Operational Performance and Challenges of Private Security Agencies in Laguna: Basis for a Performance Evaluation Toolkit

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Private Security Agencies (PSAs) play a crucial role in maintaining safety and supporting public law enforcement. However, inconsistencies in performance measurement and operational challenges affect service quality and reliability. This study assessed the operational performance and challenges of PSAs in Laguna and developed a Performance Evaluation Toolkit. Using a descriptive quantitative design, data were collected from 45 agency owners and managers. Key performance indicators (KPIs) included client retention, assignment success, response time, employee retention, profit margins, client acquisition, and training hours. Results revealed generally satisfactory operational performance but highlighted persistent challenges in financial sustainability, regulatory compliance, workforce retention, and technological integration. Inferential analysis showed no significant differences in performance across agency profiles. Based on the findings, a structured Performance Evaluation Toolkit was proposed to standardize assessment and improve operational efficiency. The study underscores the importance of continuous training, financial planning, and technology adoption in enhancing the sustainability and effectiveness of private security agencies.

Keywords: private security agency, operational performance, key performance indicators, performance evaluation, security management

Introduction

Private Security Agencies (PSAs) have become an essential component of modern security systems, providing specialized services that complement public law enforcement. Their role spans across commercial, residential, and institutional sectors, contributing significantly to crime prevention and public safety. As demand for private security services increases, ensuring consistent operational performance becomes a critical concern.

Despite their growing importance, many PSAs face challenges in maintaining service quality due to the absence of standardized performance evaluation tools. Variations in training, resource allocation, and operational practices often result in inconsistencies in service delivery. Additionally, evolving security threats, regulatory requirements, and technological advancements further complicate operations.

This study aims to assess the operational performance and challenges of private security agencies in Laguna and to develop a Performance Evaluation Toolkit that will enhance efficiency, accountability, and service quality. Specifically, it evaluates key performance indicators and examines operational constraints affecting agency performance.

Method

This study employed a descriptive quantitative research design to examine the operational performance and challenges of private security agencies in Laguna. The descriptive approach allowed for an objective assessment of existing conditions without manipulation of variables. The respondents consisted of 45 owners and managers of private security agencies, selected from a total population of 56 registered agencies in Laguna. The selection ensured that participants possessed direct knowledge of operational practices and decision-making processes.

Data were collected using a validated, self-constructed questionnaire, reviewed by industry experts from the Philippine Association of Detective and Protective Agency Operators (PADPAO). The instrument measured operational performance using key indicators such as client retention, response time, employee retention, and financial performance, as well as operational challenges including financial, regulatory, technological, and workforce-related issues. Descriptive statistics (frequency, percentage, mean, and standard deviation) were used to summarize the data. Inferential analysis using Analysis of Variance (ANOVA) was conducted to determine significant differences in performance across agency profiles.

Results and Discussion

The findings indicate that private security agencies in Laguna generally demonstrate satisfactory operational performance across key indicators. Agencies reported stable client retention rates, successful completion of security assignments, and acceptable response times, suggesting effective service delivery.

Table 1
Profile of Private Security Agencies

Profile Variable	Description
Years of Operation	Varied; mostly established
Number of Clients	Small to large client base
Number of Personnel	Varies across agencies
Respondents	Owners and Managers

However, several operational challenges were identified. Financial constraints emerged as a major concern, particularly in balancing operational costs, employee wages, and technological investments. Regulatory compliance requirements, including licensing and labor standards, also posted significant challenges, especially for smaller agencies. Technological integration was another critical issue, with many agencies struggling to adopt modern security systems due to cost and limited technical expertise. Workforce-related challenges, including high employee turnover and difficulties in recruitment, further affected operational stability.

Table 2
Operational Performance of Private Security Agencies

Key Performance Indicator	Level of Performance
Client Retention	Satisfactory
Successful Security Assignments	Satisfactory
Response Time	Satisfactory
Employee Retention	Moderate
Profit Margin per Assignment	Moderate
New Client Acquisition	Satisfactory
Training Hours per Security Guard	Moderate

The results of ANOVA revealed no significant differences in operational performance when agencies were grouped according to years of operation, number of clients, or number of personnel. This suggests that the identified challenges are systemic and affect agencies regardless of size or experience.

The findings of this study reveal that private security agencies (PSAs) in Laguna demonstrate generally satisfactory operational performance across key indicators such as client retention, successful security assignments, and response time. These results affirm the growing role of private security as a complementary force to public law enforcement, contributing to crime prevention and safety in both public and private spaces (Chinwokwu & Igbo, 2022; Abera, 2023). The ability of agencies to maintain stable service delivery suggests that existing operational systems and practices are functional; however, the presence of moderate performance in areas such as employee retention, profitability, and training highlights underlying structural gaps. This finding supports the argument of Gavril and Olura (2018) that operational performance is not solely determined by outputs but also by the efficiency and sustainability of internal processes.

Table 3

Differences in Operational Performance

Grouping Variable	Result
Years of Operation	Not Significant
Number of Clients	Not Significant
Number of Personnel	Not Significant

The study further identified significant operational challenges, particularly in financial management, regulatory compliance, and workforce stability. Financial constraints remain a major concern, as agencies must balance rising operational costs, employee compensation, and investments in technology while maintaining competitive pricing. This aligns with the findings of Popescu and Popescu (2022), who emphasized that inefficient financial management and irregular cash flows can negatively affect service quality and organizational stability. Similarly, Asangausung et al. (2024) noted that financial limitations often restrict investments in training and technology, which are critical for improving operational effectiveness. These financial pressures are further exacerbated by economic uncertainties, reinforcing the need for strategic financial planning and resource optimization.

Regulatory compliance also emerged as a significant challenge, particularly in relation to licensing requirements, labor standards, and adherence to Republic Act 11917. Compliance with evolving legal frameworks requires continuous investment in administrative processes and training, which may strain smaller agencies. This finding is consistent with Cole (2022), who explained that non-compliance with regulatory standards can result in severe penalties, legal liabilities, and reputational damage. Moreover, Rachamim et al. (2023) highlighted that regulatory burdens and inconsistencies in enforcement create additional operational complexities for private security firms. These challenges underscore the importance of establishing clear, standardized compliance systems within agencies to ensure both legal adherence and operational efficiency.

Technological challenges were also identified, particularly in the adoption and integration of modern security systems. While technology enhances operational efficiency and responsiveness, its implementation requires substantial financial investment and technical expertise. This supports the findings of Evans (2023) and McKinsey & Company (2024), who emphasized that while digital transformation improves security capabilities, many organizations struggle with integration due to cost and skill limitations. Additionally, the increasing reliance on digital systems exposes agencies to cybersecurity risks, necessitating continuous upgrades and training (Redapt, 2025). Thus, technology presents a dual challenge—offering opportunities for improvement while simultaneously requiring significant organizational adaptation.

Workforce-related challenges, particularly employee retention and recruitment, were also prominent. High turnover rates and difficulties in attracting qualified personnel affect service consistency and operational stability. This finding aligns with A-LIGN (2023), which noted that workforce shortages and low retention are common issues in the security industry. Furthermore, Karim et al. (2019) emphasized that training and development are critical factors influencing employee performance and organizational success. Agencies that fail to invest in workforce development may experience reduced service quality and increased operational risks. The importance of employee retention is further reinforced by Pradita et al. (2024), who highlighted that stable and skilled personnel contribute significantly to organizational efficiency and client satisfaction.

Interestingly, the study found no significant differences in operational performance when agencies were grouped according to years of operation, number of clients, or number of personnel. This suggests that the challenges faced by PSAs are systemic and affect the industry as a whole rather than being limited to specific organizational profiles. This finding is consistent with broader organizational studies indicating that external pressures—such as regulatory demands, economic conditions, and technological changes—impact firms regardless of size or maturity (Panigrahi et al., 2022). It also implies that improvements in the industry must be addressed at both organizational and systemic levels.

In response to these findings, the proposed Performance Evaluation Toolkit provides a structured and standardized approach to assessing operational performance. Grounded in key performance indicators (Ryzhkov, 2023), the toolkit enables agencies to monitor performance, identify gaps, and implement targeted interventions. The use of KPIs has been widely recognized as an effective mechanism for improving organizational performance, as it provides measurable benchmarks and supports data-driven decision-making (Setiawan & Purba, 2020; Monetti et al., 2024). By integrating performance measurement with strategic planning, the toolkit can enhance operational efficiency, improve service quality, and strengthen industry credibility.

Overall, this study contributes to the growing body of knowledge on private security management by demonstrating that while PSAs in Laguna exhibit satisfactory operational performance, their long-term sustainability depends on addressing financial, regulatory, technological, and workforce challenges. Strengthening these areas through structured evaluation systems and strategic interventions is essential for ensuring the continued effectiveness and professionalism of the private security industry.

Conclusion and Recommendations

This study concludes that private security agencies in Laguna demonstrate generally satisfactory operational performance across key indicators such as client retention, assignment success, and response time, reflecting their vital role in supporting public safety and security. However, persistent challenges in financial sustainability, regulatory compliance, technological integration, and workforce management continue to affect their efficiency and long-term viability. The absence of significant differences in performance across agency profiles indicates that these challenges are systemic and industry-wide rather than organization-specific. Furthermore, the lack of standardized performance evaluation mechanisms contributes to inconsistencies in service delivery. These findings highlight the need for a structured and integrated approach to performance assessment to enhance operational effectiveness and industry credibility.

In light of these findings, it is recommended that private security agencies adopt the proposed Performance Evaluation Toolkit to standardize performance measurement and support data-driven decision-making. Agencies should prioritize investments in continuous training and professional development, strengthen financial planning and resource management, and adopt appropriate security technologies to improve operational efficiency. Additionally, efforts should be made to enhance employee retention through competitive compensation, career development opportunities, and improved working conditions. Policymakers and industry regulators may also consider streamlining compliance processes and providing support mechanisms to reduce the burden on agencies. Future research may further validate the effectiveness of the proposed toolkit across different regions and explore its impact on long-term organizational performance.

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