officers should be trained on how to protect human life especially, the personnel that they are supposed to protect, private security companies should keep data on any property that enters and leaves the company’s premises, and that private data security officers should have access to IT skills.
INTRODUCTION

States have a primary duty of protecting the security of their citizens and all persons within their jurisdiction, maintaining crime prevention and employee safety. As insecurity rises, more and more of public sector enterprises are turning to the private security, to ensure their personnel’s safety. This demand is seen to arise due to a state’s inability to provide adequate security to its people (Wairagu, et al, 2004). Many states worldwide are increasingly outsourcing the services of private security companies/industry that were traditionally undertaken by their military and the police; this is partly in response to public sector downsizing, but also because of the changing nature of warfare (BLS, 2009). In theory at least, this new model of security provision allows governments and public institutions to increase efficiency by concentrating on their core functions whilst transferring surplus responsibilities to private companies. For instance, the Confederation of European Security Services estimated in 1999 that more than 500,000 guards were employed by 10,000 PSCs in the European Union (EU) alone. This number may well have doubled with the expansion of the EU. ASIS Foundation (2009) has shown 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. Indeed, there are states including for example, Israel, the UK, US, and South Africa, whereby the size of PSC budgets and the number of individuals they employ exceed those of public law enforcement (Kinsey, 2006).

Modern large and small companies do not have the capacity or expertise to manufacture every component of an end product they are getting ready for sale. This is a good thing as it creates the need for additional jobs provided the market is good for the product being manufactured and assembled. The key to outsourcing is choosing the resource that can provide the quality product or service in completing an end product (Corner, Kinicki & Keats, 2004). Companies may seek internal savings to focus money and resources towards core business. Companies and public entities may outsource certain specialized functions, in order to increase the level of consumer satisfaction. In Asia, Korkor (2011) determined outsourcing implications in Turkish State Owned Enterprise (SOE) system by conducting a survey. In the light of the survey, it was stated that SOEs outsource services extensively in order to decrease costs, improve service quality and remove the personnel insufficiency. When applied judiciously through cost and risk analysis, proper evaluation of performance and proper preparation of contract, it is a cost effective approach that can be used by most SOEs. According to Kinsey (2006), some of the commonly outsourced security services in the United States include cash protection, bodyguard services, property guarding services and information guarding services. Cash Protection entails safeguarding company money and other valuables against theft, loss or damage both while in transit or in storage. Body guarding involves protecting VIPs and other personnel working in an organization from injury, kidnapping as well as loss of life while at the organization’s premises,
property protection entails securing an organization’s assets from loss of damage or even theft while data protection is the process of safeguarding important information from corruption, compromise or loss. It is expected that outsourcing these security services will enhance security delivery among commercial state-owned enterprises in Kenya. According to Khaki and Rashidi (2012), there are several reasons to believe that organizations attempt to outsource their activities. By justifying that outsourcing decisions are strategic, this strategy can be the source of many fundamental changes in the organization. Therefore, the most important point is to manage these crucial changes. It means to entrust activities to outside organizations or people in order to achieve better efficiency, better responsiveness, and reduction of costs. However, it does not mean entrusting the whole responsibilities to the outside organizations (Espino-Rodriguez & Padron-Robaina, 2004).

According to McMillan (2010), the commonly outsourced activities include: IT services; delivery, logistics and distribution services; human resources services; sales and marketing services; procurement services; customer call centre services; and finance and accounting services. The decision to outsource is typically developed at senior levels of corporate management and is usually contemplated as part of a larger strategic initiative. Well-structured outsourcing arrangements should lead to a more efficient allocation of roles and responsibilities among the parties to the arrangement and, from a customer’s perspective, can bring a range of benefits. The recognized benefits of outsourcing include: increased efficiency through reduced risk associated with running effective IT departments, controlled costs, increased reach by providing access to world class capabilities that might otherwise not be affordable, better investments, and an improved focus on core business activities. Ultimately, outsourcing should serve to make companies more flexible and agile, ready to meet the challenges of doing business in an increasingly technological and competitive world, while providing cost savings and service level improvements (McMillan, 2010).

Increased outsourcing of non-core activities by ministry of roads authority in Kenya can improve service quality (Lolkidianye, 2012). A vendor will be in a better position to provide the outsourced services because this area constitutes its core business (Gilley & Rasheed, 2000). Frequently, the improved capabilities of the supplier are the result of large investments in technology, in methodology and in human resources made over time. In many cases, the capabilities of the vendor include specialized knowledge in the industry obtained by working with many customers. The knowledge of the vendor can be transferred to the outsourcing firm, satisfying customer requirements with their skills, processes or technology. For all of the above reasons, the outsourced service quality and the perception of that service are better than when performed in-house (Espino-Rodríguez & Gil-Padilla, 2005). Moreover, as a result of the activities contracted out to the vendor, since the management spends more time on its other remaining services, an increase in the quality of the services performed could be observed. Outsourcing activities with low strategic value can lead to lower costs and thereby improve the organizational results (Espino-Rodríguez & Padron-Robaina, 2005). Firms are increasingly viewing outsourcing strategies for reducing or controlling costs. Empirical research also suggests that outsourcing firms often achieve cost advantages relative to vertically integrated firms (Gilley & Rasheed, 2000). It is commonly believed that vendors can give the same level of service at a lower cost than internal departments. Presumably, vendors benefit from economies of scale, tighter control over fringe benefits, and better access to lower-cost labour pools, and more focused expertise in managing service (Downey, 2005). By focusing on specific skills and technologies, a vendor may become more proficient at that activity than the outsourcing firm
may. Ideally, the vendor is also a cost-conscious provider and reduces bureaucratic costs, produces further efficiencies, and shares some of the savings with its clients (Gilley, Greer & Rasheed, 2004). In addition, outsourcing arrangements reduce the need for capital assets, and this reduced investment in organization’s capacity lowers fixed costs and leads to a lower break-even point (Gilley & Rasheed, 2000).

In most developing countries like Kenya, it was the state's responsibility to solely protect its citizens against threats and enhance security, however, over the years we have seen other non-state actors such as private security companies (PSCs) emerge and gain popularity in security provision especially among corporate organizations (Kinyua, 2016). It appears that in recent years the size of private security industry has grown dramatically across the globe. In spite of controversies on how accurate statistics and data are and what should be counted as private security industry, the substantial growth of the private security industry in most countries is not contested. Increased pressures on law enforcement community in many places around the world have resulted into the “privatization” of some police functions, with the civilian private security industry filling the gaps left by the overstretched police. These private security companies have been playing a growing role in crime prevention and community safety. The privatization of the police has occurred at a number of levels. In a study conducted in Tanzania, there has been load shedding, where the police withdraw from providing certain functions and private security has stepped in to fill the gap; contracting out, where services are still provided by the police but a contractor is used to supply that service and the embracement of private sector practices by the public police, such as charging for services and accepting sponsorship (Mkilindi, 2014).

Some PSCs operations around the globe include; patrolling public streets, transporting valuables, protecting critical infrastructure, providing security at airports and other major public transport hubs, responding to alarm activations, conducting surveillance, securing order and dealing with crowds at large public events, and investigating crimes. The civilian private security industry usually assumes the primary role in providing crime prevention and community safety (Born, Caparini, Cole & Scherrer, 2007). Private security is any type of private organization and or an individual providing all types of security-related services, including investigation, guarding, patrol, lie detection, alarm, and armored transportation(Brunet, 2008). The rapid enlargement of the private security sector over the last 10 years in Kenya may be related to several factors. There are a large number of small arms in circulation in urban and rural areas, with criminal activities making headlines on a daily basis. Secondly, the past 10 years have witnessed an increasing dissatisfaction and declining confidence among Kenyans in the country’s law enforcement apparatus (Kenya Times, December 21, 2004; November 18, 2005). Kenyans also perceive the security and judiciary to be corrupt, so that safety and justice are not assured (Daily Nation, September 3, 2002; November 9, 2006). Thirdly, events such as the terrorism attack on the US embassy in 1998, the hotel bombing in Mombasa in 2002, and the failed missile attacks on an Israeli airliner in Mombasa in 2002 have all contributed to a feeling of insecurity. Mbuvi (2015) analyzed the development and growth of the Kenyan private security sector, and to establish its role and impact on safety and security. The study included determining the impact of the private security sector in Nairobi and the mobile patrol functions on safety and security in Kenya. Furthermore, to determine the impact of the Kenyan private security sector on loss prevention functions; reviewed how special events security and private investigation functions affect the safety and security of Kenyans; and also considered how in-house security functions of the private security sector further influence safety and security in Kenya. The study concludes that the private security sector in Kenya impacts on and influences overall safety and security. The
study, therefore, established that there has been growth and development of the private security sector in Kenya.

Virtually all commercial premises and tens of thousands of domestic properties including embassies, small and large business, non-governmental organizations (NGOs) and humanitarian agencies now have 24-hour guards and many have alarm systems (Mkutu & Sabala, 2007). Some, such as the embassies and aid agencies are increasingly using PSCs, most commonly for risk analysis, staff training and professional advice on managing particular crises and to provide guards for site protection. Currently in all major towns in Kenya, PSCs offer cash-in-transit security services to banks, and delivery of registered mail to the general public. Alarm systems range from basic push-button alarms that send a signal to off-site guards to highly sophisticated space protection systems linked to radio-controlled backup, control centre TVs, personal protection surveillances and systems management maintenance (Mkutu & Sabala, 2007).

Commercial state-owned enterprises are government parastatals that directly generate income, and can therefore independently manage their financial obligations. Where government services may be managed as commercial operations, the State-owned Enterprises Act allows the government to provide these services through a similar organizational form as private sector enterprises. Four main Acts govern the public sector financial management system; the State Sector Act 1988 include definitions of the roles of chief executives of government departments, and gives them the authority to manage their departments; the Public Finance Act 1989 governs the use of public money; the state-owned Enterprises Act 1986 allows government to conduct some of its commercial activities like private sector businesses, and the Fiscal Responsibility Act 1934 charge government with declaring its short and long term financial intentions.

2. STATEMENT OF THE PROBLEM

Security service delivery in the public sector is crucial as it entails protecting government personnel as well as property (Kinyua, 2016). Lack of or ineffective security service delivery weakens the performance of any organization (Mbuvi, 2015). For this reason, the commercial state owned enterprises are increasingly expected to provide security services effectively, efficiently and in a customer-centric manner, importing key private sector concepts where appropriate – and this means aligning every action/strategy towards a meaningful customer experience. Whereas the above should be the case, security provision in Kenyan commercial state owned enterprises is poor. Effective, efficient, quality and timely security services delivery is missing in Kenyan commercial enterprises (Kinyua, 2016). Cases of theft and damage of property, data hacking and cash loss and theft continue to be reported in the Kenya commercial state owned enterprises. There are many solutions to the above that have been suggested. The government of Kenya has resorted to outsourcing of security services from the private sector. The existing literature fail to show the role of outsourcing security services on service delivery in commercial state owned enterprises in Kenya. This study thus sought to fill the existing gap by determining the attitudes towards outsourcing security services on service delivery in commercial state owned enterprises within Nairobi City County in Kenya.

3. OBJECTIVES OF THE STUDY

i. To examine the effects of outsourcing of cash protection services on security service delivery of commercial state owned enterprises in Nairobi City County, Kenya.

ii. To examine the effects of outsourcing bodyguard services on security service delivery of commercial state owned enterprises in Nairobi City County, Kenya.
iii. To assess the effects of outsourcing of property guarding services on security service delivery of commercial state owned enterprises in Nairobi City County, Kenya.
iv. To investigate the effects of outsourcing of information/data security services on security service delivery of commercial state owned enterprises in Nairobi City County, Kenya.

4. THEORETICAL FRAMEWORK

This study is supported by two theories namely: the functionalist model and securitization theory. The discussion below shows the concepts of the theories and how they are linked to the study. The functionalist model was found to be more effective in explaining the study variables and hence is the main theory on which the study is anchored.

4.1 Functionalist Model

From the perspective of the functionalist explanatory model, which rests on a combination of principal–agent theory (Pollack, 2003; Hawkins et al. 2006) and resource-dependence theory (Pfeffer and Salancik 2003; Kruck, 2011), rational governmental actors (principals) strive for effective and cost-efficient ‘solutions’ to security problems by delegating security-related tasks to PSCs (agents). The model argues that under the complexity-enhancing conditions of deep and rapid technological changes in warfare, volatile security environments and asymmetric violent conflicts, states and, more specifically, their armies — do not always possess all the skills, qualifications and expertise that would be necessary for effectively managing their security problems. Thus, states increasingly contract with PSCs because they lack material or immaterial military and security resources essential for effectively achieving their security goals and are thus in a situation of dependence on PSCs’ resources (Donald 2006: 7; Deitelhoff 2010). At the same time, because of budgetary constraints and saving pressures, cost-sensitive ministries of defense and militaries balk at the expense of building up and continuously sustaining a military resource base that would be sufficient for autonomously dealing with their security problems. In the face of mounting costs of armament technology and decreasing overall defense budgets, they feel pressurized to realize costs-savings and to ensure military operability through enhanced efficiency and concentration on core military tasks.

States (principals) thus delegate security-related and military tasks, and ensuing political authority, to PSCs (agents) in order to tap PMSCs’ resources. Contracting with PMSCs enhances states’ capacity to respond quickly and flexibly to complex security problems and bolsters their adaptability in the face of changing challenges and technologies of warfare, while reducing economic costs. PSCs serve as flexible expert agents that are specialized in the relevant fields. Because of their professional expertise, skills and short-term availability, they are expected to enhance the effectiveness of security provision. Moreover, privatization also promises gains in economic efficiency through functional specialization, the reduction of transaction costs in the build-up and maintenance of military expertise, the reduction of administrative costs and cuts in permanent costs for personnel, as well as the activation of competitive market pressures (Donald 2006; Kinsey 2006; Cockayne 2007; Deitelhoff 2010; Petersohn 2010). As the use of PSCs also creates costs, including financial expenditures for the outsourced services, as well as transaction costs in the selection, monitoring, coordination and (if necessary) sanctioning of PSCs, rational governmental actors will only contract with PSCs if the anticipated benefits from making use of PMSCs’ valued resources are larger, in terms of effectiveness and economic efficiency gains, than expected material costs.
The functionalist model is relevant to this study since it explains the concept of outsourcing security services. The commercial state-owned enterprises are the principal which delegate security responsibilities to other providers who act as agents. Some of the security services the enterprises outsource include cash protection, bodyguard, property and information guarding. The model explains some of the reasons for security outsourcing to include; cost-efficiency and resource dependence. This theory has not only shown, both in previous research works but also in this study that outsourcing of security services, has enhanced the efficiency and effectiveness of this services due to many leverages among them, expertise of outsourcing entities both in human capacity and required specialized resource elements. This in turn has enabled cost reductions for delivery of these services due to factors like economy of scale among others. More importantly it achieves quality service provision, at a reduced cost due to above mentioned factors. The functionalist model therefore sufficiently informs, security outsourcing to security service delivery.

4.2 Securitization theory

The main argument of securitization theory is that security is a speech act that solely by uttering ‘security’ something is being done. ‘It is by labeling something a security issue that it becomes one’ (Wæver, 2004). By stating that a particular referent object is threatened in its existence, a securitizing actor claims a right to extraordinary measures to ensure the referent object’s survival. The issue is then moved out of the sphere of normal politics into the realm of emergency politics, where it can be dealt with swiftly and without the normal (democratic) rules and regulations of policy-making. For security this means that it no longer has any given (pre-existing) meaning but that it can be anything a securitizing actor says it is. Security is a social and inter-subjective construction. To prevent ‘everything’ from becoming a security issue, a successful securitization consists of three steps. These are: identification of existential threats; emergency action; and effects on inter-unit relations by breaking free of rules. This first step towards a successful securitization is called a securitizing move. A securitizing move is in theory an option open to any unit because only once an actor has convinced an audience (inter-unit relations) of its legitimate need to go beyond otherwise binding rules (emergency mode) can we identify a case of securitization.

In practice, securitization is thus far from being open to all units and their respective subjective threats. Rather, it is largely based on power and capability and therewith the means to socially and politically construct a threat. In this way the study of security remains wide, but with restrictions pertaining to who can securitize it is neither unmanageable nor incoherent (Buzan, Wæver& De Wilde, 1998). The theory is relevant to the current study since it explains the concept of security. In this study, the focus was on outsourcing security services for effective service delivery. The outsourcing of the security services to safeguard human life/organizations personnel’s, Cash resources ,Physical properties and information resource are well in tandem with the securitization theory prerequisites and steps of existential threats, need for emergency action and breaking free of rules to take extra ordinary measures . This was necessitated by existential threats which could be better addressed by giving special attention through private entity dedicated and specialized in the field. The threats are loss of organizations personnel’s, properties, Information and Cash resources to theft, robbery, acts of terrorism, vandalism and other ill motivated actions. These threats could be better dealt with through the action of outsourcing which in essence takes the issue out of the normal policy making decisions.
5. CONCEPTUAL FRAMEWORK

A conceptual framework is a hypothesized model identifying the model under study and the relationship between the dependent and independent variables (Smith, 2004). The conceptual framework is a research tool intended to assist a researcher to develop awareness and understanding of the variables under scrutiny. For the purpose of this research, a conceptual framework was developed to show the relationship between the independent variables and the dependent variable.

![Conceptual Framework](image)

**Independent Variables**
- Cash Protection
  - Cash transfer
  - Cash processing
  - Cash custody/storage
- Bodyguard Services
  - Sexual harassment
  - Harm protection
- Property Guarding
  - Damage protection
  - Theft protection
  - Security systems and equipment
  - Access control
- Information Guarding
  - Confidentiality
  - Integrity
  - Availability

**Dependent Variable**
- Security Service Delivery
  - Effectiveness
  - Efficiency
  - Timeliness
  - Quality

Figure 1: Conceptual Framework

As shown in Figure 1, the independent variables (cash protection, body guard Services, property guarding and information/Data guarding) are expected to affect the dependent variable (security service delivery) in commercial state-owned enterprises.

6. RESEARCH METHODOLOGY

The study adopted a descriptive research design. The target population for this study was all the 29 commercial state owned enterprises. There are 900 security staff in all the commercial state owned enterprise in Nairobi City County (Office of the Nairobi County Commissioner, 2018). The study surveyed the selected 29 commercial state owned enterprises. The specific respondents were the security managers, assistant security managers and security officers in each enterprise. The researcher selected one security manager and one assistant manager from each of
the enterprises. Both the security managers and assistant security managers were purposively selected while the security officers were randomly selected. The sample size for the security staff was computed using Fisher et al (2003). From the formula, the sample size for the security staff was 129. The study collected primary data using questionnaires. The questionnaires were designed based on the research objectives and pre-tested to ascertain the suitability of the tool before the actual administration. The researcher obtained a letter of introduction from the university which was presented to the management of the organizations. The questionnaires were administered using the drop and pick later method. The researcher engaged the help of two research assistants during data collection. The research assistants were taken through a thorough induction on how to carry out the data collection exercise before starting the process. The training involved how to respond to the respondents’ queries and what to do when the respondent is not around to fill the questionnaire. The data and information obtained through the questionnaires was first checked for completeness. Quantitative data gathered from correctly filled questionnaires was coded, tabulated and analyzed using SPSS version 21.0. Descriptive statistics such as mean, percentage were computed to capture the characteristics of the variables under study while inferential statistics, specifically the Pearson correlation and regression were used to assess the relationship of the dependent and the independent variables. A multiple linear regression model was used to test the significance of the influence of the independent variables on the dependent variable.

7. STUDY RESULTS

The Table 1 presents the results of the correlation analysis.

Table 1: Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>Security Service Delivery</th>
<th>Cash Protection</th>
<th>Bodyguard security services</th>
<th>Property Guarding security services</th>
<th>Information security services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security Service Delivery</td>
<td>Pearson Correlation</td>
<td>1.00</td>
<td>.861**</td>
<td>.717**</td>
<td>.761**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td>1.00</td>
<td>.722**</td>
<td>.722**</td>
</tr>
<tr>
<td>Cash Protection</td>
<td>Pearson Correlation</td>
<td></td>
<td>.861**</td>
<td>.717**</td>
<td>.761**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td>1.000</td>
<td>.722**</td>
<td>.722**</td>
</tr>
<tr>
<td>Bodyguard security services</td>
<td>Pearson Correlation</td>
<td></td>
<td>.717**</td>
<td>.717**</td>
<td>.717**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.722**</td>
<td>.722**</td>
<td>.722**</td>
</tr>
<tr>
<td>Property Guarding security services</td>
<td>Pearson Correlation</td>
<td></td>
<td>.838**</td>
<td>.838**</td>
<td>.838**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td>.784**</td>
<td>.784**</td>
<td>.784**</td>
</tr>
<tr>
<td>Information security services</td>
<td>Pearson Correlation</td>
<td></td>
<td>.641**</td>
<td>.641**</td>
<td>.641**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.653**</td>
<td>.653**</td>
<td>.653**</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).
The results indicate that outsourcing cash protection security services and security service delivery are positively and significant associated ($r=0.861$, $p=0.000$). Results further indicate that outsourcing bodyguard security services and security service delivery are positively and significant associated ($r=0.717$, $p=0.000$). Additionally, results show that outsourcing property guarding security services and security service delivery are positively and significant associated ($r=0.838$, $p=0.000$). Finally, results show that outsourcing information security services and security service delivery are positively and significant associated ($r=0.761$, $p=0.000$). The results imply that outsourced security services and security service delivery move in the same direction.

The results presented in table 2 present the fitness of model used for the regression model in explaining the study phenomena.

### Table 2: Model Fitness

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
<td>0.893</td>
</tr>
<tr>
<td>R Square</td>
<td>0.797</td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>0.791</td>
</tr>
<tr>
<td>Std Error of the Estimate</td>
<td>0.2108561</td>
</tr>
</tbody>
</table>

Results indicate that outsourcing cash protection, bodyguard, property guarding and information security services explain 79.9% of the total variations in security service delivery of commercial state owned enterprises in Kenya. The results mean that the model applied to link the relationship of the variables was satisfactory. Table 3 provides the results on the analysis of the variance (ANOVA).

### Table 3: Analysis of Variance

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>22.503</td>
<td>4</td>
<td>5.626</td>
<td>126.537</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>5.735</td>
<td>129</td>
<td>.044</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>28.239</td>
<td>133</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*a. Dependent Variable: Security Service Delivery  
b. Predictors: (Constant), Information, Bodyguard, Property guarding, Cash Protection*

The above results indicate that the overall model was statistically significant. Further, the results imply that the independent variables are good predictors of security service delivery of commercial state owned enterprises in Kenya. This is supported by an F statistic of 126.537 and the reported p value (0.000) which is less than the conventional probability of 0.05 at 5% significance level.

Table 3 presents results on regression coefficients.

### Table 3: Regression of Coefficients

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>Std. Error</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-0.911</td>
<td>.252</td>
<td>-3.623</td>
<td>.000</td>
</tr>
<tr>
<td>Outsourced cash protection security services</td>
<td>.247</td>
<td>.09</td>
<td>2.669</td>
<td>.001</td>
</tr>
<tr>
<td>Outsourced bodyguard security services</td>
<td>.271</td>
<td>.074</td>
<td>3.670</td>
<td>.000</td>
</tr>
<tr>
<td>Outsourced property guarding security services</td>
<td>.289</td>
<td>.134</td>
<td>2.161</td>
<td>.033</td>
</tr>
<tr>
<td>Outsourced Information security services</td>
<td>.389</td>
<td>.158</td>
<td>2.463</td>
<td>.015</td>
</tr>
</tbody>
</table>
The results in Table 3 indicate that there is a positive and significant relationship between outsourcing cash protection security services and security service delivery of commercial state owned enterprises in Kenya ($\beta=0.247$, $p=0.001$). This means that an increase in outsourced cash protection security services by 1 unit would improve security service delivery of commercial state owned enterprises in Kenya by 0.247 units. The results also show that there is a positive and significant relationship between outsourcing bodyguard security services and security service delivery of commercial state owned enterprises in Kenya ($\beta=0.271$, $p=0.000$). This means that an increase in outsourced bodyguard security services by 1 unit would improve security service delivery of commercial state owned enterprises in Kenya by 0.271 units. Further, results reveal that there is a positive and significant relationship between outsourcing property guarding security services and security service delivery of commercial state owned enterprises in Kenya ($\beta=0.289$, $p=0.033$). This means that an increase in outsourced property guarding security services by 1 unit would improve security service delivery of commercial state owned enterprises in Kenya by 0.289 units. Finally, results indicate that there is a positive and significant relationship between outsourcing information security services and security service delivery of commercial state owned enterprises in Kenya ($\beta=0.389$, $p=0.015$). This means that an increase in outsourced information security services by 1 unit would improve security service delivery of commercial state owned enterprises in Kenya by 0.389 units. Thus, the optimal model for the study is; Security Service Delivery = $-0.911 + 0.247$ Cash Protection + $0.271$ Bodyguard + $0.289$ Property Guarding + $0.389$ Information guarding.

8. CONCLUSION

From the study findings, the study concluded that outsourcing security services has a significant influence on security service delivery of commercial state owned enterprises in Nairobi City County, Kenya. In particular, the study concluded that outsourcing cash protection, bodyguard, property guarding and information security services had a positive and significant effect on security service delivery of commercial state owned enterprises in Kenya. Outsourcing security services, frees up time required for recruiting personnel and managing them, which gives enough time to concentrate on the core services provided by the organization. This has significantly improved efficiency and enhanced better service delivery in outsourcing firms. In contrast, outsourcing of security services from advertisement process, to examining backgrounds and training is a laborious time consuming exercise, which as a result also saves overall costs of this outsourced services. This process is usually better handled by the specialized companies than contracting organizations. However outsourcing of security services has its own flipside which includes, Lack of overall control of the outsourced personnel’s, like guards and their resources. In case of indiscipline and poor attitude from outsourced employees, the organizations have to register the issues through the parent companies. Due to the outsourcing contract agreement, the organizations might not be in a position to remedy the situations as they would ideally desire. The organization may be forced to put up with the inconvenience and problems. Also, Lack of belonging to the organization attitude has resulted into a number of cases where outsourced personnel’s collude with criminals to facilitate pilferage/theft, fraud and robbery, which has been reported especially, where outsourced personnel’s are employed in guarding’s, cash protections and transfers. This has happened in many public financial institutions, companies and state owned corporations. Cases of information/data theft due to collusions, between outsourced service providers has also been reported. Further, the study concluded that outsourcing of information/data security services best explains security service delivery of commercial state

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owned enterprises in Kenya, followed by property guarding, then bodyguard and lastly cash protection.

9. RECOMMENDATIONS

Based on the findings, this study recommends that commercial state owned enterprises should strengthen their cash protection security services. This can be achieved through outsourcing of highly skilled security services from reputable security firms. The institutions should also provide regular trainings to the security officers on effective cash protection. Further, the study recommends that security officers should be trained on how to protect human life especially, the personnel that they are supposed to protect. The security officers should also make sure that they conduct thorough checkups on any persons accessing the company premises. In addition, the study recommends that private security companies should keep data on any property that enters and leaves the company’s premises, should have strategically set fire alarm and firefighting machines. Disciplinary actions should also be taken on misconducts by private security officers. Finally, the study recommends that private data security officers should have access to IT skills. More strict measures on sensitive data over other business data should be enhanced by private security personnel. It was also recommended that private security officers should do regular security checks and data backups.

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