

# ST MARY'S UNIVERSITY

# SCHOOL OF GRADUATE STUDIES

# **FACULTY OF BUSINESS**

# THE CHALLENGES AND PROSPECTS OF SECURITY GUARDS SERVICE IN ETHIOPIA: THE CASE OF COMMERCIAL NOMINEES PLC

 $\mathbf{BY}$ 

# YIFRU GEBRESILASSIE

# SMU/2006/2007

A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF
GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION MBA IN HR

**MAY/2017** 

ADDIS ABABA ETHIOPIA



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## ADDIS ABABA ETHIOPIA

# **DECLARATION**

I, the undersigned, declare that this project entitled the challenges and prospects of security guards: the case of commercial nominees PLC is my original work. I have carried out this project independently with the guidance and support of my project advisor. This study hasn't been submitted to any Degree / Diploma in any institution and that all resources of materials used for the study have been duly acknowledged.

Yifru Gebresilassie		
Name	Date	Signature

# St Mary's University School of Graduate Studies

# The Challenges and Prospects of Security Guards Service in Ethiopia : The Case of Commercial Nominees

By

# Yifru G/Silassie

# **Approved by Board of Examiners**

Dean School of Graduates	Signature
Advisor's Name	Signature
<b>External Examiner</b>	Signature
Internal Examiner	Signature

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Yifru Gebresilassie		
Name	Date	Signature

# **ENDORSEMENT**

A	Advisor	Date	Signature
	for examination with	my approval as a university advisor	
	This thesis has been s	submitted to St.Mary's University C	follege, School of Graduate Studies

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#### LIST OF ACRONYMS AND ABBREVIATIONS

AACGBLSA Addis Ababa City Government Bureau of Labor and Social Affairs

ASIS The American Society for Industrial Security

BSC Balanced Score Card

CBE Commercial Bank of Ethiopia

CCTV Closed Circuit Television

CN Commercial Nominees

NIPP National Infrastructure Protection Plan

USA United States of America

CPTED Crime Prevention Through Environmental Design

NIPP The National Infrastructure Protection Plan

RFP Request for Proposal

DBE Development Bank of Ethiopia

EFP Ethiopian Federal Police

HR Human Resource

HRD Human Resource Development

HRM Human Resource Management

ILO International Labor Organization

KGAWU Kenya National Private Security Workers Union

KNPSWU Kenya National Private Security Workers Union

NGO Non- Governmental Organization

PSC Private Security Company

PSG Private Security Guard

PSI Private Security Industry

PSTF Private Security Task Force.

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#### **Abstract**

The main purpose of this research paper is to investigate the activities, challenges and opportunities of guards service in Ethiopia. Important issues related to private security company's (PSCs) are also raised and discussed including major duties of security guards service, roles and powers, registration, certification and licensing, recruitment and training of private security company, regulation and possession of armaments. Qualitative methodology refers an applied research is concerned with using the knowledge acquired through research to contribute directly to understandings of issue. This have the objectives of developing, monitoring or evaluating policy and its related practice. A qualitative methodology was used following explanatory and descriptive research method. Explanatory and descriptive research refers a brief discussion method. To select the sample the researcher used purposive sampling such likely choosing samples in a deliberate manner based on their knowledge and experience they have. Data's are generated and analyzed thematically. The findings from this research indicate that although PSCs CN security guards face many challenges their contribution can't be underestimated. Challenges in this study refers such like absence of law to carry weapons, lack of training and professionalism, poor wage and working condition, employees are poorly equipped and works has to be done on training, recruitment and hiring. In this study prospect refers here in to the expectation that the findings of this research hopefully help to improve challenges and management. To curb the problems or the challenges faced by both CN and employees, the CN and the government of Ethiopia is expected to come up with clear and separate regulation which specifically addresses the private guards service and establish a separate regulatory organ with the responsibility regulating and controlling the field.

Key words: private guards service, Challenges and Prospects, Job satisfaction.

### **CHAPTER ONE**

### INTRODUCTION

The purpose of this study is to examine the impact of working conditions of the Ethiopian private security guards to service delivery. This chapter introduces the background of study, operational definitions of terms, the objectives of the study, the research questions to be answered, and the significance of the study, statement of the problem, the scope of the study institutions of the study and organization of the study.

## 1.1. Background of the Study

There is no a precise definition for private security and consequently authors use a wide variety of terms to describe them. In-addition to this there is no research paper or books on it in this university as-well as in any university of Addis Ababa city so far .Security can simply be defined as "freedom from danger that is protection from physical or direct violence, and freedom from fear that is, a sense of safety and relative well being in political, legal, socio-economic and cultural terms, that is, a measure of protection from structural violence (Wairagu, Kaminju and Singo, 2004, 16).

Other scholars such as Gomedze (2008) stated that private security is a new concept in Africa. Its growth has been facilitated by the desire to reduce the burden on state agencies of protecting their citizens. Inadequate resources to equip state organs for their principal role of protecting the security of their citizens have been a major decision driver in the growth of the sector in Africa.

In Ethiopia, there is no any written document that states when exactly uniformed private security guards were seen for the first time in the country but it could be said that the development of PSC in Ethiopia is a post 1991 period phenomenon

Private security companies (PSCs) are legal entities established to provide security guards service to other private and public institution (including the diplomatic community and international organization) when deemed necessary.

As a result of this PSCs provide their service to client organization after attending the bid announcement or invitation call made by the outsourcing institutions and fulfilling the set requirement and signing contractual agreement to provide the PSC service for specific period of time.

The contractual agreement includes the overall payment to be effected, the working hours, the safety measures to be taken, the complaint handling methods, the facilities to be provided to the assignees, reasons for breach of the contract, right and obligations of both parties ... etc.

Accordingly, each PSC and its employees (PSCs) make a legal agreement based on the employment policy of each security company and the labor laws of the country are implemented. Besides in the institutions where employees' basic trade unions are active, collective agreement are signed after making serious decision and negotiations for mutual benefit with the active participation of all the concerned members and other stakeholders.

Currently, there are 130-160 private licensed security companies that provide PSC services across the country of which three – fourth (75%) of them are operating in Addis .Among such security companies there is one unique company known as Commercial Nominees (CN) PLC which was established by Commercial Bank of Ethiopia (CBE) and administers its commercial building premises (asset) and provides other related services.

In this study, review of the theoretical literature was provided to formulated challenges and prospects under investigation. Referring to the empirical review previous researches on the area have been considered. This research has been built on existing practice at present and refers to the literature review. The findings of the assessment have been supported in the literature. In doing so the researcher has tried to give solutions for the existing problem.

The private security guards (PSG's) while playing a major role in their duty feel dissatisfaction due to under payment and incentive. Not only these but there are also other challenges that employees face, such as poor management, sitting for a long time at guard's point, particularly exposure of women to undesired health conditions, poor working conditions, i.e. long hours up to 12-16 hours a day rather than 8 hours a day as provided for in labor law, prohibition of employees to organize labor union, and other challenges are dealt with in the following chapters. The outcome of this study is expected to create condition conducive for mitigation of challenges and better management for the PSG by the concerned Organization.

The researcher took the Commercial Nominees Private Security Company (CN) PLC and Trust Private Security Company (TPSC) are both registered PSCs samples were taken due to the experience and the higher number of employees they have. These two companies have higher in terms of capital. Data were collected by distributing questionnaires to both companies' employees by the writer. As findings indicate, there is poor management practice in CN.

So, in this research roles and responsibilities examined and tried to be measured by various criteria and come up with proper solutions and recommendations.

# 1.2. Operational Definition of Terms and Concepts

- > Security guards: a person qualified in military defense activities hired to protect property, human life and other protective services.
- ➤ **Outsourcing**: is a service, which could be done in house, but which are for various reasons a company gives services to another company.
- ➤ Outsourcing contract: is an agreement usually made in a written form between the user and customer and provider/ supplier private security company.
- ➤ **Guard service**: is a service given by a person trained as police or military to give an assurance and protection for human property or others.
- ➤ **Job Satisfaction**: is a sense of pleasure or positive feelings emerged from needs of the person that are expected to be met by the organization(Basaran 2004:386)

#### 1.3. Statement of the Problem

The private guard's business has grown considerably across Ethiopia. The government allowed the private guards to fill the gap left by the police since 1992 at large. The private security is driven by profit nowadays and the private guard service providers are significant players in the country's security segment. This is because in its natures, the private security is entrepreneurial and spring up where opportunities arise such as Ethiopia.

The players vary sidewise. Currently there are big, medium and small size security companies which provide security guard to public and private enterprise, NGOs and others. Despite the impressive growth of the private security and the active role they play in security guard service delivery to the outsourcing organizations ,their employees have serious compliant(grievance) about their monthly salary payment rate and other benefit packages . The sample size findings

show, that there is no legislation on establishment of private guards companies. The employees have more serious problems on provision of work equipment, job satisfaction, complaint (grievance) about their monthly salary payment rate and other benefit packages.

As a result of this, security companies are criticized for the challenges their face and inadequately remunerating their employees.

This shows that two big problems have been created by the security companies on the security guards. One of the two categorized problems namely by the word challenges. The challenges were such like poor management i.e. there is no regulation created to administer, promotion from one position to the other was unknown, to sit only for a long time and being unhealthy, working for a longer time than it is stated in the labor law.

On the other side the second big challenge was named as remunerating the guards was to mean that the company assigns employees to work e.g. 16 hour in a day but pays only small amount of money such like less than Birr 60 per a day i.e. there is no such payment has happened in any other organization.

So far thing were unchanged and security guards ware un willing to work in the company. Because of this particularly in Addis Ababa the security guards of the limited to the CBE the Development Bank of Ethiopia (DBE) and one other company owned by Oromia state only. Other security company such like Agar security company employees a lot of guards by having a better management.

If things go in such condition the country's biggest bank the CBE coil end up in problem. So that is why the researchers took this opportunity by choosing this topic is very important not for the concerning company only but for all the security companies it could be a wakeup call and improve their management.

This study refers to the guard's service in the Commercial Nominees (CN) PLC Security Company which is owned and established as a subsidiary company of the Commercial Bank of Ethiopia (CBE) having 17,000 employees under the 33 branches of CN serving across the country in over 1152 branches of CBE with other organizations.

Hence the role played by the CN is not only limited to security guard service providing. It has many other diversified services delivered to its clients. Because of this, the established employees' remuneration (reward) system is not yet clear and it is beyond the expectation of the employees. Hence the study is designated to investigate this fact.

## 1.4. Research Questions

In the research, the writer mainly attempts to answer the following major questions:

- 1. Are the private security companies' guards satisfied by the working conditions?
- 2. What are the challenging work assignments of Private Security Guards (PSG) in the outsourced organization?
- 3. What is the average monthly wage of guards?
- 4. Do CNs guards discharge their responsibilities effectively?
- 5. What are the perception of community members towards PSC and its developments?

## 1.5. Objectives of the Study

## 1.5.1 General Objectives of the Study

The general objective of the study is to examine the established relationship between outsourcers (purchaser) and the guard service providers as well as the existing working conditions of PSG challenges and the remuneration system practiced.

# 1.5.2 Specific Objectives of the Study

- 1. To examine working conditions of PSCs guards.
- 2. To find out the challenging work assignments of PSG by CN in the outsourced organization.
- 3. To establish the average monthly wage of guards.
- 4. To assess the capability of the guards to discharge the responsibility
- 5. To expect expansion, strengthen cooperation, promotion of good governance and growth are the perception of community members.

#### 1.6. Significance of the Study

The study will have significance on the further study in connection with security guard. The study provides the existing practices of security guard and its effect on firm performance. It provides valuable inputs and directions to the Commercial Bank of Ethiopia as well as for those who will be concerned. The study facilitates in adding knowledge to existing information related with the practices and problems. It assists future researcher to come out with the better

comprehensive findings within the scope of this study. Thus, researchers who are keen on furthering their studies on different aspects of security may rely on this study.

#### 1.7. Scope of the Study

This research is an assessment of challenges and perspectives of outsourcing private security guards practice of the Commercial Nominees Private Security Company PLC. Relevant data are collected in the form of interview & questionnaires from sampled respondents.

The scope of this study was limited to this private security company in Addis Ababa only. It focused on the private security guards activities, challenges they face and opportunities that exist for the companies and the views and perceptions of the community members living and working around the CBE branch working areas. The respondents were selected from the community members, the CN PSC and TPSC employees. The study tried to cover activities of private security guards in, relationship between law enforcement and private security operatives, opportunities of PSCs, challenges confronting in Addis Ababa.

Also the researcher administered simple questionnaires to the respondents and shared the results with them

### 1.8. Organization of the Study

This final research report is organized into five chapters. Chapter one which is an introductory part giving a background of the study, statement of the problem, objective of the study, significance of the study, scope of the study and organization of the study. The second chapter deals with the literature review that contained theoretical review of practices of private security guard, problems & perspectives. Chapter three **focuses on** the research methodology. Chapter four will give details of data analysis and interpretation. Finally, chapter five presents major findings of the study, conclusion and recommendations. Bibliography and appendices are included at the end of chapter five to provide easy reference.

#### 1.9. Challenges in Conducting the Research

Before organizing the research, the writer had to collect the required data and gather relevant information by interviewing different targeted individuals and dispatching questionnaires to target groups. However, this was not an easy task. So, the writer had to face challenges to carry

out the research successfully. Some of such challenges were that the change of work place of the security guards intended to fill in the questionnaires, loss of questionnaires that had been already distributed to respondents, time constraint for the targeted interviewees, particularly those who are at managerial position due to management meetings and workload.

The researcher made rigorous efforts so as to overcome the aforementioned challenges by redistributing the questionnaires to those respondents who had informed the researcher during the time of collection, about the loss of the previous questionnaires. So, redistributing and collecting such questionnaires took long period of time. There was also an effort made to find out whereabouts of those individuals who had been targeted as respondents but changed their work place before filling and returning them. The writer had also to repeatedly contact in person those individuals targeted for interview to get conformation from them about the convenient time, and to conduct an interview.

Another challenge is related with materials used for reference. The area of the research is a very recent phenomenon in Ethiopia. The researcher hardly found legally instruments on this field in the country to substantiate his research. It was also very difficult for the researcher to get reference materials written and documented on this area in the country. Therefore, the researcher had to access Internet, though it was poor, to overcome such challenge to some extent, and refer some materials even though written on the area about other countries.

Time constraint was another challenge that the researcher faced. Because of health problem the researcher was unable to commence the research at recommended time. However, efforts were made by working hard, day and night, to submit it at the scheduled period.

# **CHAPTER TWO**

# REVIEW OF RELATED LITERATURE

# Introduction

This chapter provides review of the literature related to the problem under investigation. The Chapter is organized and explains the three subsections, namely theoretical literature of the study, empirical literature reviews and conceptual framework. The literature reviewed has citations or references shown at the end of the study with the recommended format of Harvard referencing style.

#### 2.1. Theoretical Literature

#### The Rise, Development & Market of Private Security Companies (PSC)

### 2.1.1. The Rise and Development of PSC

Security can simply be defined as "freedom from danger that is protection from physical or direct violence, and freedom from fear that is, a sense of safety and relative well being in political, legal, socio-economic and cultural terms, that is, a measure of Protection from structural violence (Wairagu, Kaminju and Singo, 2004, 16).

Undoubtedly, the issue of security remains important to the continued socio – economic survival of people (Hyden, 1995). It is for this reason that there have been different efforts by stakeholders especially governments to develop frameworks to advance security of their people and develop strategies to mitigate the risks that human and non- human threats can pose to the wellbeing of the people. One of such efforts in human history was the conception of modern state crafted to enjoy all sorts of privileges and rights such as a civil obedience as it is also expected to reciprocate such civil gestures of the people by providing them some protection against various kinds of internal & external threats (Tilly, 1987)

The issue of security management has never the less experienced a shift from its traditional conception as an exclusive function of government (Hobbes, 1962) to a more accommodating security sector that encourages participation of private security organizations and citizens in security planning and practice.

There is a consensus among many scholars in history and criminology that colonizers designed African police to be an instrument of oppress against the local people with the aim of enjoying continued or unchecked domination over the colonized by the colonizers (Alemika, 1988, Ikime, 1991, Onyeozili,2005), On the other hand many wealthy individuals, organizations and communities often seek the services of private security guard when the public security sector has failed to live up the public expectations Africa is occasioned by a number of factors including endemic insecurity, the liquidation of Soviet Block or Cold War, incidence of globalization, Privatization and commercialization of public corporation, drastic reduction in the size of armed forces emerging professionalization of the military police, growing concern for profit making, the continued opening -up of the involvement of private organizations or players in arms trade, among others. In war torn Afghanistan, there has been increasing presence of private security guards that provide different security services and by 2009, the total number of private security guards in that country has reached over five thousand (Sherman and D. Domenico, 2009)

Surprisingly due to growing urbanization and increasing insecurity, mushrooming of shopping malls and self contained townships, frequent terror attacks, shortage of police personnel and last but not least security agency itself being a profitable business, the private security business which was born by 1960's with a handful players has over 5 million private security guards are available compared to 3.2 million police officers serving the developing nation India that has 1.1 bullion population.

The total number of operational companies operation access India are approximately 15,000 (including both unorganized & organized) which is growing at 40% per annum that managed security is a rapidly emerging business. Revenues from this from or business are expected to reach into the billions in the next few years (Pallack 2001). The reason behind this is that the Internet has become an integral means of conducting business. Technology is rapidly advancing and security technique and technologies along with it (Goslar, 2000). Indeed, all of the technologies involved in security require vast amount of knowledge and expertise to properly utilize them. To keep pace with these, any in-house staff will require substantial training funds, not to mention required purchasing the products to keep them up-date (Fonseca, 2001). The threat of outsiders is also increasing. The growth in private security has been driven by the increasing level of outsourcing of security functions for a number of areas (Greene, 2006). These areas include private security hired to protect commercial offices, entertainment districts and

warehouses, as well as the privatization of public safety functions in corrections and policing and the growing emphasis on infrastructure protection. The increased use of closed circuit television has further fueled an increased demand for privately security staff to monitor video and surveillance equipment as a result companies are now forced to find ways to protect the lives of their people, owners, management members, employees and customers etc. as well as secure their asset too

There are three ways to accomplish the security of the company. The company can perform all tasks in-house, hire an outside company or companies to perform all security related tasks which is outsourcing security services. Outsourcing can be simply defined as an arrangement in which one company provides services for another company. These services are ones which typically could be handled in-house, but which are for various reasons turned over to another company or companies. Security outsourcing can be defined as an arrangement in which one company provides security services for another company.

There are many things to consider when deciding to outsource security or to keep it in house. It demands carefully assessing the overall internal and external business environment designing and implementing strategy of defiance – in-depth, hiring and training of personnel (guards), how to retain those individuals, cost, continual technological advances increasing threats from outsiders (hacker and crackers), legal considerations, control, and peace of mind are all consideration. The complexity of these issues in implementing security has led to boom in security outsourcing as many companies are beginning to seek outsourcing solution (SANS Institute 2001) As a result of this private security is a growing and rapidly changing industry. In one of its initial studies RAND defined private security as "all types of private organizations and individuals providing all types of security - related services, including investigation, guard, patrol, lie detection alarm, and armored transportation" (Kakalik & Wildhorn, 1971 b,p3) RAND's definition was criticized by the Private Security Task Force (PSTF). Thus the PSTF adopted a definition that includes "those self - employed individuals and privately funded business entities and organizations providing security related services to specific clientele for a fee, for the individual or entity that retains or employs them, or for themselves, in order to protect their persons private property, or interest from various hazards" (Cunningham et al, 1990).

The American Society for Industrial Security (ASIS) International, the largest association of private security professional in the United states, has defined private security as the non-governmental private – sector practice of protecting people, property, and information, conducting investigations, and otherwise safeguarding an organizations assets" (ASIS International, 2009 a).

ASIS further argued that private security has a role in "helping the private sector secure its business and critical infrastructure, whether from natural disaster, accident or planned actions, such as terrorist attack, vandalism, etc." (ASIS International 2009 b). Experts who attended ASIS Symposium developed a definition of the security field and identified the following 18 core elements (ASIS Foundation, 2009):-

- 1. Physical security,
- 2. Personal security,
- 3. Information system security,
- 4. Investigations,
- 5. Loss prevention,
- 6. Risk management,
- 7. Legal aspects,
- 8. Emergency and contingency planning,
- 9. Fire protection,
- 10. Crisis management,
- 11. Disaster management,
- 12. Counter terrorism,
- 13. Competitive intelligence,
- 14. Executive protection,
- 15. Violence in the workplace,
- 16. Crime prevention,
- 17. Crime prevention through environmental design (CPTED), and
- 18. Security architecture and engineering.

# 2.1.2 Market for Private Security

The study survey conducted by RTI International in the USA indicated that there are various markets, including critical infrastructure, commercial, institutional, and residential employ private security for the services described above. As of 2007 "nonresidential market accounted for there quarter (75%) of all private security services demand" (Fredonia Group, 2008, PG.1). The trend is expected to continue, as growth in the nonresidential market is expected thorough 2012 (Fredonia Group, 2008).

Most Proprietary Security Officers are employed in Retail/ Restaurants/Food Services (16.7%), Casino /Hospitality/ Arenas /Entertainment (15.7%) Healthcare/ Medical Centers/ Hospitals 12.9%), and Government (10.9%). According to Security Magazine, in 2009, casinos and the hospitality sector had the largest concentration of security officers, with one security officer for every 38 employees. To the contrary the transportation sector had the lowest concentration with one security officer for every 417 employees (Mc Court, 2009). These ratios are a measure of concentration is not the total number of security officers in a sector. This means that a low concentration may employ more security officers in terms of absolute numbers, but the fact that the industry has so many other employees' results in low concentration level.

#### 2.1.2.1. Critical Infrastructure

Critical infrastructure includes industry and manufacturing, virilities, and transportation. In the United States, the vast majority of critical infrastructure is owned and operated by the private sector (Law Enforcement – Private security for Protection (Hess, 2009)

According to the Congressional Research Service (Parformak, 2004), approximately 50,000 security guards protect critical infrastructure in the United States. The National Infrastructure Protection Plan (NIPP) established in 2009, built a partnership of government agencies and private sector entities to enhance protection of critical infrastructure and key resources. Private security is necessary to protect large sectors of the critical infrastructure including industry and manufacturing, utilities, and transportation (Hess, 2009). In manufacturing facilities and warehouses, internal theft is a significant threat. Business many also need to secure against crimes such as sabotage and Spoilage. Certain facilities, such as chemical plants and utilities facilities are also potential sites of terrorist activities.

As for transportation, a variety of security services are used to protect cargo, mass transit, airports, and airline transportation. Private security guards are commonly fathered by air carriers to conduct passenger and baggage checks; however, federal law enforcement officers usually provide overall airport security (Hess, 2009). Mass Transit also makes use of Private security.

#### 2.1.2.2. Commercial

Commercial security encompasses a range of markets, including office buildings, financial institution retail, and other business (e.g. lodging and hospitality food service, entertainment). The primary threat to office buildings is burglary and theft (Hess, 2009). Common measures taken to protect against this types of loss include access controls (e.g. identification cared for fob readers, coded access, and biometric access), Closed circuit television (CCTV) Surveillance, and security guard.

Financial institutions also suffer from losses involving theft (e.g. cash and stocks) and regularly use guard and alarm monitoring system. Larger financial institutions may also hire investigators devoted to investigating identity theft and fraud, especially since the federal government has reduced the number of federal investigators devoted to these crimes (Goldstin, 2007). Following the FBI's reorganization after 9/11 attacks, 2400 agents were transferred to counterterrorism units, and replacement were not hired for identity crimes and fraud investigations (Shukosky, Johnson, and Lathrop, 2007).

Retailers face a number of security issues, including shoplifting, vandalism, and employee's theft (Hess, 2009). To deter shoplifting, approximately 37% of retailers use uniformed security guards (Dempsey, 2008). Other methods include physical controls such as alarms and surveillance equipment. Other commercial markets, such as hotels and restaurants, increasingly use CCTV monitoring systems to monitor common areas against theft and vandalism (Hess, 2009).

#### 2.1.2.3. Institutional

Visitors control, internal and external theft and fire are the major security centers of hospitals and other healthcare facilities (Hess, 2009), which may use security guards to patrol the hallways and control access. Risks at educational institutions include the safety of students and staff, violence, vandalism, and theft. To address these concerns, access control, lighting, and security guards may be used in some facilities. For example, the Mackinac center (1998) reported that districts in New York City hired guards after experiencing problems with school violence. Because of their

open environments, colleges and universities use both proprietary and contractual security personnel to secure their facilities (Hess, 2009).

### 2.1.2.4. Residential

Private security may also be necessary in public and private housing. Indeed, the installation of residential security systems more than doubled over a 5year period in the 1990s (Brown, 1997, Dempsey, 2008). Other measures taken by homeowners may include special locks and lighting sates, and large dogs (Hess, 2009). Some gated communities may also hire security guards to patrol the premises and monitor entrances. Similarly, some public housing authorities use control and CCTV Surveillance services.

#### 2.1.2.5. Government

Federal and local government also seeks the services of private security companies. In the 1950s, the city of Kalamazoo, Michigan, hired private police officers as deputy sheriffs, it is thought to have been the first local government agency to do so (Joh, 2005). By the 1990s, an estimated 45% of all local government outsourced some of their service to private police, compared with a reported 27% in the 1980s (Sklansky, 2006). These practices are not uncommon as more private security guards are hired to guard government buildings, public housing communities, and public parks (Sklansky, 2006).

The federal government manages its own law enforcement agency, known as the federal protective service (FPS), through the Homeland Security. According to its Web Site, the FPS employs 15,000 contract security personnel to guard more than 9,000 federal government buildings and occupants, critical infrastructure and other assets (Federal Protective Service, 2010). Wackenhut Corporation has contracts to provide security guards for the Liberty Bell in Philadelphia and to screen visitors at the stature of Liberty in New York City (Goldstein, 2007). Privatization of Military functions has also seen an upswing. According to Dickson (2005), an estimated 20,000 individuals have been hired as contract military guards in Iraq. Private military guards may "provide logistical support to armed forces and also perform protection, training, consulting, and planning services ... [and] some..... Actually engage in combat under contract" (Goodsell, 2007)

# 2.1.3. The Important Feature of Private Security Guard Services

The Private security service industry has been growing impressively at national and international level after World War II. However the industry has shown the most notable growth after the collapse of the Soviet Block (Cold War) in general and particularly from September 11 terrorists act. In addition to this the key drivers like the growing urbanization increasing insecurity due to civil war and regional conflicts, flourishing formal and informal business activities, human and drug trafficking, contraband trade, shortage of police personnel and profitability of the business attracted many private players (investors) to engage in private security service providing activities in different parts of the world.

The industry has the following important features.

- Private security service is a commodity that anyone who can afford and can order for,
- ➤ The services being rendered by private security guards depend on the laws of each country,
- ➤ There are some countries where private guards are allowed to carry weapon like guns while in some countries private security guards are not permitted by the law to equip themselves with weapons but they carry Sijamboks, buttons and Knob-stick.
- ➤ Whether the relevant laws of any country allow private security guards to be armed or unarmed, services of private security guards may be provided on local, national or international basis,
- ➤ The services being rendered by private security guards depend on the laws of each country,
- There is a belief among some scholars that those private security guards performing military tasks can not be regarded as private security guard but private military guard,
- ➤ The private security guards use weapons for defensive actions as last resort rather than offensive which the military may be mandated to perform (see Bear park & Dchulz, 2007).
- ➤ Private security guard service will grow where there is the establishment of parallel structures of power of authority (Reno, 1999),

- Private security guard services fill the vacuum to some extent in maintaining law and order through providing effective and efficient security service that satisfies the growing demand of the people that emanated due to poor professional credential and inability of the public security sector especially the police,
- Private security guard service compliments the activities of the public security agents in security management,
- ➤ Private security guards have had meaningful contribution in the provision of security services that significantly attracted the involvement of private players in the management of security locally and internationally which has come to be phenomenal in recent times.

## 2.2. The Condition of Outsourcing of Guard Service as HR Work

Nowadays, HR services which would previously have been regarded as a business's own responsibility to manage are now routinely being purchased from external suppliers. Outsourcing occurs when as enterprise subcontracts to a third party (the outsourcer) for the performance of certain services or operations normally performed internally by the enterprise. (Tom peter's 1988)

When an organization plans to outsource the proposed functions it must consider whether the proposed function to be outsourced is either strategic that is essential, confidential, and a core part of the enterprise or of a commodity nature which does not distinguish the enterprise form an of its competitors. According to this analysis, strategic functions must be kept in – house in order to protect the viability of the enterprise, while function of a commodity nature may be out sourced without endangering the enterprise.

# 2.2.1. Outsourcing HR Work

- 1. Outsourcing provides cost saving, arising from economies of scale and data center consolidation
- 2. Outsourcing provides access to advanced technology without investment
- Outsourcing enables immediate and major enterprise changes to be effected such as centralization or decentralization, without the need to acquire a new computer system or other resources.

Cost saving is often the driving force behind the decision to outsource. However, international opinion indicates that this should not be the major motivation. Rather, the over arching driving force should be to improve the service provided in conjunction with cost savings (The IPD, 1998a)

#### 2.2.2 Deciding to Outsource

The decisions to outsource should be based on rigorous analysis and benchmarking to establish how the organizations manage their HR activities.

- The cost of providing the existing service internally should be measured
- Assess each potential area with great care in order to determine whether it can and should be outsourced and exactly what such outsourcing is intended to achieve. The questions to be answered should include:-
- a) Is the activity a core one or peripheral?
- b) How efficiently is it run at present?
- c) What contribution does it make to the qualitative and financial well- being of the organization?

#### 2.2.3. Selecting Service Provider

While selecting service providers the service purchasing organizations should have taken into consideration the following steps:-

- 1. Three or four service providers should be approached so that a choice can be made,
- 2. Potential service providers should be required to present tenders in response to a brief,
- 3. The tender should set out how the brief will be met and how much it will cost,
- 4. Selection should take into account the degree to which the tender meets the specification, the quality and reputation of the firm and the cost,
- 5. References should be obtained before a contract is drawn up and agreed, and
- 6. The contract should be very clear about services, costs and the basis upon which it can be terminated.

# 2.2.4. Managerial and Legal Implications of Outsourcing

Prominent scholars such as Michael Armstrong advice service purchasers to take account the following points while outsourcing their business activities so as to manage service providers carefully

a) Service standards and budgets should be reviewed and agreed regularly,

- b) Management information systems should be set up,
- c) Performance has to be monitored regularly,
- d) Corrective action should be taken if thing go wrong,
- e) The legal implication should be based on a service contract,
- f) The purchaser of the services has the right to insist that the terms of the contract are fulfilled,
- g) Purchasers have a duty to full fill their side of contract (such as providing agued facilitates, meeting the terms set out in the contract, and paying for the servicers as required by the contract)

# 2.2.5. Steps to Effective Outsourcing

The following step- by -step guide are highly recommended to produce effective and successful outsourcing Request for Proposal (RFP) for those enterprise which purchase services:-

- 1. Define objective
- 2. Identify which functions should be outsourced
- 3. Develop a written RFP, including results and benefits
- 4. Define the nature and scope of contract work
- 5. Role and responsibilities select the outsourcers who should be on the RFP list
- 6. Evaluate the proposal Transition period and acceptance
- 7. Negotiate the final price, including fees, payments, and duration.
- 8. Address project completion, including additional outsourcing issues and services

Lastly the bidders should be restricted to three of four outsourcers. If it is a big project, the enterprise might consider giving the final bidders a sum of money to offset the cost of preparing their proposal. Because the best outsourcers can devote the time they need to prepare the best proposals. The outsourcing enterprises are also advised to clearly specify their requirement that the proposals be arranged for easy comparison. Therefore, the proposal must set out the way the enterprise and outsourcer will work together, and what will happen when either party is late with deliverables. In addition, the RTP should set out a schedule for the proposal and development process (Michael Armstrong)

# 2.2.6. Private Security's Policing Role and Powers

Private security powers refer to a private security officer's authority to use force, detain suspects, and carry and use firearms. Private security staffs have some control over who accesses a property for which they are responsible; however, the public police cannot control who lives and operates in their jurisdiction. According to pastor (2003), the public safety roles private security officers fill on patrol can be divided into three broad categories: traditional security functions (i.e. observe & report), maintenance of order, and law enforcement functions.

Private security personnel can also provide substantial assistance to the police by providing comprehensive and accurate investigative reports of incidents. Unlike police officers, who have considerable protections form personal liability, private security personnel who take innocent persons into custody can be liable for making improper arrests (Carlson, 1995). Some status and local government grant "special Police" status to private security personnel is US, allowing them to have search and arrest powers. By deputizing private security as "Special police" Organization are afforded the same type of protection in —house that would be offered by public law enforcement.

For example, North Corolina's capitol special police, who guard the state government complex, are contract police officers who have investigative and arrest powers. To become deputized in North Carolina, private police officers must undergo at least 432 hours of instruction (Jon, 2005 P. 179). Private police offocers who meet the instructional requirements are authorized by the state's attorney general and are granted full police powers under North Carolina, Genera status 74 E.6.

#### 2.3. Commercial Nominees PLC

Commercial Nominees (CN) as subsidiary company to provide outsourced asset and service management was established in accordance with the 1965 Ethiopian Commercial Law by the Commercial Bank of Ethiopia (CBE).

The company has 17,000 employers and 33 branches all over the country. It provides different service to 18 organizations using its institutional facility and branch network

### Vision, Mission and Values (VMV) of CN

#### Vision

To become a leading company in outsourced asset and service management in Ethiopia by the year 2020

#### Mission

To provide an excellent service to its customers in outsourced asset and service management using its rich experience, well trained and motivated employees in order to create value to its stakeholders.

#### Values

- Customer Satisfaction
- Service excellence
- Encourage growth & recognize accomplishment \
- Learning organization
- High ethical standard
- Team work
- Leadership quality & persuasive decision making
- Comprehensive & outcome based performance management

# **Strategic Business Objectives**

- Achieve sustainable and reasonable profit together with a notable business growth
- Maintain quality leadership position in the business if "Out-sourced Asset and Service Management" in Ethiopia
- Developing and incorporating new business to satisfy customer needs and wants
- Increase stakeholders and collaborators satisfaction by establishing cost, time and quality oriented technologies.

#### Product and service offered

From among the many products and services offered of CN, the following are the major ones

- **1. Local private Employment** local employment service for clerical and non –clerical professions, mainly
  - Security guard
  - > Cleaning, and
  - ➤ Non clerical services

Based on the needs and specification of its customers

#### 2. Ethio- telecom Products Distribution

The company distributes Ethio- telecom products at South East Region of the country. Besides this it distributes the products to retailers through its sub-distributors and own outlets opened at Bishoftu, Moojo, Adama, Zeway, Assela, Bale Robe, Wonji, and Metehara towns.

#### 3. Real Estate (Property Administration)

The company handles and administers real estate buildings and trusts established and owned by individuals, groups, NGOs, Government Organizations, Business Organizations, Associations, Cooperatives, etc.

# 4. Western Union Money Transfer Service

The Company delivers Western Union Money Transfer service in its outlets as a sub – agent of CBE.

#### 5. Effecting Disbursements

The company undertakes salary payment services by effecting payment using its own branches located at various parts in the City of Addis Ababa, and Other Regional States of the Country or in the Client Organizations Premises depending on customers choice.

#### 6. Printing Service

The company provides commercial and non-commercial printing services, including text books by using latest technologies, through its printing entity, Bole Printing Enterprise.

#### 7. Compensation Payments

The company effects road obstruction compensations payments to the beneficiaries on behalf of Ethiopian Road Authority and Ethiopian Railway Corporation.

#### 8. Trust Fund Administration

It acts as trustee and undertakes:-

#### 8.1. Pension Fund Administration

Buying different types of building and modify and sell them to increased values.

#### 8.2. Provident Fund Administration

CN undertakes provident fund administration task on behalf of private corporate customers, Non- Governmental Organization (NGOs), other International Organization and the Diplomatic Communities.

#### 9. Buying and selling Flat and Story Buildings

The Company buys different types of buildings, modify, and add value and sale to potential buyers.

# 2.4. Legislation and Working Conditions Challenges of Guards Service

### **2.4.1.** Working Conditions of Guards

The private security industry in Ethiopia has grown tremendously in recent years. It is just a phenomenon of the post 1994 period. In the countries where unemployment is high, the private security industry has become an investment which creates jobs for many citizens. These jobs are important to workers who value them as crucial source of livelihood. However, such jobs have been characterized by poor working conditions and low wages.

The fact that there is no particular legislation governing the establishment of private security industries in the country has worsened the working conditions of guards in comparison to other type of jobs governed by legislations specific to their nature. Currently, the private security guard is governed by Labour Proclamation N° 377/2003 (as amended). This law doesn't seem to have taken the nature of the work of security guard into consideration.

Most guards spend considerable time standing or patrolling their assigned areas as well as front office work that involves answering telephone calls. Other duties include guarding many private and public premises or firms which require continues walking particularly at nights under intolerable weather conditions, and guarding armored vehicles and delivering cash and valuables to banks, automated teller machines and retail establishments.

In Ethiopia, the reality on the ground shows that in most areas the security guards work with a single gun or even without any firearm which exposes the guards to danger in case of shootout and risk to properties under the responsibility of such guards. Lack of suitable clothing for night time is also one of the problems in the country that worsens the working conditions of security guards.

#### 2.4.2. The Average Working Hours

In accordance with Labour Proclamation N° 377/2003 (as amended), normal hours of work shall not exceed 8 hours per day or 48 hours per week and any additional hours to be considered as overtime work. As data indicate, however, security guards, in Ethiopia, often work for 12-16 hours per day, 48 hours per week and 192 hours per month. This is the case for the majority of the security guards. As mentioned earlier, most guards spend considerable time standing or patrolling their assigned areas and this is an energy sapping exercise as it leads to fatigue and negatively impacts service delivery.

#### 2.4.3. The Average Monthly Salary

The Labour Proclamation doesn't stipulate for minimum salary scale. However, according to the Ethiopian security guard companies the minimum salary is Birr 1400.00 per month and 350 Birr for transport when a guard goes to and comes from work. This salary scale is considered very low. The private security companies have a high turnover & security guards because their working conditions are bad and the wage is low. Accordingly 6% of 21,000 security guards in the country leave their job even before they get better one. Therefore, the salary scale compounded with working conditions has negatively impacted the guards' interest in their profession. An underpaid guard is vulnerable to temptations, which usually leads to theft at workplace at extra small fees to assist their families. This has a negative impact on service delivery.

#### 2.4.4. Licensing and Registration

In Addis Ababa the authority to register and license private security companies are given or being conducted by both Addis Ababa City Government Bureau of Labor and Social affairs (AACGBLSA) and Ethiopian Federal Police (EFP).

AACGBLSA, their authority to issue license for private security companies in Addis Ababa emanates from Article 8 and 5(1) of the proclamation No.632/2009. The article provides that "the competent authority shall, up on the fulfillment of the required conditions specified under Article 7 of this proclamation, issue a license to the applicant". Furthermore Article 5(1)

provides that "any person who wishes to operate a private employment agency shall have to obtain a license from the regional authority responsible for the employment service

As per federal Negarit gazeta proclamation No.720/2011Article "The EFP can issue certificates of competence to private institution wising to engage in providing service". The request to getting a license has to be submitted to the EFP professional counseling and arms license division together with a form prepared to this effect.

According to (Wildhorn, 1975) both licensing and registration together are a means to improve the quality of security services and personnel. Licensing implies that a person or business must show that certain minimum qualifications and standards are met before lawfully engaging in PSC activities. However, the registration implies that certain minimum standards can be met within some specified time after engaging in an activity.

#### 2.5. Review of Summary of Theoretical Literature

Review of the literature was provided related to the formulated challenges and prospects under investigation

Concept of outsourcing, Private Security Company (PSC) and private security Guard (PSG) demands by a subsidiary company

Assessing the internal and external business environment deciding to outsource to keep it inhouse the self-employed guards for a fee, to protect persons, property or hazard (Cunning ham, 1990)

#### 2.6. Empirical Literature Review

Previous research on the area of private and public security company and private security guard employment and service have been considered

#### **CHAPTER THREE**

#### RESEARCH DESIGN AND METHODOLOGY

#### Introduction

The research design and methodology are dealt with in this chapter. Furthermore, the methods of data collection types of sources and methodologies used and how the collected data analyzed have been discussed in detail.

#### 3.1. Research Design and Approaches

Research design focuses on the end product. Refers to the kind of study being planned and kind of results are aimed at. According to Kotharis (2004) definition a research design is what constitutes the blue print for collection, measurement and analysis of data. Furthermore as described by Bryan and Bell (2007) for the purpose of business research study a researcher designs a research strategy. That is why the researcher has applied two types of strategy, namely descriptive and qualitative research methodologies to mean a brief discussion not experimental method are used. The main aim of descriptive research used to provide valid representation of variables. These strategies are found to be important and the researcher looked the life history of the concerned organization, analysed the findings. Research approach focuses on the research process and the kind of tools and procedures used. The researcher used appropriately collected primary such like collecting data through interview and questionnaire and secondary data such like taking data from books as an approach to this research.

#### 3.2. Population, Sample Size & Sampling Technique

#### 3.2.1 Research population

Population (sample) used is enough to provide a manageable volume of data. Thus samples were randomly selected from the population.

#### 3.2.2. Sample size

The researcher purposefully selected 20 employees from different positions who are working in the head office of the Commercial Nominees, and 40 security guards for the study.

#### **3.2.3.** Sampling Technique

The researcher has used qualitative research, samples likely to be chosen in a deliberate manner known as purposive sampling. The target population of this study is all CN employees in the head office. The head office employees were categorized in four strata (top level managers, middle levels managers, lower level managers and non- management staffs) based on their positions and some security guards to identify the challenges they face. 10 head officers and 20 security guards have been chosen for the interview purposefully.

#### 3.3. Source of Data

Data are collected using primary and secondary sources. As the names indicate their sources are different.

#### 3.3.1. Primary Source

Researches are carried out, firstly after a researcher defining the research problem in second place goes on what issue is going to cover relating to the study area. Primary data collected from personal interviews, verbal reports, questionnaires, phone, Skype and physical observations. Ghauri et al. (1995), described, that primary data are collected when secondary data are not sufficient.

#### 3.3.2. Secondary Source

Secondary sources are data that are collected from previously published books ,websites , journals ,articles, company reports ,documents ,conducting a survey group discussions and news papers .According to Ghauri and Gronhang (2010) secondary sources of data are also used in this research.

#### 3.4. Data Gathering Instruments

The primary data collection tools such as questionnaire, and interview, are used as a fresh data gathering instruments. Secondary data are also collected from books, internets and etc.

#### 3.5. Procedure of Data Collection

The researcher used questionnaires and interviews to collect primary data. To distribute questionnaires two assistants from respondents were assigned by researcher and briefed on how to fill open ended and closed ended questions were used and questionnaires were distributed. While questionnaires were distributed filled and collected the researcher interviewed team leaders and officials.

#### 3.6. Pilot testing

Small groups with three members each were assigned by the researcher outs de the area of the group has been surveyed in determining the clarity, and validity of questions. All of the steps of data collection with a smaller pilot sample were analyzed and it has been found that the respondents filled properly.

#### 3.7. Method of Data Analysis

The data obtained from the questionnaires were edited, coded and entered in the computer for analysis with aid of statistical software. The study is descriptive and required descriptive analytical methods which include percentages. To enhance clarity, the results are presented in tables, graphs and charts.

#### 3.8. Ethical consideration

The researcher's process of carrying out the study was the best chosen means of collecting information and confidentially gathered. The findings are properly discussed, developed with the comments given and finally the response for the generated finding was accurate.

#### **CHAPTER FOUR**

### DATA ANALYSIS AND INTERPRETATION

### Introduction

In this chapter the collected data are analyzed and discussed in line with the stated specific objectives in chapter one. The research findings are presented in table, graphs, and charts that discussions were made to generate output of the study.

#### 4.1. The Characteristics of the Respondents

#### **4.1.1 Brief Introduction**

The characteristics of the respondents include age, gender, marital status; education levels and work experience in the table 4.1 below.

**Table 4.1: The Characteristics of the Respondents** 

			G	Sender			
Age, Marital Status, Education &			Woman		Man		
Work Experience		N	%	N	%	N	%
Age	18 - 25	0	0	0	0	0	0
	26 - 30	5	22.72%	15	19.23%	20	20%
	31-40	11	50%	43	55.13%	54	54%
	41Years and Above	6	27.27%	20	25.64%	26	26%
Marital	Married	19	86.36%	55	70.51%	74	74%
Status	Bachelor	3	13.64%	23	29.49%	26	26%
Education	Certificate	6	27.27%	40	51.28%	46	46%
	Diploma	4	18.18%	18	23.08%	22	22%
	First Degree	8	36.36%	12	15.38%	20	20%
	Masters and Above	4	18.18%	8	10.26%	12	12%
Work	Below 1 Year	0	0	0	0	0	0
Experience	1 -5	4	18.18%	5	6.41%	9	9%
	6 - 10	8	36.36%	16	20.51%	24	24%
	11 Years & Above	10	45.45%	57	73.08%	67	67%
	Total	22	100%	78	100%	100	100%

## 4.2 Data Analysis and Interpretation

#### **4.2.1 Data Analysis**

One hundred twenty questionnaires were distributed to the Commercial Nominees Private Security Company /CN/ employees and managers located at the Addis Ababa beside Teklehymanot Church Head Quarter and for security guards who have been assigned by this office through in-house outsourcing method to various locations of the CBE in Addis Ababa and outsource to other private and public organizations across the country. The proportion of questionnaire was revised by the chart designed to follow the distribution. Out of one hundred expected from the security guards 20% was unreturned due to change of work place of guards, loss of questionnaire etc. The unreturned questionnaires (20%) were replaced by redistributing in the presence of the researcher with the help of assistant group members. Thereafter, 100% responses were achieved with the help of those assistants of three members in a group outsides of the respondents selected to assist the researcher under pilot testing and using purposive sampling design type of data collection.

Purposive sampling method was chosen for selecting the specific study units is to have those that will yield the most relevant and plentiful data, found for this topic and helped to do the research according to the purpose.

#### **4.2.2 Gender of Respondents**

Figure 4.1 Genders of Respondents

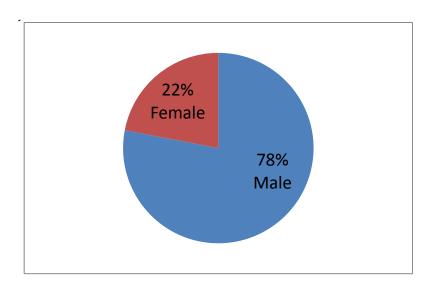


Figure 4.2. Shows that the proportion of respondents by gender are 78% of them being male and 22% female. According to the findings, the respondents involved on guarding and office management are 78% male, because the company has to assign more male guards due to the nature of work. Females are assigned at day time only and out of them some are assigned to check female clients whether or not they had weapon during working hours, while the rest of the females were assigned with males on guarding duty at day time.

#### 4.2.3. Age of Respondents

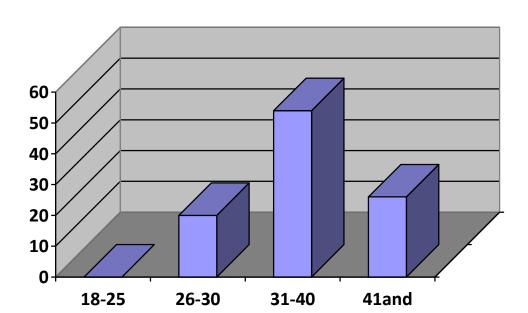


Figure 4.2 Age of respondents

#### Age of Respondents

above

According to the literature review in chapter one all private security companies in Ethiopia were established after 1992. Among the characteristics of the respondents according to figure 4.3 shows majority of guards (78 out of 100 respondents) fall within the age bracket of 31-40 years. This shows that most of the male respondents who are more productive has joined the guarding service after serving in various guarding fields and some military, police etc.

#### 4.2.4. Woman Marital Status

Figure 4.3. Woman Marital Status of Respondents

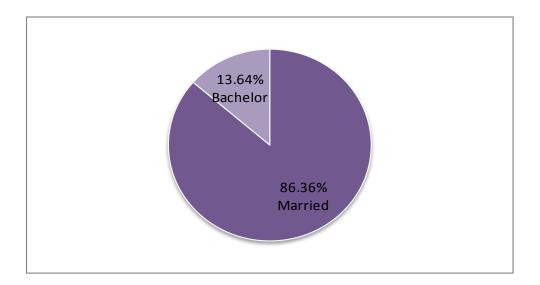


Figure 4.4. Shows that among 22 female respondents 19 (86.36%) are married. This shows that the married are more in number and they are more responsible for their duty than unmarried.

#### 4.2.5. Man Martial Status

Figure 4.4. Man Marital Status of Respondents

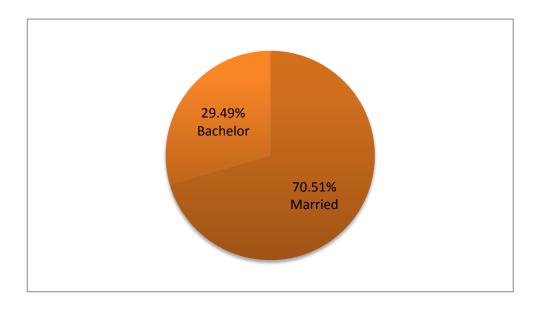


Figure 4.5. shows that among 78 male respondents 55 (70.51%) are married. This shows that the married are more in number and this implies that the married ones are more responsible, matured, clearly

understand and respond to research questions.

#### 4.3. Working Conditions of Guard Service

- Guards do their daily and night work using a single gun as a weapon to all groups who were assigned at the same time.
- During day or night time guards face thief's, looters & etc. group of guards try defending lives and properties with one gun and stick.
- The function of guards are similar to police but companies were not able to supply additional gun.

The researcher evaluated how private guard service has been rendered. Then respondents were asked whether there are work mate who leave there job and a job satisfaction during the last two up to four year's time? They replied, by saying there are employees who left from their job due to dissatisfaction as shown in the following table 2 reasons, frequency & percentage.

Table 4. 2 Reasons to Leave Job

Reasons to Leave Employment	Frequency	Percentage
Poor management e.g. no promotion	18	18%
Poor payments/to seek/ Found better job	32	32%
To sit for a long time only and being un healthy	20	20%
Poor working conditions e.g. Long working hours	30	30%

Due to reasons stated on table 4.2 above in the last four years from guards who left their job were 5040 in number. The percentage of employees 40% of these were 2016 employees, who had left in the year 2013-2014 and the rest 60% of these who are 3024 employees in number are who left in the year 2015-2016 alone. Out of these employees 32%, who had good experience left the company due to poor payment, because of working conditions are boring and poor; for that reason 30% had left the company, the other 20%, most of which are women, were unhealthy due to simply sitting for a long period of time, and the rest of 18% of the guards lost hope to get better position or promotion.

These pertinent factors as mentioned above shows that the demotivated guards that cause to

leave their job are huge in number, which is shown in figure 4.6 below. This shows that employees are in problem and need a solution by the management

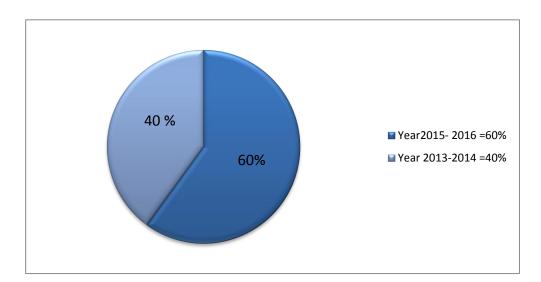


Figure 4.5. Showing work mate left due to job dissatisfaction during 2to 4 years ago

#### 4.4 The Challenging Work Assignment of PSG in the Outsourced

Respondents were asked what were the challenging of work assignment? The respondents replied by saying to keep their guarding dimity with one gun and stick facing thief's, looters and those who gang up to smash doors and windows were a big challenge to them. They repeatedly tried to challenge the city police to come and help them but, were unable to get immediate cooperation.

The researcher asked the respondent whether from the center if there were a patrol group that could give support for the immediate request. The respondent replied, by saying there are a patrolling group who were coming from the CN head office around from TekleHaymanot Church area, but that could not help much . Because until the patrol group arrival the looters any gang group took fast action and they were disappeared after moment of time.

The respondents were asked by the researcher in addition to their assigned work what they can do if they see looting, robbery and an act of throwing stone over the surrounding and they replied they will report to the police and try to Protect for Inhabitants and different institutions and this act creates cost savings, efficiency and ease of establishing PSC as well as Innovation in the provision of security as well as facilitates activities of clients and decrease crime level

#### 4.5. Wage of Guards

According to the third objective of the study the researchers asked the respondents and they replied by saying there a big grievance. They said while working at CN, they are paid by working 16 hours in a day and their payment including mobile Birr 50, for transport allowance 350 in total they were paid Birr 1798 (one thousand seven hundred ninety eight Birr) in a month. In addition to this they said the transport allowance Birr will not be paid when they are at annual leave.

Using this opportunity the researchers wanted to compare the CN with other company which had better term of capital named Trust Private Security Company (TPSC) employees who work at Dashen Bank. The researcher distributed questionnaire which have the same number to the CN of respondents and hundred questionnaires were distributed. After the collection of questionnaire they were also asked about working hours and days in a month time. They replied by saying they work daily 8 hours for ten days in a month, including for mobile card birr 50 (fifty birr) and transport allowance birr 200 (two hundred) in total wage birr 1222 (one thousand two hundred twenty two birr) in a month. Due to such assignment they do work another ten days for other company in total they earn twice the amount they are paid in TPSC.

Therefore, the above collected data show that the PSGs working under TSC have an ample time to work in other PSC whereas the CN are not allowed to work in other company because the employees of CN do not have an ample time than there rest time.

So the employees of TSC earn Birr 648 (six hundred forty eight Birr) more than the employees of CN (2444-1798=648).

#### 4.6. Training and Capacity Development of Guards

According to the fourth objective of the study training and capacity development was evaluated. Then the respondents were asked what type of training and capacity building the respondent had. The respondent replied by saying no document at hand but some sort of training has been taken before. The researcher having this information want to human resource managers and officers. The human resource managers and officers by confirming what has been side by the employees were true. And so the researcher called a focus group discussion and found that the guards lack

adequate training, and many guards undergo only physical fitness but no other knowledge including intelligence, collection and analysis of information, riot control, data management transparency, accountability and effective oversight, absence of law to carry weapons.

According to the literature in chapter two as Abraham and William (2005), said it the above type of payment proves in spite of high cost of living many security guards earn lowest salary per month creates challenge that can damage the working attitude of PSGs.

In addition to the researcher there are some studies that indicate that private services are more cost-efficient generally. This is due to companies pay lower wages to employees PMSC are most cost efficient than state (Buzantu. A & Bukland.B, 2015). The same like other countries in Addis Ababa companies pay to employees are very less salary.

The overall assessment indicates that the guards need trainings to build their capacity

## 4.7. Protection and Perception of Community Members Living & Working Around CBE Area

When we look to the literature review it says remains important to the continued socio – economic survival of people (Hyden, 1995). It is for this reason that there have been different efforts by stakeholders especially governments to develop frameworks to advance security of their people and develop strategies to mitigate the risks that human and non- human threats can pose to the wellbeing of the people. One of such efforts in human history was the conception of modern state crafted to enjoy all sorts of privileges and rights such as a civil obedience as it is also expected to reciprocate such civil gestures of the people by providing them some protection against various kinds of internal & external threats (Tilly, 1987)

Surprisingly due to growing urbanization and increasing insecurity, mushrooming of shopping malls and self-contained townships, frequent terror attacks, shortage of police personnel and last but not least security agency itself being a profitable business, the private security business which was born by 1960's with a handful players has over 5 million private security guards are available compared to 3.2 million police officers serving the developing nation India that has 1.1 billion population.

In light of the above discussion from the literature the advantages & opportunities were discussed by the researcher to the of community members living & working around CBE area respondents.

Regarding the advantage the researcher raised as mentioned above the researcher has distributed 100 questionnaires for various areas of community members living & working around CBE area. After collection of the questioner the researcher had discussed with community members.

The information which has been collected by from the community members shows that:

- They indicated that they have been living here for a long time. Thanks to the security guards
  our properties and assets have been protected from thieves and robbers who usually engaged
  in such activities.
- The staff of security guard carry out their responsibilities properly and they work in close cooperation with community and there is mutual understand between community members and the staff.
- After the assignment of security guards, after four or so years, they have stopped hiring untrained guards, and as a result of such employment they benefited in saving money which we otherwise contributed to their payment, and that they, we are pleased and satisfied with the services rendered by security guards.
- The security guards are always at their assigned posts, so there is difference from before when at that time the employed guards were tasked to guard only at night times.
- Generally, they said that they highly appreciate the security guards because nowadays they
  don't have any threat and do not feel imminent danger about our properties, assets and any
  dangers that they personally would otherwise face. Moreover, they said that their lives are
  not anymore at risk thanks to nice services.
- They suggested that such type of work would be in all areas so that the communities feel secure and work closely with security bodies.

According to Hess (2009) based on the available literature and expectations of the communities (owners of the company, high officials, employees and communities), who has got an advantage based on the opportunity it is possible to predict the developments of the community within the private security industry.

#### **CHAPTER FIVE**

#### FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### Introduction

This chapter deals with summary of findings, conclusions in brief and finally presents the recommended solutions. The main objective of this study is to assess challenges and prospect of security guards' service in Ethiopia.

#### **Summary of Findings**

- The study findings show that there are guards that left private security companies due to low wages and salaries, poor work environment and mistreatment by supervisors.
- While guards were paid other additional allowances, the total amounts received are hardly enough to meet the daily household demands due to the rising costs of living hence impacting negatively on the respondent's service delivery at work.
- In Addis Ababa regarding holding armaments employees are only allowed to hold sticks to protect the clients but the duties of protecting lives and properties to be more efficient and function effectively, the private security personnel need essential equipment. It includes simple equipment such as a handgun, handcuffs, a flashlight, handcuff keys, other restraining devices, pepper spray, a baton, and other basic gear such as tape for roping off a crime scene and a radio for communicating with other officers. There is no stipulated law in Ethiopia that allows PSCs to own armaments which is considered as one challenge. They do their job by involving close cooperation with police. Some clients such as business, humanitarian, diplomatic or international organization have the right to have their police to carry a registered gun for the purpose of self-defense.
- The challenges the researcher mentioned in previous chapter appear to be due to little regulation or oversight of the quality of service, standards and training. Some CN couldn't take security more seriously by raising the hiring criteria, initiating communication with clients and employees and providing employees with proper training and adequate working conditions is a solution.

#### **Conclusions**

This study has revealed key legal problems in the CN with specific focus on labor standards, use and possession of firearms, and relationship between PSCs personnel, the police and the society.

- There is a relationship between working conditions of private security guards to their service delivery to their clients. This study concludes that service delivery in the private security industry is influenced by the following factors; working for many years as casuals without confirmation to permanent, no promotion or career progression and harassment by both their superiors and clients.
- Long working 16 hours a day seem beyond what is stipulated in the Labour Law, 8 hours a day and are considerably energy sapping.
- Low wages were cited by most respondents as a major factor that contributed to demotivation and hence increased labor turnover in the industry.
- From the security point of view, the presence and ongoing growth of PSCs contributed to
  joint efforts ensuring a safer environment in the country. With PSCs performing the
  static tasks of safeguarding private and public properties, this relieves the public police
  from costly and burdensome tasks.

#### Recommendations

Based on the findings of this research, the writer recommends that the following points be taken into account by private security guard companies and a concerned organ or institution:

The general working environment of guards should be improved and conform to the labor regulations, a relook into the training, deployment and equipping of the guards is a necessary priority area.

The long working hours of the private security guards need to be minimized.

The government should put strict measures in place to ensure that employers adhere to this requirement. The employees, whenever they are paid below the required amount, should have the right to complain to the relevant authorities.

It is also recommended that private guards should be paid salaries which are within the minimum government requirement and in tandem with the country's current inflation rate. The government should put stringent measures in place to ensure that employers adhere to this requirement.

It is also recommended that income tax thresholds be frequently reviewed in order to increase the disposable income of those who are poorly paid, security guards included and it is important that policy-makers come up with a social security scheme that is in line with inflationary trends in order to address the specific social risks faced by private security workers.

The formation of associations should be encouraged whose task would be bringing together the different private security companies in the country and setting standards whereby the industry can be governed and increase its efficiency thus becoming more accountable.

Performance of PSC activities must be measured timely and action should be taken to insure work quality improvement.

#### **Areas for further research**

This study focuses on targets Secure Force Security guards. To provide a better understanding of the impact of working conditions to service delivery within the security industry, it is recommended that more research on all employers and employees in the private security sector be conducted.

The necessity of "training and equipping guards" is highly recommended. A review of the training curriculum with a view to having a centralized curriculum, for all providers under close scrutiny of the government is strongly recommended

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#### APPENDIX I

#### QUESTIONNAIRE TO BE FILLED BY OFFICERS

## **Dear Respondents:**

This questionnaire is designed to conduct a research on the topic 'Challenges and prospects of security service'. The purpose of the study is for the partial fulfillment of the requirement of MBA degree Human Resource Management. For the successful accomplishment of the study, your response have key role by being used as valuable input for the study. The information that you provide is strictly confidential and will be used only for academic purpose.

Thus, you are kindly requested to genuinely fill the questionnaire.

Thank you in advance for your cooperation.

Ins		

Writing your name is not necessary.								
For	close	ended	questions	put	""mark	and	for	open ended
aue	stions	write a	brief answe	er in	the space	prov	ided	

#### RESPONDENT PROFILE

1. Sex □ Male □ Female		
2. Age (Years) □ 18-25 □ 26-30 □ 31-40	□ above 41	
3. Educational Level ☐ Certificate ☐ Diploma	First Degree	Masters & Above
4. Work Experience: Below 1 year, 1-5year, 6-10, a	nd 11 and above	

#### **APPENDIX II**

## **CLOSED -ENDED QUESTIONNAIRE TO BE FILLED BY OFFICERS**

Dear Respondents please read the statement have under and put a tick mark in the corresponding column (i.e. 5=strongly Agree, 4=Agree,3=Neutral, 2=Disagree, 1=strongly Disagree)

## 4. Questions Item 1 up 10.

NO	Items	1	2	3	4	5
1	The company has ample resource to give the security services					
2	There are clear contractual statements between the outsourcing company and provider					
3	There are clear procedures and guidelines towards the security guards					
4	The provider is flexible in formulating and execution of policies					
5	The clients and The provider are working harmoniously.					
6	The security service goes hand in hand with the in land security regulations.					
7	Security guards have been given convincing salaries and allowances.					
8	There are effective controlling mechanisms for the security guards on duty					
9	Cost of the security service is growing from time to time					
10	Security guards are given proper trainings in the proper time and place					

Please write number or if passible names of employees with reasons' who had left the company and if you have an additional remark please write here under.								
•••••				••••••	••••••			

#### APPENDIX III

# OPEN- ENDED AND FOCUS GROUP DISCUSSION QUESTIONNAIRES AND INTERVIEW QUESTIONS FOR OFFICERS

- 1. What is the nature of services you provide?
- 2. How is the market situation for security companies? Is it competitive? Are there opportunities?
- 3. What are activities of private security company in your company?
- 4. What are duties and responsibilities of guards? What are the criteria to consider before hiring employees?
- 5. Are the employees trained or ex-military? If your answer is yes regarding training how long did the training take, and what were the training procedures?
- 6. Are the employees armed? If not, don't you think this would expose place the guards in to danger? If yes what are the criteria that allowed them to hold firearms?
- 7. Is there any policy framework or regulation relating the legal and procedural operation of PSCs?
- 8. How do you see cooperation with public security?
- 9. What are the services provided in your organization?
- 10. What are the key challenges for the CN's private security industry in Ethiopia?
- 11. What are the opportunities for the industry? How does the future look like for you?
- 12. How do you assess your and employees' job satisfaction?
- 13. Have you put in place any work incentive? Do you have work incentives? If not why?
- 14. Do employees have good opportunities? If not state the importance.
- 15. Do you have turning & work development? If not why? And what should be done for you?
- 16. What system does HR department of the CN use to select/recruit and empower each employee (like giving trainings, official appointments...etc.) to improve services provided?

- 17. From human resources and service improvement point of view, what major result did the CN achieves after implementation of the new system?
- 18. What kind of pay system or reward for reinforcing or penalizing is designed for empowered employees?
- 19. What kind of training and education program is given to employees to enhance their knowledge and skill?
- 20. What kind of action plan Las the CN designed regarding has concerning employee empowerment to improve customer satisfaction?
- 21. How does the management monitor the CN job satisfaction level?
- 22. How far does the management allow their front line employees to decide on their job?
- 23. How does your department handle employees' ideas and opinions which are suggested when change is considered with human resource development?
- 24. How do you think the employee empowerment system and one window service simplified the service provision process?

#### **APPENDIX IV**

## QUESTIONNAIRE TO BE FILLED BY THE EMPLOYEES

### **Dear Respondents:**

This questionnaire is designed to conduct a research on the topic "Challenges and prospects security services". The purpose of the study is for the partial fulfillment of the requirement of MBA degree in Human Resource Management .For the successful accomplishment of the study, your response have key role by being used as valuable input for the study. The information that you provide is strictly confidential and will be used only for academic purpose.

Thus, you are kindly requested to genuinely fill the questionnaire.

#### Thank you in advance for your cooperation!

#### **Instructions:-**

- Writing your name is not necessary.
- ❖ For close ended questions put "mark and for open ended questions write a brief answer in the pace provided. .

#### RESPONDENT PROFILE

1. Sex: ☐Male ☐Female
2. Age (Years): □18-25 □25-30 □31-40 □above 41
3 Educational Level Certificate Diploma First Degree Masters & Above
4 Work Experience: Below 1 year, 1-5year, 6-10, and 11 and above

### **APPENDIX V**

## CLOSED- ENDED QUESTIONNAIRE TO BE FILLED BY THE EMPLOYEES

Dear Respondents please read the statement and attempt by putting a tick ( w mark in the corresponding column (i.e. 5=strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=strongly Disagree)

## 5. Questions Item 1 up 20.

NO	Items	1	2	3	4	5
1	You have no precondition to be hired in your company					
2	You have a chance of work promotion					
3	Proper Training & skill Development is not given to you					
4	You have a work opportunities and prospects					
5	You have equipment such as gun for your work					
6	You have good skill to perform your current duties and responsibilities in the bank.					
7	You are satisfied with your work					
8	The amount of commission your employers collect from your monthly salary is fair.					
9	Your performance is made to develop by your organization					
10	Your current responsibilities are proportional to your duties					
11	Your employer created conducive working environment and provides the necessary material on time that helps to perform your job.					
12	The service provider (employer) regularly monitors your performance.					
13	You have good skill to perform your current duties and responsibilities in the company .					
14	You have good experience to perform your current duties and responsibilities in the company .					

NO	Items	1	2	3	4	5
15	You have incentives for your work Your current salary is proportional to the duties that you perform in the company.					
16	You have a good social relationship with the company employees.					
17	You have a formal regular meeting with your employer to discuss problems faced in your job.					
18	Companies staffs and customers satisfied with the service you provide.					
19	Your job security is ensured.					
20	There is a good relationship between the provider and outsourcing company					

 ·	in additional re	•	r	

#### APPENDIX VI

# OPEN -ENDED AND FOCUS GROUP DISCUSSION QUESTIONNAIRES AND INTERVIEW QUESTIONS FOR EMPLOYEES

- 1. What is your view about the services given by guard service outsourcer?
- 2. How do you see the treatment of the employees by CN, and what do you say about the working conditions?
- 3. Do you think that the working conditions of guards are satisfactory and have impact on service delivery?
- 4. What are the challenge and opportunity of CN's private security services?
- 5. As a member of the community, what do you suggest or expect in the future to increase the cooperation between public and private security institutions?
- 6. Do you think that CN is the best service provider in Ethiopia? Please /give/ a reason?
- 7. Do you think that you have all the necessary equipment and material to enable you to handle your job efficiently?
- 8. Is there an open and good channel to address your requests across all level of organization?
- 9. What opportunities do you have (like participating in meetings, development programs) to suggest ways to improve and influence on your job quality?
- 10. What is your opinion about trainings and working conditions in the CN so that you will deliver satisfactory service for customers?
- 11. What do you think about the access and availability to the information you need to make good decisions and immediate one in service delivery process?
- 12. Have you participated in any motivational training to increase your awareness in the bank's products and services? If so, explain?
- 13. If you have any additional comments for improvements in service quality, customer and employee satisfaction, please forward your comments.

#### APPENDIX VII

## QUESTIONNAIRE FORWARDED TO GIVE VIEWS AND SHARE PERCEPTION FOR COMMUNITY MEMBERS LIVING & WORKING AROUND CBE AREA

- 1) How long have you been living or working around the CBE and what benefit have you got seen from the guards?
- 2) How satisfied are you with the guard's staff and procedures for services your places?
- 3) What do you think about the general service of guards?
- 4) How do you rate the process and guarding time of your area for a guarding comparing in further back years ago before the guards were assigned?
- 5) What is the general difference that you notice before and after guards assigned?
- 6) If you have any additional suggestions and comments on the CN and its services?

Thank you very much!

#### **APPENDIX VIII**

ቀን \_\_\_\_\_

	<u>ሕ</u> ባ	<u>ክዎ የሚከተሉትን የስራና የድርጅትዎን ሁኔታ መጠይቅ ቢሞሱሪ</u>	<u>\7</u>
1.	,ኃብቻ፣	ፆታ፣	
	- ፆታ		
	- ዕድ	<b>T</b>	
	- የትፃ	<sup>ሙ</sup> ህርት ደረጃ	
2.	<i>,</i> 2ብቻ		
	- <i>,९</i> ७०	/ች	
3.	የአገልግ	ሳ∘ <i>ት</i> ዘመን	
	3.1 አ <i>ሁ</i>	ን ባሉበት	ዓመት
	3.2 በሴ	ሳ ድርጅት	ዓመት
	3.3 በጥ	በቃ የሠሩበት ዓመት በድምሩ ዓመት	
4.	የሥራ ሀ	· <b>ኔ</b> ታ	
	4.1 የሥ	'ራና መኖሪያ ርቀት በኪ/ሜ	
	4.2 <b>ከ</b> ቀ	ድሞ ድርጅት የስቀቁበት ምክንያት	
	4.3 NH.	ህ ድርጅት ባለፉት 2 ዓመት የለቀቀ ሥራተኛ ካለ በሚከተሉት መሰረት	ቢ/ልው፡-
		- ምክንያቱ	
		- ብዛት	
	4.4 የት	ራንስፖርት አበል መጠን	

## 14. ደረጃ እድባት አለ \_\_\_\_ የስም \_\_\_\_

11. የሕክምና ሁኔታ አለ \_\_\_\_\_\_የለም \_\_\_\_\_

5. በቀን የሥራ ሰዓት \_\_\_\_\_\_

6. በሳምንት የሥራ ስዓት \_\_\_\_\_

8. የትርፍ ጊዜ ክፍያ መጠን \_\_\_\_\_

9. መደበኛ ደመወዝ ብር \_\_\_\_\_\_

10. ልዩ አበል ካለ መጠትን ቢንልጹ \_\_\_\_\_

12. ሕክምና ካለ ምን ዓይነት ሕክምና እንደሆነ ቢ*ገ*ልጹ \_\_\_\_\_\_

7. የትርፍ ጊዜ ሥራ በሳምንት \_\_\_\_\_\_ በወር \_\_\_\_\_

15.	የጥበቃ መሳሪያ አለ የለም ካለ ለአንድ ጥበቃ ቡድን በቂ
	ካልሆነ አስተያየት ቢንልፁ
16.	በጥበቃ ላይ የሚገጥም ችግር ካለ ቢገልፁ
17.	ስሥራተኛ የሚሰጥ ጥቅማ ጥቅም ካስ ቢንልፁ
18.	የመብትና ግዴታ አጠባበቅ ደንብ አለ የለም
19.	በስራ ላይ <i>እያ</i> ሉ <i>ለሚገጥምዎ ችግር ከፖ</i> ኒሲስ፣ ከምድር ጦር <i>ጋ</i> ር ያለ <i>ግንኙነት</i> ቢ <i>ገ</i> ልፁ
20.	የሴቶች የጥበቃ አመዳደብ ቢገልፁ
21.	የሥራተኛ ማህበር አለ የለም
22.	ከድርጅት <i>ዎ ወ</i> ጭ በአካባቢ ጥበቃ ካለ ቢ <i>ገ</i> ልፁ
23.	በእርስዎ ጥበቃ ወቅት ከሚሰሩበት ድርጅት ውጭ በአካባቢ የሚደርስ ዘረፋና ንብረት ጉዳት ቢያ <i>ጋ</i> ጥም ምን እንደ <i>ሚያደርጉ</i> ቢ <i>ገ</i> ልፁ
24.	የሥራ አፈባዐም ግምገጣ አለ የለም
25.	የጥበቃ ላይ ፓትሮልና ቁጥር ካለ ቢንልፁ
26.	ድርጅቱ ያልፊፀመልዎ
27.	በድርጅትዎ ውስጥ የሚገጥምዎ አስተዳደራዊ በደል ቢኖር አቤቱታዎን ለማንና ማን ሊያቀርቡ
	እነደሚችሉ በቅድመ ተከተል ቢ <i>ገ</i> ልፁ
28.	ከዚህ በሳይ ከተገሰጸው ውጪ አስተያየት ካልዎ ቢገልጹ
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