THE CHALLENGES FACING PRIVATE SECURITY COMPANIES IN RETAINING CLIENTS: A CASE STUDY IN GAUTENG SHOPPING MALLS

by

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SUPERVISOR: PROF D.T. MASILOAONE

04 JUNE 2018
DECLARATION

I declare that the dissertation entitled THE CHALLENGES FACING PRIVATE SECURITY COMPANIES IN RETAINING CLIENTS: A CASE STUDY IN GAUTENG SHOPPING MALLS is my own work and all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

Signature ________________________________

Date ____________________________

04 JUNE 2018
I would like to thank the following people for making this study possible:

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Lastly, thank you to **Unisa** for the opportunity to be a staff member and enabling me to further my education.
DEDICATION

“*It takes a village to raise a child.*”

This study is dedicated to all my former teachers at all the schools I attended during years of my childhood and youth. You were my parents in different ways. You gave me a second chance in life and today I am proud to be counted among your successful students.

This study is also dedicated to the following organisations:

- the South African Department of Social Development for providing me with nutritional and educational support throughout my schooling
- all the churches and motivational organisations who were and are present in my life
- all the security companies, especially the supervisors and staff members with whom I worked, for giving me the opportunity to share this study with others
- The late, Mr Gift Chiriseri (my cousin-in-law) who made it possible for me to enrol at Unisa to further my education

And to God, my Heavenly Father, for placing His subjects in my life path.
ABSTRACT

The private security industry is tasked with protecting lives and property against an evolving array of personal and property threats. Rendering such services comes with many market-related challenges for private security providers. These services are rendered to various types of clients like government departments, hospitals, universities and shopping malls amongst others. These clients have unique and different needs and expectations, therefore shopping malls as clients of the private security industry were selected for the purpose of this research.

The qualitative research approach was used for this study wherein a questionnaire was used to obtain information from private security and shopping mall personnel working in shopping malls in Gauteng. The findings of this study reveals that there are indeed client retention challenges that are facing private security companies providing services to shopping malls. Based on the findings, recommendations for the private security providers and further research in shopping mall security management are made.

Key terms: Client; Client Retention; Customer; Customer Relationship Management; Private Security Industry; Security Risk Management; Security Service; Security Threats; Shopping Mall; Service Level Agreement
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<table>
<thead>
<tr>
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<th>Description</th>
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<tr>
<td>ASIS</td>
<td>American Society for Industrial Security</td>
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<tr>
<td>BCP</td>
<td>Business Continuity Plan</td>
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<tr>
<td>CoESS</td>
<td>Confederation of European Security Services</td>
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<tr>
<td>CRM</td>
<td>Client Relationship Management</td>
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<tr>
<td>CPTED</td>
<td>Crime Prevention through Environmental Design</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FICCI</td>
<td>Foundation of Indian Chambers of Commerce and Industry</td>
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<tr>
<td>ICSC</td>
<td>International Council of Shopping Centres</td>
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<tr>
<td>MIMP</td>
<td>Major Incident Management Plan</td>
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<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
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<tr>
<td>PSI</td>
<td>Private Security Industry</td>
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<td>PSIRA</td>
<td>Private Security Industry Regulatory Authority</td>
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<tr>
<td>ROI</td>
<td>Return on Investment</td>
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<tr>
<td>SACSC</td>
<td>South African Council of Shopping Centres</td>
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<tr>
<td>SAPS</td>
<td>South African Police Service</td>
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<tr>
<td>SASA</td>
<td>Security Association of South Africa</td>
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<td>SASSETA</td>
<td>Safety and Security Sector Education and Training Authority</td>
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<td>SAQA</td>
<td>South African Qualifications Authority</td>
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<tr>
<td>SCSI</td>
<td>Shopping Centre Security Initiative</td>
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<td>SETA</td>
<td>Sector Education and Training Authority</td>
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<td>SLA</td>
<td>Service Level Agreement</td>
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<td>SRMM</td>
<td>Security Risk Management Model</td>
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1.1 INTRODUCTION

The private security industry is without a doubt one of the fastest growing law enforcement industries in the world. Many authors and experts in this field have argued the origin and development of private security. Some of these arguments are discussed in this chapter and overlap into other chapters.

The aim of this chapter is to highlight the history and give an overview of the private security industry as documented in the literature. The differences and similarities between private security and public policing are discussed in terms of their functions and roles as well as conceptions and misconceptions about them. The role players in the industry and the different types of security services are identified, especially guarding services. The advantages and disadvantages of using proprietary (in-house) versus contract security service are also discussed.

The rationale behind this study is explained in the problem statement, where the guarding component of the private security industry in shopping malls in Gauteng is touched upon. The choice of this component and study is based on the personal interest of the researcher, who worked in this component as a security practitioner in shopping malls in Gauteng province. The main focus of this study is to answer the question “What are the challenges for private security companies in retaining their clients?”

By highlighting the history and giving an overview of the private security industry, the intention is to show how important security is to people, whether it is protecting their persons, assets or property. No matter how much security is needed either by individuals or organisations, there will always be challenges associated with the demand for private security companies.
1.2 OVERVIEW OF THE PRIVATE SECURITY INDUSTRY

What influenced the evolution of private security? This question is answered by looking at what well-known authors have written about the history of private security.

1.2.1 Views on the Origin of the Private Security Industry

**Hess:** “Since the beginning of time, safety, protection, freedom from fear and danger has been what people have sought. People have armed themselves, built barriers around their dwellings and made rules and laws in order to have proper control over their properties either as individuals or as groups” (Hess, 2009:4).

According to Hess (2009:3), the well-known psychologist Abraham Maslow described security or safety as one of the fundamental or basic human needs. According to Maslow, there are five basic human needs:

1. physical or psychological (food, water, clean air and shelter)
2. safety or security (from violence, abuse, disaster, human error, emergencies and criminal actions)
3. social (family, friends and any human interaction)
4. esteem (self-worth and self-respect)
5. self-actualisation or self-realisation (which answers the question “Who am I?”)

Private security evolved from the human desire for additional, individual protection to prevent crimes against one’s person or property (Hess, 2009:29). It meets the needs of individuals, businesses, institutions and organisations that require more protection than is afforded by police officers.

According to Hess (2009:8), in Britain during the Industrial Revolution, thieves and robbers moved freely in the street and no one interfered with looting and rioting. Soldiers were called to respond during rioting but the process was time consuming and the response sometimes took two to three days. Hess (2009:6) states that law enforcement agencies combined with the steady escalation of crime in an increasingly urban and industrialised society which created security
needs that were met by professional private security responses in the second half of the 19th century in both Britain and the United States of America (US).

**Dempsey:** Private security origins can be traced to the time when people began to domesticate animals and graze their herds. To safeguard their animals from humans and wild animals, one or more members of the clan would act as a guardian, security guard and/or shepherd (Dempsey, 2010:3).

According to Dempsey (2010:3), nothing much is known about the early history of policing, maintaining order and dealing with lawbreakers. It was every citizen’s responsibility to protect themselves and maintain an orderly society. Policing as we know it did not appear until the 19th century in Britain and was introduced by Sir Robert Peel (1788–1850), who is known as the father of modern policing. Despite the creation of publicly funded police, private guards continued to be used to recover stolen property and to provide protection to persons and businesses (Dempsey, 2010:7).

**Fischer, Halibozeck and Walters:** According to Fischer, Halibozeck and Walters (2013:4), in Britain during the 1700s, security in a largely rural society was controlled by kings and feudal barons; it was another thing entirely in a world swept with enormous changes. Acts of enclosure and consolidation drove and displaced small tenants off the land, and they migrated to the cities in great numbers.

The Industrial Revolution of the mid-18th century prompted many people to migrate to the cities as they were lured by promises of work and wages. Big cities that were already crowded in many European and American countries became overcrowded with job seekers who often failed to get jobs (Fischer et al., 2013:5). According to Fischer et al. (2013:4) different crime-fighting agencies were privately formed in the late 1700s. Individual merchants hired men to guard their property and merchant associations created the merchant police to guard shops and warehouses. The development of different enforcers like night watchmen, investigating agencies and property recovery agencies became popular. The need for the formalisation of laws became the new focus of this fast-growing private security industry.
According to Fischer et al. (2013:4), for the first time, tax revenues were used to pay night watchmen. This was a significant development in security practice because it set a precedent for using taxes for common security purposes.

**Lombaard**: The provision of formal private security services became very popular in the late 1700s and early 1800s as businesses and associations appointed their own private security to prevent the theft of goods and protect their trade routes. By the 1850s, several large security agencies operated around the world, especially in the US (Lombaard, 2013:3).

**Purpura**: Purpura (2011:15) states that human beings have faced security challenges throughout history and that the need for security resulted from many threats such as wild beasts, invading tribes, criminals, and human-made and natural disasters. Although the challenges took different dimensions with the passage of time, they still exist and are much more complicated now because the world is faced with an increasing population and intensifying competition for resources.

According to Purpura (2011:17), the historical development of security reveals the following trends that are cyclical in nature:

- Private security initiatives generally precede government initiatives. Inadequate government protection services are often an opportunity for the development of private security services.
- Public and private sector security play a role in class struggles and attempts to control the underclass (have-nots).
- There is a strong relationship between commerce and security needs. Each type of business differs in terms of its risks and security needs.
- Demographics (e.g. population size and age distribution) affect law enforcement and security.
- The military exerts an influence over security, police and fire departments. Examples are the use of a paramilitary organisational structure and chain of command (e.g. sergeants, captain and so on).
- Security methods are generally a step behind the latest innovative methods of criminals.
- Frequently, security initiatives follow serious losses.
• Serious losses can lead to the need for mutual protection (e.g. homeland security).

As mentioned earlier, Sir Robert Peel established the first modern police force in Britain using the Peelian Principles. These principles have been applied to police departments worldwide and some selected principles apply to security in business today. The Peelian Principles (as mentioned by Purpura, 2011:24) are as follows:

• The police force must be organised along military lines.
• Police administrators and officers must be under government control.
• Emphasis must be placed on hiring qualified persons and training them properly.
• New police officers must complete a probationary period; if they fail to meet standards during this time, they should not be hired as permanent officers.
• Police personnel should be assigned to specific areas of the city for a specific time period.
• The police headquarters must be centrally located in the city.
• Police officers must maintain a proper appearance at all times in order to gain and keep the respect of citizens.
• Police officers should be able to control their temper and refrain from violence whenever possible.
• Police records must be kept in order to measure police effectiveness.

The police were called “Peelers,” “Blue Devils” and then “Bobbies”, after Sir Robert Peel. Although controversial, Peel’s new system revolutionised policing and was copied around the globe (Purpura, 2011:23).

**Opolot:** According to Opolot (1999:18), private security stands for or symbolises personal interests; business interests; community/societal interests; government interest; and combinations of two or more of these interests. Opolot (1999:19) adds that when the Industrial Revolution started to take hold, private security emerged for at least the following reasons: poor public police protection; increasing crimes committed against the expanding railroads; and increased industrialisation, which was accompanied by mounting conflict between factory owners and workers.
1.2.2 Analysis of the Views on the Origin of the Private Security Industry

Authors and scholars have different and similar views on the evolution or origin of the private security industry. According to what have been studied and observed so far in this study, the following deductions can be made:

- Security needs grew due to the need for self-protection against violence from other people (clans or tribes) and wild beasts irrespective of ownership of property or assets. For those who owned property or assets such as herds and fields of food, the need for security was encouraged by the necessity to protect such possessions. One of the members of the clan (usually young unmarried men) would be chosen to play the role of a security guard.
- During the industrialisation era, the need for security was encouraged by the high rise of crime and lax protection from the public police, resulting in people and business organisations seeking specific and individual security protection.

In conclusion, it is not a question of whether people can afford to pay for security services. The overall need for security was encouraged by freedom from fear, whether or not one owned property.

1.2.3 Private Security Trends and Systems in the 19th Century

Since the early 1900s, most criminologists were of the opinion that urbanisation, industrialisation and modernisation brought about social changes which caused the breakdown of traditional patterns. These breakdowns may lead to anomic conditions that in turn may lead to increases in different forms of crime (Cordner, Cordner & Das, 2010:19). According to Cordner et al. (2010:20), urbanisation brings about environmental, as well as varied social changes, for the inhabitants of urban areas. Social disorganisation decreases the influence of existing social rules upon different sectors of society, leading to the most noted effects of urbanisation such as crime.

The prevention of crime should be understood as the principal objective of the Peelian Principles. However, their effectiveness was limited as the public police became increasingly
more involved in investigating crime and apprehending criminals, and prevention efforts decreased. The need for private security as a means to prevent crime continued to exist (Hess, 2009:9).

In the second half of the 19th century, organised and professional private security organisations were created which began to have a positive impact on crime and disorder. The slow development of public law enforcement agencies, combined with the escalation of crime in an increasingly urban and industrialised society, created security needs that called for professional private security responses (Fischer et al., 2013:6). According to Dempsey (2010:7) it was during the 19th century that organised and professional private security organisations began to have a positive impact on crime and disorder in the US.

The following people played a major role in the development of professional security companies and standards:

- **Henry Fielding (1707–1754).** In 1748, Fielding (magistrate and author) proposed a permanent professional and adequately paid security force. He came up with the idea of foot patrollers to make the streets safe. He was credited with conceiving the idea of preventing crime instead of seeking to control it (Fischer et al., 2013:5).

- **Sir Robert Peel (1788–1850).** In 1837, Sir Robert Peel established the first uniformed metropolitan police.

- **Allan Pinkerton: (1819–1884).** In 1850, Pinkerton developed the first contract security forces and the railroad police. He called his company the Pinkerton Detective Agency. The first clients of his agency were the Rock Island and the Illinois Central railroads. The slogan of the company was “We never sleep”, and this slogan is often hypothesised as the origin of the term “private eye”. Pinkerton’s services were important to his clients mainly because the public law enforcement agencies were inadequate or lacked jurisdiction (Hess, 2009:11–12). According to Dempsey (2010:8), Pinkerton’s agency was the first to hire a female detective (Kate Warne) in 1856. He prohibited his employees from accepting gratuities or rewards and removed politics from his operations. The Pinkerton Protective Patrol was formed in 1857 to provide watchmen (guarding) services for clients of businesses and private individuals.
• **Henry Wells and William Fargo.** Pinkerton could not cover all the security needs of the time. There was a need to secure and protect cash and other valuables during transportation. In 1852, Henry Wells and William Fargo saw the gap and capitalised on this ground-breaking business (Purpura, 2011:26). According to Fischer *et al.* (2013:7), the freight transportation of money and valuable items was a dangerous business. Wells and Fargo were partners in the American Express Company and they took the opportunity to establish a freight service. The company had their own detectives and security (guards) personnel known as “shotgun riders”.

• **Perry Brink.** The first company to carry payroll was Brinks Inc. Their first client was the Western Electric Company in 1891. By 1900, Brinks had many clients seeking their services. The first armoured car to carry money and valuables was introduced in 1917, after two employees of the company were killed in a holdup. Brinks remains the largest manufacturer of armoured cars in the world (Dempsey, 2010:11).

• **Edwin Holmes and August Pope.** The first burglar alarm system was invented by August Pope in 1853. The invention was sold to Edwin Holmes, who sold it to wealthy homeowners. In 1858, Holmes established the first central burglar alarm service in the country. Pope also installed electrified metal foil and screens that are still widely used by many alarms companies today (Hess, 2009:12).

• **Samuel Morse.** He invented the telegraph in the late 1800s and it became a dominant medium of communication. About 57 companies were responsible for the delivery of telegraphs and these companies merged to create the American District Telegraph Company (ADT), the forerunner of one of today’s leading alarm companies. ADT became synonymous with emergency call, burglar, holdup and fire alarm systems (today known as armed response/reaction). ADT became a preeminent security protection company with the advent of call boxes and multisignal electric protection systems (Dempsey, 2010:11).

• **William Watkins.** The first company to use heat sensors in a central monitoring station to protect businesses and wealthy homeowners from fire losses is called AFA Protection and was established by William Watkins in the 1880s. Other companies like ADT followed suit by adding burglar systems to the fire protection systems (Hess, 2009:12).
1.2.4 Differences and Similarities between Private Security and Public Policing

According to Dempsey (2010:44), private security differs from public policing in that public policing focuses on reaction to past crimes and the enforcement of public laws and ordinances while private security is more proactive and focuses on identifying and preventing crimes and problems before they occur. In addition, security personnel are more likely to be involved in protecting assets and carrying out the policies and procedures of a private organisation (clients) than in enforcing criminal statutes.

Taljaard (2008:80–81) states the benefits of private security as being an additional resource in the fight against crime; being more efficient than the police; having access to superior equipment; being a source for foreign direct investment; and contributing to the reduction of unemployment. The disadvantages are that the dependence on private security creates state complacency; it can be withdrawn at any time when not making a profit, thus creating a security vacuum; it contributes to the large availability of firearms in society; and it can easily be penetrated by criminal networks.

According to Fischer et al. (2013:32), private security functions are essentially client oriented while public law enforcement functions are society or community oriented. The key distinctive difference is the possession and exercise of police powers: the vast majority of private security personnel around the globe have no police powers such as the power to arrest; they normally act as private citizens when carrying out an arrest.

Fischer et al. (2013:33) further state that most contact between public and private agencies is cooperative but far too often the contact is negative, to the detriment of both groups. The following key issues are identified as some of the challenges to this cooperative arrangement: lack of mutual respect; lack of law enforcement knowledge of private security; perceived competition; lack of standards for private security personnel; perceived police corruption; jurisdiction conflict, especially when private problems (e.g. corporate theft and arson) are involved; confusion of identity and issues flowing from it, such as arming and training private police; mutual image and communications problems; provision of services in borderline or overlapping areas of responsibility and interest i.e. provision of security during strikes, traffic control, and shared use of municipal and private fire-fighting personnel); difference in legal powers, which can lead to concerns about abuse of power and so on; false alarm rates (security
is well equipped). Among other factors influencing the relationship between the two groups is that of police officers moonlighting in the security sector during their off-duty hours.

1.2.4.1 Preference for private security over public policing

According to Simonsen (1998:79), private security prevents crime by physically being posted at the sites they protect and their visibility deters would-be criminals. They have a mandate to protect as per the policies of their client who pays them for such services (not the entire society), thus giving the client a direct say in the type and quality of service that has to be provided. In contrast, the public police work to arrest and collect evidence in order to secure successful prosecution and they are largely reactive by responding to crimes committed. Being a state agency and funded by the public, they have a mandate to protect the entire society, rich or poor.

1.2.5 Types of Private Security Services: Proprietary versus Contract Security Services

The continuing need for and expansion of the security industry have prompted the specialisation of its functions, depending on the client that is served. Hess (2009:16) mentions the following specialities: corporate security; cyber security; executive protection; financial services security; healthcare security; high-rise facilities security; information technology (IT) security; loss prevention; physical security; private security management; risk assessment; strategic intelligence; terrorism (including bio-terrorism and agro-terrorism); and workplace violence and legal liabilities.

Irrespective of the security discipline or specialty, the services may be proprietary (in-house) – in which case the security function is controlled directly by the protected organisation. If the security function is a contract service, the security company contracts with a specialised business (client) to provide designated security services for a fee. It is also common to find security functions provided as a combination of proprietary and contract services, which is referred to as a hybrid system (Fischer et al, 2013:22).

The most common entry-level positions in the security industry are as a security guard and a security patrol officer, whose duties are mainly to patrol, inspect and control access, to guard against loss through theft and vandalism, and to enforce rules and maintain order as envisaged by the clients. The clients (individuals and business organisations) in need of private security
services can use either proprietary (in-house) or contract security services to protect their assets. There are advantages and disadvantages to using either of the two security services, as illustrated in Table 1.1.

Table 1.1: Comparison of proprietary (in-house) and contract security services

<table>
<thead>
<tr>
<th>PROPRIETARY (IN-HOUSE) SECURITY SERVICE</th>
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<tr>
<td>Advantages</td>
<td>Advantages</td>
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<tr>
<td>Loyalty</td>
<td>Selectivity</td>
</tr>
<tr>
<td>Incentives</td>
<td>Flexibility</td>
</tr>
<tr>
<td>Knowledge of internal operations</td>
<td>Replacement of absenteeism</td>
</tr>
<tr>
<td>Tenure (less turnover)</td>
<td>Supervision (at no cost)</td>
</tr>
<tr>
<td>Control stays in-house</td>
<td>Training (at no cost)</td>
</tr>
<tr>
<td>Supervision stays in-house</td>
<td>Objectivity</td>
</tr>
<tr>
<td>Training geared to specific job</td>
<td>Less cost (about 20% not counting administrative cost)</td>
</tr>
<tr>
<td>Company image improved</td>
<td>Quality service</td>
</tr>
<tr>
<td>Morale</td>
<td>Administration and budgeting taken care of</td>
</tr>
<tr>
<td>Courtesy to in-house personnel</td>
<td>Few union problems</td>
</tr>
<tr>
<td>Better law enforcement liaison</td>
<td>Variety of services and equipment</td>
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<tr>
<td>Selection controlled</td>
<td>Hiring and screening (at no cost)</td>
</tr>
<tr>
<td>Better communication</td>
<td>Better local law enforcement contacts</td>
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<td></td>
<td>Sharing of expertise knowledge</td>
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<tr>
<td>Disadvantages</td>
<td>Disadvantages</td>
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<tr>
<td>Unions</td>
<td>Turnover (extremely high industry wide)</td>
</tr>
<tr>
<td>Familiarity with personnel</td>
<td>Divided loyalties</td>
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<tr>
<td>High cost</td>
<td>Moonlighting (may be tired and not alert)</td>
</tr>
<tr>
<td>Inflexibility</td>
<td>Reassignment</td>
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<tr>
<td>Administrative burdens</td>
<td>Screening standards (may be inadequate)</td>
</tr>
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<td></td>
<td>Insurance</td>
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(Source: Hess, 2009:25)
1.3 PROBLEM STATEMENT

Client retention is a major concern for most organisations in the competitive world of commerce and the private security industry is no exception. This accentuates the need to find creative and innovative ways to enhance the quality of services offered to minimise clientele moving to a competitor for better services. This is done within the confines of a market that is increasingly getting saturated, with the main focus being on the sustainability and profitability of companies. This poses different challenges to different security companies because their ability to satisfy their clients and outperform their competitors is influenced by many variables, including the size and type of companies requiring security and the type of services provided to secure these companies.

The focus of this study is on the guarding component of the private security industry as required by shopping malls in Gauteng. The guarding component has been selected for this study due to its competitive nature, which in itself poses challenges to client retention. The choice of this component is also based on the personal interest of the researcher who worked in this component at both the guard and senior management level in shopping malls in Gauteng.

The challenge of retaining clients in a highly competitive environment, which in itself is a huge challenge, worsened from 2008 when South Africa entered a recession. This means that security companies have to keep clients happy at all cost because the companies’ survival depends on it as there is a low probability of getting other clients when losing existing ones.

The challenge of keeping clients satisfied is compounded by factors such as the absence of a formal service level agreement (SLA) between the security service provider and the client. An SLA is a written contract or memorandum of understanding (MoU) between the client and the security company, and it covers some of the following aspects: services, reimbursement of expenses, invoicing, confidential information, staff compliment, client representative, independent status, liability, applicable laws, scope of agreement, additional work, and termination of service or contract (Kole, 2010:39–41).

Through SLAs, clients can ensure that security companies live up to their promises. Therefore, only companies that provide better services to their clients will thrive and those that do not provide satisfactory services will lose contracts and be forced out of business (Berg, 2008:10).
Factors that lead to client dissatisfaction and are reasons advanced by the clients when terminating security service contracts are:

- **Poor service delivery.** This includes late arrival and absenteeism of security guards at their points, not following clients’ instructions where there is an SLA and post desertion.
- **Lack of professionalism.** This includes security companies that do not properly vet their security officers before they are placed at the client’s premises; lack of client care; lack of basic security skills such as basic investigation of crime, reporting of crime, report writing and using an occurrence and/or pocket book; ill treatment of security guards in that security companies do not pay them on time, which causes low morale and them working without caring whether or not crime happens in their presence; management not attending meetings with clients; and poor investigation of security-related complaints.
- **Value for money.** Some clients feel that they do not get the type and quality of services they expect for the money they pay.
- **Criminality.** Crimes in which security guards are involved include theft from clients and collusion between the client’s staff and security guards to steal from the client.

Security companies should consistently prove themselves and maintain a positive reputation with their clients. In doing this, they will become more attractive to potential clients. Most of the clients of security companies often know one another and talk about the services provided by various security companies. So the types and quality of service provided by security companies inform their decision on which company to use. This accentuates the need for security companies to improve on the types and quality of services they offer because they are in direct competition with one another. Thus, other role players in the industry should also be held accountable for the quality of service private security companies provide (Berg & Nouveau, 2011:38).

According to Cook (1997:16), a long-term relationship with clients is more profitable as it is estimated that on average it cost five times as much to attract a new client as it does to keep an existing one. Retaining existing clients prevents competitors from gaining market share. The American Security Officers Guild emphasises the need for security providers to elevate their profession by educating clients. It guides them to specific duties, manpower, training and the
minimal pay rates necessary to adequately meet expectations for the level of service and protection requested (American Security Officers Guild, 2013).

The Private Security Industry Regulatory Authority (PSIRA) does not emphasise the relationship between clients and security service providers in their mission statement. Most public clients do not know what PSIRA is and how it can help them in exercising their consumer rights and taking informed decisions when, for example, appointing or terminating a security company’s services. There is increasing complexity in terms of what the client needs from the security service provider and security companies have to demonstrate skills to provide turnkey solutions (Sector Education and Training Authority, 2012:67). The researcher is of the view that there is a shortage of specialised skills in the guarding component of the private security sector. Most security personnel are trained on the PSIRA grades, which are relatively easy to access compared with the Safety and Security Sector Education and Training Authority’s (SASSETA) accredited qualifications (Sector Education and Training Authority, 2012:67).

As indicated above, client satisfaction and retention are crucial for the profitability and sustainability of a security company. Best (2012:45) states that client satisfaction and retention are important linkages to a market-based strategy and profitability. The ultimate objective of security companies’ marketing strategy should be to target, attract, satisfy and retain clients. Thus client retention is an ongoing challenge and threat to a company’s survival.

The primary reason of this study is to determine and evaluate the challenges for the guard component of private security companies in retaining clients. This determination and evaluation of the challenges can lead to the development of a set of best practices that private security companies can use to retain clients and to ensure that security officers’ jobs are not lost in the process. Identifying clients’ individual security needs and providing the services to address those needs could go a long way in ensuring client retention by private security companies.

According to Cook (1997:14), clients tend to make conscious and subconscious comparisons between different services provided – irrespective of the industry that is providing them. From the researcher’s personal experience of working in the private security industry for 20 years, private security companies do know how to approach and attract new clients to enhance their
sustainability and increase their profitability. However, their lack of client focus in meeting clients’ individual and specific needs is one of the main factors that cause clients to defect to their competitors.

Yet, while most companies regard the acquisition of new clients as a crucial element of their sales strategy, very few of them record client retention rates and even fewer analyse the reasons why previously satisfied clients become dissatisfied and terminate their services (Cook, 1997:15). A business that has a strong client focus stays in close contact with its clients in an effort to satisfy them and build client loyalty. The strategy of companies that have a strong client base focus is centred on meeting client needs and satisfaction, and such businesses understand their key competitors and evolving competitive forces (Best, 2012:31).

The above information attests to and supports the view that private security companies do have challenges in keeping abreast with economic demands in order to remain competitive in business.

1.4 RESEARCH QUESTIONS

Welman, Kruger and Mitchell (2005:15) state that in order to define the research problem correctly, the researcher must know what the problem is; and in order to answer the research problem, the researcher must be able to answer the following two questions: What is the problem? What is the best way to solve this problem? The first question implies that the researcher knows what he/she wants to investigate.

The primary research question for this study is: What are the challenges private security companies face in guarding shopping malls in Gauteng and retaining clients?

The ancillary research question is: Which factors lead to poor client retention?

1.5 RESEARCH OBJECTIVES

The objective of conducting research into theories and other research problems is to define, explain, and consequently predict and even modify or control human behaviour and/or events
Based on this understanding of the research objective, the objectives of this study are:

- to establish the challenges private security companies face in guarding shopping malls in Gauteng and retaining clients
- to analyse the client retention challenges and determine how best security companies can deal with them
- to establish factors leading to poor client retention by private security companies guarding shopping malls

1.6 SIGNIFICANCE OF THE STUDY

De Vos, Strydom, Fouche and Delport (2011:107) state that the value of research is generally to respond to the following questions:

- Who has an interest in this domain of enquiry?
- What do we already know about the topic?
- What has not been answered adequately in previous research practice?
- How will this new research add knowledge, practice and policy in this area?

The current research will contribute to the body of knowledge on client retention in respect of the guarding component of the private security industry, in particular guards that render service in shopping malls. It will assist private security companies in pre-empting challenges and developing proactive strategies to address them. It will also benefit shopping malls as they will have access to the findings and recommendations of this study highlighting the importance of SLAs and how they can be used to ensure that the contracted security companies offer a diverse range of security measures to enhance safety and security in shopping malls.

To add value to the study, the research must contribute to knowledge – either theoretically or methodologically (De Vos et al, 2011:107). This study will contribute to the body of knowledge in the field of security science as the field is growing rapidly due to the global threat to the general safety and security of societies.
1.7 DEFINITIONS OF CONCEPTS

Definitions are used to ensure that people attach the same meaning to concepts during communication and arguments. They enhance people’s understanding of concepts and prevent vagueness or ambiguity (De Vos, Strydom, Fouche and Delport 2005:32). The key concepts of this study are defined below.

**Assets:** An asset is any real or personal property, tangible or intangible, that a company or individual owns which can be given or assigned a monetary value. Intangible property includes things such as good will, proprietary information and related property (Bennett, 2007:54).

**Clients:** Users of private security services. They can be individual persons, organisations, corporations or companies (Opolot, 1999:9).

**Client retention:** This is an activity that companies undertake in order to reduce client defections to competitors. It refers to the ability of the company to retain a client over a long period of time (Best, 2012:43–45).

**Private security:** This includes self-employed individuals and private funded business entities and organisations providing security-related services to specific clientele for a fee, for an individual or entity that retains or employs them, in order to protect their person, private property or interest (Private Security, 1976:4). It is a profit-oriented industry that provides personnel, equipment and procedures to prevent losses caused through human error, emergencies, disasters or criminal actions (Hess, 2009:29).

**Risk analysis:** This is the process of identifying potential security problems and loss, and developing and implementing effective measures or countermeasures to deal with the problems. These problems include the loss of goods, services, information or other assets of a business; potential injury or harm; and an emergency (Dempsey, 2010:58).
Security: It implies a stable, relatively predictable environment in which an individual or group may pursue its ends without disruption or harm and without fear of disturbance or injury (Fischer, Halibozeck & Green, 2008:31).

Security officer: Any natural person who is employed by another person or organisation and receives remuneration for rendering security services (Private Security Industry Regulation Act 56 of 2001, Section 1).

Security risk management: This is the process of balancing the cost of security with the overall corporate goal of producing goods, services and profits. It involves the anticipation, recognition and appraisal of a risk and the initiation of action to eliminate the risk entirely or reduce the threat of harm to an acceptable level (Dempsey, 2010:58).

Security services: According to Section 1(1) of the Private Security Industry Regulation Act 56 of 2001, security services include the following:

- protecting or safeguarding a person or property in any manner
- providing a reactive response service in connection with the safeguarding of a person or property in any manner
- giving advice on the protection or safeguarding of a person or property or the use of security equipment
- providing a service aimed at ensuring order and safety at premises used for sporting, recreational, entertainment or similar purposes
- manufacturing, importing, distributing or advertising of monitoring devices contemplated in Section 1 of the Interception and Monitoring Prohibition Act 127 of 1992
- providing services related to the functions of an investigator
- providing security training or instruction to a security service provider or prospective service provider
- monitoring signals or transmissions from electronic security equipment
- installing, servicing or repairing security equipment
- performing the functions of a locksmith
- managing, controlling or supervising the rendering of any of the above services
1.8 ORGANISATION OF THIS DISSERTATION

This dissertation is organised as follows:

**Chapter 1: General Orientation.** This chapter contains an overview of the private security industry, the rationale for the study, the problem statement, the research questions, the research goal and research objectives, definitions of concepts and an outline of the dissertation.

**Chapter 2: International Perspective on Private Security.** Practices in the guarding component of the private security industry in different countries are discussed.

**Chapter 3: South African Perspective on Private Security.** South African practices in the guarding component of the private security industry are discussed.

**Chapter 4: Marketing and Client Retention Measures in the Private Security Industry.** This chapter focuses on the marketing strategies used in the private security industry both nationally and internationally. Different strategies used in the security industry are compared with strategies of other businesses in the service sector. The following two questions, among others, are answered: What is the understanding or meaning of the term “client retention measures” in the private security industry? Is client retention the way forward to ensure profitability for private security companies?

**Chapter 5: Security in Shopping Malls.** This chapter focuses more on the guarding component of the private security industry and practices in respect of different clientele and/or services. Aspects such as poverty, crime, unemployment, education and politics are discussed in relation to the role of the private security industry in Gauteng. What is the role of PSIRA in the private security industry in Gauteng?

**Chapter 6: Research Design and Methodology.** The following aspects are the focus of this chapter: the research demarcation, research sample, data analysis, validity and reliability, and ethical considerations of the study.

**Chapter 7: Research Findings.** In this chapter, the research findings are summarised. A statistical analysis of the collected data follows.

**Chapter 8: Recommendations and Conclusion.** This chapter contains recommendations based on the research findings from the previous chapter.
1.9 CONCLUSION

Although both private security companies and the police are designed to provide safety and security in society, the clients that they serve differs as the police service the entire population while the private security companies service selected clients that can afford to pay for their services. The distinction between their duties is emphasised in this study in order to indicate that a line needs to be drawn between the two in terms of society’s expectations. There is still some misunderstanding in society (especially among paying clients of security service providers) in that they expect security service providers to perform police work and vice versa. In this chapter, the different security services that can be performed by security guards were mentioned and the difference between proprietary and contract security services was explained in terms of their advantages and disadvantages.

Although authors have different views on the evolution of security, it seems they all agree on the same principle that security needs are encouraged by the necessity for self-protection and the protection of own assets due to increasing crime. Insufficient or lax protection from the public police has resulted in people and businesses seeking specific and individual security and protection.

The content of this chapter forms the basis of the study and will be referred to in the following chapters of this dissertation.
CHAPTER 2
INTERNATIONAL PERSPECTIVE ON PRIVATE SECURITY

2.1 INTRODUCTION

The purpose of this chapter is to highlight how the private security industry operates and is perceived internationally. The authors referred to in this chapter were selected because of their similar and contrasting views on this subject.

The growth and size of the industry in different countries are discussed. The estimates of the scope of the industry in terms of the number of security companies, security personnel and monetary value is explained by different authors, associations, confederations and other bodies which have an interest in the private security industry.

Attempts to professionalise the industry are discussed, and the code of ethics and conduct of different security associations/federations are highlighted. The education, training and selection of security personnel as necessary and important aspects of the private security industry are also discussed. The regulations, laws and licencing of the industry are discussed and their importance highlighted. The role and functions of private security are touched on with the aim of indicating the difference between security services, especially in terms of the guarding component of the industry.

The legal powers and restrictions of security personnel are mentioned; the role, function and legal powers of the police and private security are compared and analysed; and procedures that have to be followed when security personnel exercise certain powers in order to avoid civil and criminal liabilities are highlighted.

In indicating the challenges private security companies face in retaining clients with specific reference to Gauteng as the basis of this study, it is evident that the security industry does not operate in a vacuum or in isolation. Even though there is not much emphasis on client retention challenges in this chapter (because it is dealt with in Chapter 4), the challenges to regulate and professionalise the industry are discussed as these are embedded in client retention. Most, if
not all the challenges, discussed in this chapter contribute to private security companies’ failure to retain clients.

2.2 SCOPE AND SIZE OF THE INDUSTRY

Although it is evident that the private security industry is growing at a rapid rate globally, the scope and size of the industry are not known. The interpretation thereof differs from country to country and from federation to federation as there is no known security body that has accurate global information on this subject. It is not easy to estimate the size and scope of the private security industry compared to the well-structured public police departments. The private security industry comprises many small, private agencies and part-time and permanent employees, including security personnel employed by other businesses (Dempsey, 2008:38).

According to Button (2007:110), the provision of private security service in most industrialised countries has undergone significant changes in that the public police and local authorities have contracted with private security companies to supply patrols and other security functions. The increase of shopping malls and leisure facilities situated in hybrid areas has also seen a rise in the use of private security companies to police them. Security needs in residential areas, in particular gated communities, have also resulted in the increased use of private security companies even where the local police service is still available. Areas or industries which had already recognised the important role of security (such as the aviation sector, ports and other national key points) have increased their security capacity due to changing security threats or risks such as acts of terrorism.

According to the Foundation of Indian Chambers of Commerce and Industry (FICCI, 2013:5), the private security service industry is one of the largest growing industries around the globe, with an estimated income of US$132 billion in 2011. The industry is expected to grow further by 7% per annum to reach an income of US$220 billion by 2019. North America has the largest market, followed by the European Union (EU) countries, Asia-Pacific countries and other countries. The guarding component of the security industry remains the largest at 62% market share world-wide, followed by electronic or security systems at 20% and the cash solutions component at 10%; the remaining 8% belongs to the other components (FICCI, 2013:8).
The private security industry is largely dominated by five key international companies accounting for more than 20% of the total market. G4S (United Kingdom) and Securitas (Sweden) are the market leaders, followed by a group of companies that includes ISS (US), Secom (Japan), Brinks (US) and Prosegur (Spain). The only two companies which have considerable presence in all the sectors and components of the industry are G4S and Prosegur. These sectors are guarding, electronic security systems and cash-in-transit services (FICCI, 2013:10).

According to Fischer et al. (2008:50), most contract security companies (especially the smaller ones) render specific types of services to their clients. The larger the contract security company, the more likely it is to provide a full range of security services to its clients (e.g. G4S can provide all the security services from all the sectors and components of the industry).

Below is a brief summary of the private security industry’s growth and size in different countries.

2.2.1 Europe and the United States of America

The private security industry has shown rapid growth and development in 34 EU countries, with a total annual turnover of €35 billion from 2005 to 2010. The security industry grew by 13.3%, while the guard component grew by 60%. There are more than 52 000 security companies and about two million security officers in the EU (Confederation of European Security Services, 2011:143–144).

According to FICCI (2013:10), the growth in security services revenue is higher than the nominal gross domestic product (GDP) growth, with more than 80% sales coming from contracts which are typically set for three years in most EU countries. The challenge security companies face with regards to renewing contracts is made difficult by unions that negotiate security officers’ wages. This is a challenge for clients because they incur the increase in security service costs or defect to less expensive or fly-by-night security companies.

The security industry in the US is the largest in the world in monetary terms. More than 16 000 private security companies operate, with about 1000 companies employing more than 100 employees per company. The service contract is negotiated annually with the client, unlike in
most European countries where the contract is negotiated with clients after three years (FICCI, 2013:11).

The security service industry in the US employed about one million security officers in 2000; after the 9/11 attacks, the security demand increased by 13%; and in 2005, there were about 1.2 million security officers and most of them were in the guarding component of the industry (Fischer et al., 2008:51). According to Dempsey (2008:44–45), the need for private security in the US is necessitated among other things by their unique approach to law enforcement, where policing is highly decentralised.

2.2.2 Asia-Pacific and New Zealand

The security market was estimated at US$28 billion in 2011, accounting for 21% of the global security market. Even though the security market looks good in this region, there are low penetration of security companies, especially in emerging markets such as India and China. Terror threats and homicide cases, coupled with low public policing, definitely lead to high demand for private security. It is relatively easy to pass on increases in cost to clients in developing countries due to the demand associated with security threats, unlike in Europe and US where the client carries the cost due to union demands for better wages (FICCI, 2013:11).

According to FICCI (2013:5–6), the private security industry is one of the largest employers in India, with an estimated 6.5 million private security officers across the country. The industry is expected to grow much more and it is becoming an attractive market for both international and Indian role players. In financial terms, the industry is estimated to grow by INR365 billion in financial year (FY) 13 to INR640 in FY18. The guarding sector is the largest component at 90% of the entire private security industry and is estimated to employ about six million people.

According to Bradley (2014:1), the past three decades saw the private security industry grow remarkably by over 1000% and the police grew by 117% in the same period in New Zealand. The New Zealand Security Association estimates the annual industry turnover at NZD2.8 billion. The growth of the private security industry is becoming a benign development, with legal controls required to shape its growth rather than prevent it. As a result, more radical proposals for governance are emerging (Button, 2007:112).
2.3 PROFESSIONALISM AND ETHICS

In defining the professionalism of any authority (in this case, the private security society), a code of ethics and credentials that include education and training, experience and membership are needed (Fischer et al. 2008:43). In addition to this, Hess (2009:33) indicates that sociologists have identified specialised knowledge, autonomy and service ideal as the three key elements that qualify an occupation as a profession.

For most private security practitioners, the formation of the American Society for Industrial Security (ASIS) signified the beginning of modern security because before 1955, there were no professional organisations with certifications, college programmes and influence to advance the interests of the industry (Fischer & Green 1992:11). In agreement with Fischer and Green (1992:11), Dempsey (2008:15–16) mentions that it was in 1955 when security practitioners took a great step with the formation of ASIS (later known as ASIS International). The group recruited about 254 members at its inaugural meeting and in 1980 when the body celebrated its 25th anniversary, its membership stood at 13 000 with about 122 local chapters around the world.

Even though there are attempts to professionalise the private security industry, it remains the lowest paying industry and the security guards are not adequately trained and educated. Business needs to move away from the perception that the security function is an unnecessary expense which must be limited to manning the gates of the organisation. Protection against eventualities that might hamper company operations from continuing and making a profit (such as acts of terrorism in the aftermath of 9/11) are some of the reason why security should be considered a necessity (Fischer et al, 2008:44). According to Dempsey (2008:17), ASIS International introduced the first security management website in the mid-1990s. The website was known to be a repository with a wealth of security knowledge on the industry from around the world.

2.3.1 Code of Ethics

According to Dempsey (2008:23), ethics can be defined as the practical normative study of the rightness and wrongness of human conduct. There are two types of ethics: (1) basic ethics are broad and govern all human conduct, and (2) applied ethics focus on conduct in specific
applications. Even without legislative guidance from the government, private security managers and operators can set their own standards for conduct and services to increase professionalism in the industry. According to Hess (2008:48), a code of ethics sets forth self-enforcing moral and professional guidelines for behaviour in a given field.

The true test of professionalism in the security industry should be unwavering dedication to ethical conduct, professional values and occupational integrity. Most states in the US describe and outline conduct that is unlawful and unethical (Nemeth, 2012:57). According to Fischer et al. (2008:43), ASIS adheres to a professional code of ethics. It has a membership of more than 30 000 security managers around the world. ASIS is not the only organisation which strives to make the private security industry professional; there are other organisations and associations such as the Academy of Security Educators and Trainers, the International Association for Healthcare Security and Safety, the National Association of School Security Safety and Law Enforcement Officers, the Security Industry Association and the Confederation of European Security Services (CoESS). The industry also has its own professional security literature, magazines, Internet sites and books.

ASIS International members are guided by a set of ethical standards that are binding and govern the way its members operate. The following are the six ethical principles applicable to all members (Dempsey, 2008:23–25):

1) **Performance of professional duties in accordance with the law and the highest moral principles.** This entails that all members have to abide by the law of the country in which the services are rendered and provide such services in an honourable manner. Members should not knowingly become associated and work with other members who do not conform to the law and stipulated ethical standards. They should be just and respect the rights of others when performing their professional responsibilities.

2) **Observing the precepts of truthfulness, honesty and integrity.** To comply with this, a member has to disclose all relevant information to those who have the right to know. This right to know is legally enforceable. A member should not release misleading information, nor encourage or otherwise participate in the release of such information.

3) **Being faithful and diligent in discharging professional responsibilities.** In order for members to fulfil this requirement, they have to be faithful, fair and steadfast in adhering to promises and commitments. They should be diligent when employing best efforts in
an assignment and participate in matters that involve conflict of interest without appropriate disclosure and approval. They should present services or products fairly and truthfully.

(4) **Competence in discharging professional responsibilities.** Members are required to be competent in applying the skills and knowledge required for the task they have to perform. They should not accept a task beyond their competence nor claim competence they do not possess.

(5) **Safeguarding confidential information and exercising due care to prevent its improper disclosure.** Members should safeguard confidential information and not use such information to the advantage or disadvantage of a third person without due authorisation. They should also be aware that such confidentiality remains after the termination of the business relationship. A member who receives information and has not agreed to be bound by confidentiality is not bound from disclosing it. It has to be noted that a member may be required to testify in legal proceedings regarding information received in confidence from the principal over the objection of the principal’s counsel.

(6) **Protection of the professional reputation or practice of colleagues, clients and employers.** A member should not comment falsely and with malice about a colleague’s competence, performance or professional capabilities. A member who knows, or has reasonable grounds to believe, that another member has failed to conform to the society’s code of ethics should present such information to the Ethical Standards Committee.

According to the CoESS (2003:1–7), the purpose of a code of conduct and/or a code of ethics in the security industry should not be taken for granted as there is an increase in demand for high quality from the industry itself, the public and their clients, so there is no room for amateur efforts. The following principles are applicable to the code of conduct/ethics in all the EU countries:

- **Compliance with regulations applicable to the sector and the transparency of procedures and systems established by companies.** Security companies commit themselves to apply all the regulatory provisions. By doing so, they undertake to demonstrate openness and transparency in all their actions with their employees, clients and authorities. They also have to ensure that procedures implemented are transparent and are applied without any discrimination to all parties (the public, employees and
clients). This transparency should also be applied by employees and their trade union representatives.

- **Permits, authorisations, selection and recruitment.** All companies must satisfy the conditions imposed by national regulations in order to obtain the permits and authorisations needed. It is important to note that the quality and value of private security services are strongly influenced by the quality and skills of the employees who perform these services, so the selection and recruitment of staff are important.

- **Vocational training, social relations, working conditions and salaries.** Companies must ensure that their security personnel have at least passed the basic training required by national regulations or standards. Specialised training (the use of firearms) should be provided as required by national regulations or standards, and ongoing training must be provided with the aim of updating professional skills and promoting career development. Salaries and working conditions are other important aspects as they constitute a very important component of the development of companies. In order to continue making this occupation as professional as possible, the stability and well-being of security personnel as well as the quality of service provided are of critical importance. This makes it necessary to define and improve working conditions through consultation and negotiation at company and national levels.

- **Salaries and health and safety.** Quality work or a job well done deserves to be remunerated accordingly. The parties involved in salary negotiations must consider the working conditions in which security personnel work while ensuring the company’s competitiveness and profitability.

- **Equal opportunities and health and safety.** Private security companies must ensure that all security personnel are treated equally without any discrimination of ethnic or social origin, colour, gender, trade union affiliation, religion, nationality, sexual orientation and other distinguishing characteristics. Minimum health and safety standards must be applied in all the security companies to ensure the maximum prevention of professional and occupational hazards. Regular review of the standards must be encouraged to increase the health and safety of security personnel.

- **Relations with clients, the police and other private security companies.** Security companies should keep abreast of developments in the industry and convince their clients, without compromising the code of conduct and ethics, that they are the best and are providing the best service in accordance with the rules and regulations. This is done
to encourage the clients to avoid using security companies which are non-compliant with the law (fly-by-night). Clients must also be taught and be encouraged to respect the principle of non-discrimination against security personnel. A good relationship between security companies and the police is very important, and it is recommended that security companies should encourage such relationship through good communication. This also applies to the relationship among security companies themselves and should be grounded in the fair competition and morality that they should adhere to in order to ensure good practice. Bad business practices such as dumping and bidding prices should be avoided.

- **The organisation of work, and the implementation of and follow up on the code of conduct.** There must be a balance of work between the two needs, job security and quality of life on the one hand and the requests and needs of the client on the other hand. Security companies should seek to find the best solution while meeting and satisfying their clients’ needs. They should not forget to improve the well-being of their security personnel. All social partners such as other security companies, security personnel, trade unions, clients and national authority must play their part in the implementation of these principles.

### 2.4 EDUCATION, TRAINING AND SELECTION

The lack of proper standards, training and educational preparedness resulted in the shortage of skilled and flexible security officers in many countries. Nemeth (2012:23) states that as a result of this deficiency, problems such as unnecessary use of force, illegal search and seizure techniques, misuse of weaponry, unlawful arrests and the proliferation of lawsuits are experienced. Most top managers, whether contract or in-house security, are unwilling to dedicate time and money on training security personnel because of the high turnover rate. Untrained security personnel may be a direct threat to themselves, the company and the client (Hess, 2009:51).

#### 2.4.1 Basic Educational and Training

According to Fischer *et al.* (2008:105), the development and training of security personnel must be a continuous concern of management. The lack of adequate training and poor salaries is a criticism levelled against the industry, both from within and outside.
The amount of training in the private security industry differs from country to country, by function and the security component in question. It will be very difficult to come up with uniform and universal training standards for all security guards. For example, training requirements are higher for armed guards because their employers are legally responsible for any use of force so they must receive formal training in areas such as weapons retention and laws covering the use of force. Most employers give newly employed security guards on-site instructions and on-the-job training before they start to work (Dempsey, 2008:50).

Comprehensive training for security personnel could be categorised into pre-assignment training, continuous training and specialised training. It is important to note that pre-assignment training is essential security training for the employees of the company in general as it will make them aware of the security features and actions or measures they should take or be aware of to minimise the company’s vulnerability to theft or factors that compromise security.

Hess (2009:51–52) mentions the following as pre-assignment training: access control for employees, contractors and visitors; alarm systems and their operation; communications on the use of the telephone and two-way radios; emergency procedures such as bomb and natural threats; parking control (such as the use of security permits) and traffic control; and passes such as the authorisation of property passes. Fischer et al. (2008:106) mention the following factors of pre-assignment training: company orientation and indoctrination; operation of each department and report writing; self-defence; first aid; techniques of observation and professional standards, including attitudes towards employees.

A minimum of eight hours of formal pre-assignment training is required for security personnel to know what is required of them to at least perform their duties (Fischer et al, 2008 and Nemeth, 2012). In addition to the above, security personnel should pass a written and/or performance examination to demonstrate knowledge on the subject matter in order to perform basic duties as expected by management (Dempsey, 2008:53). Fischer et al. (2008:106) emphasise that it should not be presumed that former law enforcement officers (police) require no training. Former police also need such training as they have to develop new skills.

Ongoing training is very important for security personnel as it can keep them informed of matters such as changes in company policies, updates on criminal and civil law, resignations and dismissals of employees, and technological improvements in the organisation’s system.
Job descriptions are crucial in the identification of specific skills and knowledge that should be improved (Hess, 2009:52).

In addition to their usefulness as a tool of identifying the required training, job descriptions are also helpful in identifying aspects such as experience, equipment needed, physical requirements, list of activities performed, and the security function’s relationship with other departments’ jobs (Hess & Wrobleski, 1988:363). Hess (2009:52) states that a training identified by job description should not be classroom-oriented training like the pre-assignment training but should be individualised and job related. The evaluation of the results and the effectiveness of such training should be determined by the job performance and not by the test performance.

According to Nemeth (2012:53) and Fischer et al. (2008:106), security personnel should complete 32 hours of basic training, a minimum of four hours of which should be on classroom instruction and up to 16 hours may be dedicated to supervise on-the-job training. The merits of training will be reflected in the security personnel’s attitude and performance, improved morale and increased incentive.

Lack of specialised training on aspects like firearm training can have consequences for both employers and employees, including injury to the self because of mishandling. Criminal and civil suits can be detrimental to the organisation’s reputation and survival. To avoid situations of this nature, all armed private security personnel (whether contractor or in-house security) should successfully complete a firearms course that includes legal and policy requirements. Alternatively, evidence of competence and proficiency prior to the assignment of a job that requires a firearm and refresher training should be attended at least once every 12 months (Hess, 2009:53).

Nemeth (2012:53) states that firearm training should involve a minimum of 18 hours of target shooting; three hours on the legal and policy restraints; and three hours on the safety, care and cleaning of firearms. In addition to Hess’s refresher or ongoing training in firearms every 12 months, Nemeth (2012:54) states that the training should be at least eight hours long, with three hours dedicated to legal and policy restraints and five hours spent on the shooting range. A certificate of qualification should be issued only when the course is completed. In Europe, basic guard training is mandatory by law, with a compliance rate of 97% of the total number of
security officers trained. The average number of training hours is also at 97% compliance, while there is 100% compliance on the background and criminal check (CoESS, 2011:146–147).

2.4.2 Selection and Screening of Security Personnel

According to Fischer and Green (1992:113–114), the growing number of lawsuits against security companies for negligence has prompted the selection and training of security personnel to be a critical issue. Therefore, hiring and selecting security personnel should be carefully implemented as it is important that they are emotionally mature and stable to relate to people (clients, visitors and employees) under any condition, including stress.

Coster (1988:37) mentions that the following aspects should be taken into consideration when screening and selecting security personnel:

- Create a climate of honesty.
- Reduce the incidents of offenses by staff.
- Protect existing clients.
- Protect existing company information.
- Control recruiting costs.

According to Hess and Wroblewski (1988:358–359), Dempsey (2008:53) and Nemeth (2012:31–32), the following minimum pre-employment standards should be met:

- a minimum of 18 years for unarmed and 21 years for armed security personnel
- must be a citizen or national of the country concerned
- no criminal record
- submission of fingerprints (criminal record check)
- previous work experience
- high school diploma or equivalent
- certificate or licence and proof of registration as security personnel
- physical fitness (vision, hearing and no physical defects that would hinder job performance), mostly for armed personnel
• drug testing

The US Department of Labour’s Bureau of Labour Statistics reports that most individuals must be at least 18 years old, pass a criminal background check, complete minimum training and undergo drug testing (Dempsey, 2008:48). Hess and Wrobleski (1988:360) state that the high turnover rate of personnel in the security industry (both proprietary and contract) unfortunately causes unwillingness to invest much time or money in screening personnel.

2.5 REGULATION AND LICENSING

Some of the critical factors in the management of the private security industry are its regulation and licensing. Hess and Wrobleski (1988:46) point out that the necessity to regulate the private security industry is based on the following three reasons:

(1) The services rendered are very important and expensive, and there is a need to protect consumers by assuring that they receive the quality of services that they are paying for.

(2) Private security guards come into everyday contact with the public as authority figures and the control of such contact must be assured for safety reasons.

(3) Many private security personnel carry weapons that can kill or inflict great bodily harm, so there is a need to have some control over the use of such weapons.

2.5.1 Europe

Button (2007:112–114) states that most European countries introduced regulation of the private security industry in the 1970s and 1980s. Britain did not regulate its private security industry on neo-liberal grounds that the industry was no different from any other service industry, such as cleaning or catering, so no training or licence was required from security companies and their security officers. It was only in 2001, after 30 years of campaigning for regulation, that Britain decided to pass the Private Security Industry Act 2001. The licensing of security companies and their security officers in other parts of the world also did not go without challenges. For example, in Luxembourg there is no licensing of employees and no minimum training requirements for people working in the private security industry (Button, 2007:117).
At the other extreme, Spain’s regulatory system requires both security companies and security officers to possess a licence. There are also training standard requirements for security officers and security managers, with refresher training every three years. The Spanish security system seeks to integrate the private security sector into the public criminal justice system to complement the state security structure. In-house security is prohibited in Spain, thus making it necessary for organisations wishing to employ in-house security staff to constitute themselves as a security company that has to possess a licence (Button, 2007:117). Belgium also has a demanding regulatory system. For example, to establish a security company requires a licence from the ministry of the interior in consultation with the ministry of justice. There are stringent restrictions on the activities of the owners and managers of security companies, such as that they may not perform any other functions like private investigation or dealing with firearms. This means that they are only allowed to perform guarding functions (Button, 2007:117).

In the survey conducted by the Confederation of European Security Services to determine compliance in the private security industry with relevant security legislation in 27 EU countries (Austria, Belgium, Bulgaria, the Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the Netherlands, and the United Kingdom) belonging to the confederation, the following came to light (CoESS, 2011:145–146):

- Of the 52,300 registered private security companies in these EU countries, 94% had a licence to operate as it was a legal requirement in those countries. Only 6% did not comply with the legislative requirement. Regulation in these countries fell within the ambit of the ministry of the interior, ministry of justice or ministry of police.
- The total number of registered private security guards in these countries was about 2,170,589, indicating about 88% compliance of the total security officers operating in these countries.
- In 59% of these countries, private security offices had the same powers as ordinary citizens. In 41% of these countries, private security offices had additional powers such as to use force, search and seize, arrest and detain, and use weapons.
2.5.2 United States of America

According to Fischer et al. (2013:61), there is a lack of uniformity in the states where legislation exists. Terminology is not uniform and there is no consensus on the degree to which the state should regulate training, licensing and education in the private security industry. Regulation is usually focused only on character requirements for owners and staff. Some states have minimum standards of operation. Alaska is one of the states with very strict and tough training and other standards (Button, 2007:118).

According to Dempsey (2008:44–45), the need for private security in the US is encouraged by the unique approach to enforcing public law in that there is no single national police force like in other developed countries. Law enforcement is primarily the responsibility of the local government or state which has its own operating standards. The security industry is regulated under the Private Security Officer Employment Standards Act of 2002, which requires a review of security officers’ criminal histories.

Nemeth (2012:22–23) states that the Private Security Officer Employment Standards Act of 2000 identifies the following in terms of the private security:

- Fast growth in the employment of private security officers.
- Private security officers function as an aide to, and not a replacement of, public police in reducing and preventing crime.
- The industry provides protection to almost all businesses, individuals, non-profit organisations, state property, schools and others.
- Supplementary security services to public police in public areas.
- Threats of terrorism attacks require co-operation between private and public policing.
- Recognition of the growth of and need for private security as such growth makes available more public sector police to combat serious and violent crimes.
- The public need for the employment of qualified, well-trained security personnel as an aide to public police.
- Thorough screening of job applicants.
- Standards are important for selection, training and supervision of qualified personnel providing security services.
2.5.3 India, Australia and New Zealand

According to the FICCI (2013:5), the private security industry in India is fragmented and not well regulated and organised. The introduction of the Private Security Agencies Regulation Act 29 of 2005 is expected to provide direction, especially on matters related to wages. The industry also faces the challenge of price competition among small security companies, which are less compliant with global norms compared to bigger players. All security companies have to be licensed in terms of the Act, but companies are not allowed to procure arms licences. This forces security companies to rely on individual security officers possessing licences in their private capacity (FICCI, 2013:25).

The regulation of the private security industry in Australia is the responsibility of the government at national and provincial level. Licensing conditions are based upon character requirements, such as no criminal records for owners, managers and other security staff. This requirement is applicable in all the states of the country. Some states provide standards for high-quality service provision to clients by giving security staff quality training, skills and experience (Button, 2007:118).


Although the Private Security Personnel and Private Investigators Act 115 of 2010 was welcomed by the private security industry, it was not comprehensive in scope. Among other weaknesses are the exclusion of in-house security and the absence of mandatory pre-employment and minimal training requirements (Bradley, 2014:3).

2.6 ROLE AND FUNCTION

Unlike the police whose role and function are to protect all the citizens against crime, the role and function of the private security are to protect and support a specific client in addressing security threats by implementing the necessary security measures against the identified risk.
As indicate previously, FICCI (2013:8) states that the private security industry is dominated by three main components in executing their role and function. The guarding component (which is the focus of this study) remains the largest part of the industry at 62% of the market share world-wide, followed by the electronic or security systems component at 20% and the cash-in-transit solutions component at 10%. The remaining 8% of market share belongs to other components such as the locksmith and private investigations components.

### 2.6.1 Function of the Guarding Security Components

The guarding component is the largest part of the security industry and they largely work for contract security companies. Their job is to prevent crime and report those who have committed crime. Most guarding duties relate to access control by screening people who want to gain access to facilities and enforcing the client’s rules, rather than directly fighting crime (Fischer et al., 2008:95).

According to Fischer et al. (2008:49), the main function of a security service is to protect life and property against manmade or natural hazards. Manmade hazards are crimes against a person (such as rape or robbery) or crimes against property (such as theft or embezzlement) and politically motivated crimes (such as acts of terrorism, bomb threats, espionage, civil disturbance, arson and sabotage). Natural hazards are threats that can result in the organisation’s building collapsing, equipment failure, accidents and safety hazards. Natural hazards include tornados, earthquakes, hurricanes and fire. (It should be noted that even if fire is classified as a natural hazard, it is often a manmade hazard caused intentionally or unintentionally by a human being.)

Nemeth (2012:101), in agreement with Fischer et al. (2008:49), states that guarding services include the following functions:

- prevention and/or detection of any criminal activity, including intrusion, unauthorised entry, vandalism or trespass on clients’ property
- access and/or egress control and regulation to prevent unauthorised entry which may lead to criminal activity
enforcement of rules, regulations and policies related to crime reduction as per the client’s request or instruction

Hess and Wrobleski (1988:28) state that the primary function of security personnel is to prevent loss by gathering information, controlling access and maintaining order, and protecting persons and property against crime and disaster.

The security functions can be exercised by the three main components of the private security industry in isolation, as a combination of one or two components, or as a combination of all the components. The security services rendered by a security company are determined by the business’s need for protection and the security threats or risks it faces. A shopping mall may need the services of all the security components, such as guards, an alarm system and cash-in-transit services. Fischer et al. (2008:44) state that many business organisations realise that the level of their security depends on the level of training, education and the salary of security personnel. Whether proprietary (in-house) or contract security, the level of security expected by and provided to the client or user can be likened to the saying “you get what you pay for”.

2.6.2 Deciding on the Type of Security Services

The clients or businesses in need of private security services have the option to use either proprietary (in-house) or contract security guards to protect their assets. (The distinction between proprietary and contract security services was discussed in in Section 1.2.5 of this dissertation.) Using both proprietary and contract security services (a hybrid security system) in one company has become necessary for many companies globally. The decision to use a hybrid security system is also influenced and depends on the size and scope of the organisation in question (Fischer et al, 2013:22).

For hybrid security systems to be successful, all the parties to the contract concerned must be willing to communicate openly with each other. Fischer et al. (2013:31-32) state that a good hybrid security system has four components:

- **Engaged liaison.** It will be suicidal for an organisation that is using a hybrid system to think that a contract security company runs itself. A client representative should know
and understand the basics of loss prevention and security for the organisation. Such a person should be readily available to the security contract manager.

- **Support.** The security contract manager should be readily available and be supportive to both the client (representative) and contract security guards posted at that organisation. The contract manager should be able to provide adequate training to the security guards and be able to generate a profit for the security company without compromising good client service.

- **Periodic reviews.** The service contract or SLA should be reviewed to determine whether the contract and the client’s expectations are being fulfilled. The periodical audit of the contract security company should also be reviewed for compliance.

- **Accurate quality measurements.** The client should make known attainable realistic expectations with which the contract security company should comply. The contract security manager should not accept a requirement/contract that cannot be achieved.

### 2.6.3 Aspects the Client Should Consider when Choosing a Security Contract

According to Fischer *et al.* (2008:51), research shows that there is more rapid growth in contract security services than in proprietary security services. Many companies are shifting from using proprietary services to using contract services (see Table 1.1 on page 11 above for the reasons for this). A variety of issues must be considered when a business or client decides to hire the services of a contract security company. Seven out of 10 security directors of the US’ largest companies report that one of their top security concerns is finding and retaining a quality-driven contract security agency (Fischer *et al*, 2008:54).

According to Fischer *et al.* (2008:54), the following aspects should be considered in finding and retaining a quality-driven contract security agency:

- **The scope of the work.** The client should be specific about the hours of work, duties, co-operation and security policies such as the access control, client handling, emergency handling and employee handling procedures. The client should spell out their security goals (e.g. a 20% reduction of shrinkage) and determine how these goals should be determined.
• **Personnel selection procedures.** The clients should set standards for the security officers, such as their appearance, rules of conduct, age, physical condition, educational levels, reporting skills, language proficiency and criminal record checks. It is also advisable that clients interview not only security companies but also their contract security officers.

• **Training programmes.** The client should review the security service’s training procedures to ensure that they meet the client’s specific expectations. Training programmes include training on first aid, patrol techniques, public relations, firefighting and report writing skills.

• **Supervision.** It is important that the client understands the organisational structure of the security company with which they are dealing or choose to use. The supervisors of the security company should regularly visit or maintain regular contact with the security officers by ensuring that communication equipment such as radios and telephones are functional at all times. This is very important because it will ensure the safety of the security officer.

• **Wages.** It is important that the client knows what is the minimum wage for security officers. Most security officers are still paid salaries below the poverty line and an implication of this is that underpaid security officers might resort to crime against their employer and steal from the client. At a minimum, security officers should be paid what the semi-skilled employee of the client earns if that is greater than the determined salary for the security sector.

• **Benefits.** The client should be aware of the fringe benefits for the contract security officer because these are very important in retaining quality personnel. Basic benefits such as a bonus plan, sick leave, health insurance and overtime pay are important for security officers even though they may be easily available in other industries. Other benefits include life insurance, a pension fund, and paid education and training. All these perks should not be deducted from the already meagre wages of the security officers but should reflect in the cost to the buyer.
2.6.4 Analysis of What Clients Should Consider in Finding and Retaining a Quality-driven Contract Security Agency

The factors by Fischer et al. (2008:54) in the above section can be compared with some of the factors indicated in the problem statement of this study (Chapter 1 of this dissertation) as the main reasons for client dissatisfaction and contract termination. The following factors are pertinent:

- **Poor service delivery.** Contract security guards’ failure to follow the client’s instructions can be compared to the *scope of work* which Fischer et al. (2008) assert should be clearly spelt out by the client as it highlights the client’s expectations of the security company and help security officials to know how they should operate for the particular company. Another factor is that the client’s lack of knowledge on how the security company should operate may lead to poor service delivery. The security company should regularly visit the client’s premises, preferably with a marked vehicle, to ensure that everything is operating well and to enhance visibility as a deterrent to potential criminal activities. Regular visits by the security company at the client’s premises also ensure the wellbeing of their own members as unsupervised security personnel may be a danger to themselves and the client’s property.

- **Value for money.** As stated in Chapter 1, some clients feel that the cost of security is higher than what is actually provided. As Fischer et al. (2008) state, knowledge about the *wages, benefits and training of security personnel* will assist clients in making informed decisions on whether or not to use contract security companies as they will know what the service fee covers.

- **Lack of professionalism.** Lack of basic security skills and training, poor supervision/management, poor vetting of security guards and poor salaries are some of the factors mentioned in Chapter 1 of this dissertation. These can be related to the following factors mentioned by Fischer et al. (2008) *personnel selection procedures* (which indicate the importance of knowing not only the profile of the security company but also the character of the security personnel in terms of their criminal records and mental state) and *wages, benefits and training programmes for security guards* (which indicate how important it is that the client knows these aspects because they will also help the client to know what they are paying for).
• **Criminality.** Security guards may commit crimes such as theft at the client’s premises as a result of poor vetting of staff by security companies. Fischer et al (2008) mention factors such as **personnel selection procedures**, where the client is involved in the selection processes and do background checks on security staff. This ensures that the client has a say in and knowledge of which security personnel are responsible for the protection of their assets. **Wages and benefits of security guards** are important because poor wages and benefits can lead to poor staff retention and those who have no option of finding other employment may resort to stealing from the client whom they are supposed to protect and serve.

It should be noted that even though the mentioned factors may lead to security guards committing crime at the client’s premises, criminality can also be encouraged by greed even when these factors are met. The factors relate to the problem statement of this study and thus contribute to this research. It is also mentioned in the introduction to this chapter that some of the factors dealt with in this section may be the reasons for poor client retention in the private security industry.

### 2.7 LEGAL POWERS AND RESTRICTIONS

Like the police, private security officers wear a uniform and some carry weapons and have been placed in position of authority by their employer or client. This makes private security officers appear as if they have more legal power than private citizens, but they do not. As citizens, they have the power to arrest, to investigate, to carry weapons, to defend themselves, and to defend their property or property entrusted to their care. Private security personnel are not allowed to invade the privacy of others, electronically eavesdrop, trespass, or wear a uniform or badge that closely resembles that of a public police officer (Hess & Wrobleski, 1988:42).

Nemeth (2012:72) states that while many private security personnel perform some functions that are similar to those performed by the police, they generally do not have more authority than average citizens. Basically, the security officer acts on behalf of the person, business, corporation or other entity that hires him/her and that entity’s basic right to protect persons and property is transferred to the security officer.
Private (security) and public policing have distinct roles, functions and powers (as dealt with in Section 1.2.4 of Chapter 1). Unless deputised, commissioned or provided for by ordinance or statute in a particular country, private security personnel possess no greater legal powers than any private citizen (Nemeth, 2012:73). The following legal powers should be exercised with caution by private security personnel when performing their duties. Acting out of bounds could be detrimental to both the security personnel and their employer:

### 2.7.1 Search and Seizure

A search may be defined as an examination of a person and/or his/her property for the purpose of discovering evidence. Observation of items (retail environment) in plain view is not a search as long as the observer (security officer in the retail environment) is legally entitled to be in the place where the observation is made (Fischer et al., 2013:110). Citizens are permitted to search persons whom they have arrested or detained only for purpose of safety and to retrieve stolen property (Dempsey, 2008:96). Such searches are crucial for the safety of the suspect and the security personnel as they can inflict injury and harm themselves and the security officer.

According to Hess and Wrobleski (1988:190), even without an arrest, common law allows that a search be conducted to reclaim stolen property. Any search must be conducted reasonably and with the least possible use of force, intimidation or embarrassment in private and by a person of the same sex as the person being searched. As searches by private persons can be contested in court, the best way to avoid civil liabilities is to do the following (Fischer et al., 2013:111):

- Where consent to search is granted, the searcher must be able to prove or show that consent was given voluntarily.
- The search cannot extend beyond the area for which consent was given (a written agreement to search the suspect should be obtained).
- Consent to search must be given by the person in possession of the item (possession, not ownership, is the criterion for determining whether a search was valid).
- A search made as a part of an arrest carries more weight and is supported by case law.
2.7.2 Arrest and Detention

A citizen’s power to arrest is granted by common law and in many jurisdictions by statutory law. Therefore, arresting a person is a legal step that should not be taken lightly. Private security officers have the same common law rights as any private citizen to arrest any person who has or is believed to have committed a crime under reasonable grounds that the crime was committed (Dempsey, 2008:93; Fischer et al., 2013:107). According to Fischer et al. (2013:107), “reasonable grounds to arrest” means that the arrestor acted as any average citizen who, having observed the same facts, would have acted after drawing the same conclusion.

Detention differs from arrest in that a citizen or private security personnel can detain a suspect briefly while waiting to hand him/her over to the police. It is during this period that the arrestor confirms the offence committed by the suspected offender. Fischer et al. (2013:108) state that the person who is placed under arrest should be handed to the police as soon as possible. According to Dempsey (2008:93), detention does not need to be physical restraint; it may arise from words, conduct, gestures or threats as long as the detainee believes that he/she is not free to leave the premises. There must be a probable cause and significant fact as seen by a reasonable person that a crime has been committed.

2.7.3 Interrogation

According to Hess and Wrobleski (1988:191), security personnel are frequently responsible for questioning (interview or interrogation) witnesses or persons suspected of crime in their jurisdiction. There is a distinction between an interview and an interrogation, and what may begin as an interview may end up as an interrogation. An interview is a controlled conversation with witnesses to or victims of a crime; an interrogation is a controlled conversation with persons suspected of direct or indirect involvement in a crime (Hess & Wrobleski, 1988:191).

There is no law which prohibits people from engaging in any conversation where questions are asked to obtain information. It becomes a problem if such a conversation becomes an interrogation and information is obtained through threats. The standard is that no information shall be admissible in court if such information was obtained involuntarily or under duress. This rule applies equally to police officers and security personnel (Fischer et al, 2013:109).
2.7.4 Use of Force

The nature and scope of the work performed by security personnel at times involve the use of force. In general, force may be used to protect oneself or others, to defend property and to prevent crime from happening (Fischer et al, 2013:113). The extent of the force to be used is restricted, as force can only be used when and to the extent that is reasonably necessary. What is reasonable force depending on the nature of the interest being protected, the kind of act being resisted and the specific facts of a given situation (Hess & Wroblewski, 1988:189).

According to Dempsey (2008:98), statutory laws generally specify the type of physical force citizens can use to detain or arrest a person. The police are generally allowed more discretion in the use of force than private security. Deadly force is not allowed unless the force used by the assailant is also deadly or likely to cause grievous bodily harm. Security officers and their employers will be held liable should force used be deemed unreasonable; such excessive force can range from assault and battery to homicide (Fischer et al, 2013:113).

According to Fischer et al. (2013:113), there are four types of force that can be used in different degrees to defend or protect:

- **Self-defence.** A person can use self-defence only to protect himself/herself and not others. For self-defence to be acceptable, the person must not be the aggressor.

- **Defence of others.** Security officers are allowed to defend others just as they protect themselves. They must ensure that they protect the right person by identifying with the attacked person. If the person who is defended happens to be the aggressor, the defender (security officer) will be held liable regardless of his/her good intention.

- **Defence of property.** Security officers are allowed to use force in defending property from being vandalised.

(4) **Force used during arrest or detention.** Security officers, like the police, has the right to use reasonable force in arresting or detaining a person.

It should be noted that the amount of force used in any action mentioned above should be equal to, but not greater, than the force used against them or the person or property being defended.
The use of deadly force can be applied in all situations only if the aggressor uses the same deadly force.

2.7.5 Negligence

In executing their duties and exercising the powers indicated above, security personnel should avoid any negligence. Negligent action is when someone fails to exercise sufficient care in doing what is otherwise permissible. Fischer et al. (2008:131) state that in order to sue for negligence, the plaintiff should prove the following with evidence:

- an act or failure to act by the defendant
- a legal duty owed to the plaintiff by the defendant
- a breach of duty by the defendant
- a foreseeable injury to the plaintiff
- actual harm or injury to the plaintiff

For example, a security company could be liable if they hire a security guard without screening him/her and the person commits a serious crime to the people or company to which he/she is allocated. Fischer et al. (2013:117) state that unscreened security personnel may be a danger to the client and their employer.

2.8 CONCLUSION

The private security industry, as an emerging sector seeking to maintain its stature in a formidable professional industry, faces many challenges. Challenges such as determining the scope and size of the industry are proving hard to trace and control. The rate at which the industry is growing (as illustrated in the different selected countries mentioned in this study) indicates that many businesses and private people are in great need of private security, whether proprietary or contractual. There are several reasons for this, including the changing range of the risks involved such as terrorism and suicide bombing. The guarding component of the industry is growing faster than others such as cash protection services and security systems.
The growth and professionalisation of the industry require regulation, many security bodies, federations and associations, and a code of ethics and principles under which all its members can operate. ASIS International and the CoESS promote the following principles among its members: respect of the law and regulations; professional conduct towards the client and the public in general; safeguarding confidential information; and good client care.

While executing their duties and exercising their legal powers, security personnel are cautioned to be aware of their limitations because in most countries security personnel do not have more powers than private citizens. It is important that security personnel acknowledge the dire consequences of acting negligently and the financial and reputational risks to the security company.
CHAPTER 3
SOUTH AFRICAN PERSPECTIVE ON PRIVATE SECURITY

3.1 INTRODUCTION

The purpose of this chapter is not to repeat/duplicate what has been discussed in the previous chapters of this study, but rather to narrow down the information as close as possible to the problem statement. Some aspects dealt with in the previous chapter are generally no different to the South African perspective on private security, hence duplication and repetition of such information is avoided. However, the reader will be referred to relevant sections if cross-referencing is required or deemed necessary.

Chapter 2 dealt with the international perspective on private security in selected countries such as the US and some EU countries. The challenges which these countries encountered in striving to develop and professionalise the private security industry were discussed and South Africa is not immune to some, if not all, of these challenges.

The South African perspective needs to be highlighted in order to have a better understanding of the study. Analysis of these challenges is divided into advantages and disadvantages as perceived by the security companies, security officers and clients.

3.2 SCOPE AND SIZE OF THE INDUSTRY

The scope and size of the private security industry in South Africa have attracted the interest of academics and policy-makers globally for a variety of reasons (Berg & Nouveau, 2011:23). The increasing demand for safety and security has led to market competition, with smaller companies entering the industry and a significant increase in the number of registered security officers. The industry’s growth brings with it some challenges, with an unknown number of unregistered and unregulated security service providers (PSIRA, 2014d:3). The following environmental factors contributed to the growth and expansion of the private security industry in South Africa.
3.2.1 Economic Role

The private security industry continues to play a significant role in the South African economy and is one of the biggest suppliers of entry-level jobs in the labour market to date (PSIRA, 2014d: 3). According to Statistics South Africa (2015), the official unemployment rate increased from 22% in 1994 to 25.5% in 2015. The number of unemployed people increased across all races. The unemployment rate among the youth is higher than among adults at 36% from 2008 to 2014 (Statistics South Africa, 2015: Quarter 2).

According to PSIRA 2013 Annual Report (2013:35–36), there were about 9031 registered active security companies nationally, of which 6407 were registered active guarding companies and 3319 were based in Gauteng and contributed R18 billion to the annual turnover figure of R50 billion in 2011. However, in the 2013/2014 financial year, there was a decline of registered security businesses from 9031 in 2012/2013 to 8144 – a decrease of 9.82%. This decline was attributed to deregistration due to non-compliance (PSIRA, 2014a:36).

The following graph shows the growth in the number of the registered private security companies from the financial year 2010/2011 to the financial year 2013/2014.

![Registered private security companies](image)

**Figure 3.1: Registered private security companies**

(Source: PSIRA, 2014a)
The guarding component is the largest of all the components of the security industry. According to PSIRA’s 2013/2014 Annual Report (2014a:41), the number of registered active guarding businesses increased from 6370 in 2012/2013 to 7220 in 2013/2014. The number of registered active security officers in the financial year 2012/2013 was 445 407 compared to 487 058 in 2013/2014. This means that there was an increase of 9.35% (PSIRA, 2014a:41). This industry is believed to be the largest in the world and in South Africa, it contributes about 2% to the GDP (Berg & Nouveau, 2011:23).

There were about 1 953 605 registered security personnel in the financial year 2012/2013, compared to 1 868 398 in the financial year 2013/2014 – which shows a decrease of 4.46% (PSIRA, 2014a:42). See Table 3.1 for the registration activity and statistics for the financial years 2012/2013 and 2013/2014.

Table 3.1 Registration statistics

<table>
<thead>
<tr>
<th>REGISTRATION ACTIVITY</th>
<th>2012/2013</th>
<th>2013/2014</th>
<th>INCREASE/DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered active security business</td>
<td>9 031</td>
<td>8 144</td>
<td>9.82% decrease</td>
</tr>
<tr>
<td>Registered active guarding business</td>
<td>6 370</td>
<td>7 220</td>
<td>13.34% increase</td>
</tr>
<tr>
<td>Registered active cash-in-transit business</td>
<td>2 061</td>
<td>4 465</td>
<td>116.64% increase</td>
</tr>
<tr>
<td>Registered active armed response business</td>
<td>2 740</td>
<td>4 550</td>
<td>66.06% increase</td>
</tr>
<tr>
<td>Registered active (employed) security personnel</td>
<td>445 407</td>
<td>487 058</td>
<td>9.35% increase</td>
</tr>
<tr>
<td>All registered (active and inactive) security personnel</td>
<td>1 953 605</td>
<td>1 868 398</td>
<td>4.46% decrease</td>
</tr>
</tbody>
</table>

(Source: PSIRA, 2014a)

See the graph below for the growth in the number of active registered private security personnel from the financial year 2010/2011 to the financial year 2013/2014.
Figure 3.2: Active registered security personnel
(Source: PSIRA, 2014a)

The biggest growth in terms of numbers, particularly over the last 10 years, was in the guarding sector. This sector also saw the largest increase in the number of vehicles as it had 70 000 response vehicles in use (Minnaar, 2007:129). According to PSIRA’s 2013/2014 Annual Report (2014a), the industry is one of the fastest growing industries. In February 2010, the private security industry in South Africa had on record 1.4 million security officers and posted an annual turnover of over R40 billion. The industry has grown rapidly in the past few decades, both in terms of the number of guards and the number of companies. According to the Employment Conditions Commission, South Africa's private security industry is one of the largest in the world and it provides a large number of semi-skilled jobs in the country. It can be classified as an industry that accommodates the most underprivileged citizens of the country. Many of its employees come from informal settlements and poor families (Employment Conditions Commission, 2012:32–34).

According to Minnaar (2004), there seems to be a low standard of training within the industry and low requirements for the recruitment of security officers. These low standards of training and low recruitment requirements are embraced by private security companies as an opportunity or advantage for employing disadvantaged groups without a secondary school education. Even though crime was not seen as the main contributing factor of business profits
by executives of large security companies, other industries suffered financial constraints as a result of crime and the security costs associated with it (Irish, 1999:2).

3.2.2 Crime

The growth of the private security industry in South Africa, as is the case in many other countries, is largely driven by individual and/or organisational needs for safety and security (Bodnar, 2012:1). South Africans increasingly use the services of private security providers to protect themselves and their valuable assets (PSIRA, 2014d:3). In 2012, there were 411 109 active security personnel and 199 345 members of the South African Police Service (SAPS) (Sector Education and Training Authority, 2012:48).

According to Berg and Gabi (2011:2), the private security industry increasingly engages in duties primarily thought of as the exclusive mandate of the state, thus blurring the line between private and public policing as well as the policing of private and public spaces. According to the Employment Conditions Commission (2012:13–14), high crime levels and the perceived failure of SAPS to provide safety and security to the public have over the years contributed to the expansion of the private security industry as more and more people felt the need to enhance their safety and security by enlisting the services of private security companies.

According to the Employment Conditions Commission’s Private Security Sector Report (2012:13), in 2009/2010 SAPS spent roughly R161,5 million on private security (i.e. providing guard services at its buildings). This indicates how supply and demand dynamics are fuelling the growth of the private security industry. Crime remains a high priority and many people and businesses turn to private security companies for protection (Taljaard, 2008:77). Taljaard (2008:80–81) indicates the following benefits of private security:

- an additional resource in the fight against crime
- more efficient than the police
- access to superior equipment
- a source of foreign direct investment
- contributes to the reduction of unemployment
3.2.3 Political Role

According to Bodnar (2012:1), during the late 1970s and early 1980s, the majority of South Africa’s citizens filled the security void in the country created by political turmoil with private security. The government had decided to withdraw the police from doing traditional policing duties to focus more on the policing of political activities at the time. In building the new South Africa, the government amalgamated the former homeland forces with the South African Defence Force. Some soldiers who were unhappy with these changes took voluntary retrenchment packages to form private security companies (Taljaard, 2008:76).

3.3 REGULATION AND PROFESSIONALISM

Over the past 30 years, the private security industry grew exponentially worldwide. This growth was also encouraged by calls for regulation in various countries (Minnaar, 2007:128). According to Minnaar (2007:127), the private security industry in South Africa is reasonably well regulated (by means of the Private Security Industry Regulation Act) compared to other developing countries.

The Labour Research Service (2014:6) alludes to the fact that the Act provides for the establishment of the PSIRA, which is responsible for regulating the private security industry and exercising effective control over the practice of occupation by security service providers. According to Berg and Gabi (2011:4), the South African private security industry underwent three phases of regulation. These phases differed because of the role players’ ideology and purpose at the time. Below is a brief summary of the phases.

- **Phase 1.** The system of regulation created during this time was aimed at achieving professionalisation through “state enforced self-regulation”. The private security industry was self-regulatory through security associations until the late 1980s. The first legislation aimed at regulating the industry and rooting out fly-by-night companies was promulgated in April 1989. It was called the Security Officers Act 92 of 1987 and was enacted primarily to create the Security Officers’ Board (Berg & Gabi, 2011:7).
Phase 2. The Private Security Industry Regulation Act is intended to continue the purpose and ideology of professionalism with more focus on protecting and promoting labour rights. However, loopholes such as the exclusion of in-house security and the presence of police officials or management as the private security industry’s representatives rendered the board subject to vested interests (Berg & Nouveau, 2011:25). Section 3 of the Act emphasises that the industry should be legitimised and professionalised in order for it to contribute to the good of society, particularly with regard to safety and security in the country. Section 4 alludes to protecting the rights of those who are exploitable, such as security guards. The Act mandates PSIRA to protect and assist security officers and other employees against or in regard to acts, practices and consequences of exploitation or abuse.

Phase 3. According to Berg and Nouveau (2011:25), the private security industry is ready to enter the third phase of regulation. There are three challenges for the current regulation (PSIRA): (1) the increasing pluralisation of policing; (2) the operations of hidden sectors of the industry; and (3) actual (and potential) criminal abuses arising from the industry. This phase is encouraged by the move from Phase 2 to review the current regulatory system, where recognition of accountability by all the role players will be emphasised.

The only thing that is lacking is to ensure that private security companies and their employees are held accountable to the Constitution and human rights principles. Not all sectors of the industry need to be subjected to the same systems of accountability, as some sectors are involved in activities that pose no immediate threat to human rights or public safety (Berg & Nouveau, 2011:29).

According to Labour Research Service (2014:8), there are other pieces of legislation which regulate the private security industry and operationalise the provisions of the Private Security Industry Regulatory Act, such as the following:

- Private Security Industry Regulations 2002 (made under Section 35 of the Act)
- Code of Conduct for Security Service Providers 2003 (also made under the Act)
- Private Security Industry Levies Act 23 of 2002
- Security Officers’ Board Training Regulations 1992, read together with qualifications registered with SASSETA and the National Qualifications Framework
• Firearms Control Act 60 of 2000 and Regulations 2004
• labour legislation, such as the Occupational Health and Safety Act 85 of 1993, the Labour Relations Act 66 of 1995, the Basic Conditions of Employment Act 75 of 1997, Skills Development Act 97 of 1998, and the Protected Disclosures Act 26 of 2000 and other related legislation

3.3.1 Professionalism

As mentioned in the previous chapter, there are three key elements that qualify an occupation as a profession: specialised knowledge, autonomy, and a service ideal guided by a code of ethics and credentials.

The Security Association of South Africa (SASA) was established to develop standards of ethical professionalism. Together with other older associations such as the Institution of Fire Engineers and the South African Institute of Security, SASA was instrumental in developing the initial legal framework of the industry – the Security Officers’ Board – in the 1980s (Berg & Gabi, 2011:37).

PSIRA’s primary objectives are to regulate and exercise effective control over the practices of security service providers in the interests of the public, the country and the private security industry itself (PSIRA, 2014a:3).

3.3.2 Legislative Mandate of PSIRA

According to Chapter 2 of the Private Security Industry Regulatory Act, PSIRA’s main objective is to promote a legitimate industry that acts according to the principles contained in the Constitution. Encouraging role players to act in a transparent and accountable manner which does not discriminate against any person will ensure and promote professionalism within the industry.
3.3.3 Law Enforcement and Compliance in the Private Security Industry

One of the authority’s objectives is to ensure that private security companies comply with the legislation through a process of active monitoring and investigation. In the period from 1 April 2013 to 31 March 2014, a total of 27,073 compliance inspections and investigations were conducted, of which 4,282 were business premises and 23,804 were security officers from all the nine provinces (PSIRA, 2014a:16).

Kole (2015:32) argues that due to the large number of security service providers (security employers and employees), PSIRA does not have enough capacity to inspect and monitor all the security service providers. The criteria used to inspect security service providers are also unclear.

In 2011, there were 37 national inspectors and nine administrative staff members who were responsible for four regional branches in the Western Cape, KwaZulu-Natal, the Eastern Cape and Gauteng. The few inspections conducted could be attributed to this small number of the staff who had to conduct the inspections (Labour Research Service, 2014:8). According to PSIRA (2014a:16), each compliance inspector has to conduct a minimum of 10 business inspections and about 60 security officer inspections per month. This means if the target can be reached by each of the 37 national compliance inspectors (minus their one month annual/vacation leave), it will bring the number of business inspections to 4070 and the number of security officers to 24,420 per annum.

Enforcement was directed at security companies which were non-compliant, especially in matters such as annual fee payments and the usage of firearms. In the financial year 2013/2014, 4,282 security companies and 22,790 security officers were inspected. This means the total number of inspections and investigations conducted were around 27,073 (PSIRA, 2014a:17). Below is a list of criteria used to inspect and investigate 3,585 security companies and 20,244 security officers from 1 April 2012 to 31 March 2013, together with the findings (PSIRA, 2013:16).

- **Training.** The findings indicate that there were still security companies which did not train their security staff and also continued to employ and deploy untrained security
personnel to unsuspecting clients who unknowingly paid for such services in their monthly security fees.

- **Annual fees.** Some security companies failed to pay their annual fees and to report their annual intake as required by law. Security personnel were also found to have failed in complying with the regulation to pay their annual fees. This is important for the clients as it will assist them in understanding why security companies sometimes charge exorbitant fees for their services.

- **Firearms.** There were a high number of illegal usages of firearms in the security industry. Security businesses continued to use firearms without complying with the laws and continued to employ and deploy security officers who were insufficiently trained in the use of firearms. This disregard for the law by security companies and their employees placed the lives of their clients and the public in danger.

- **Business operation.** It was found that few businesses still paid their security staff a minimum wage and they did not comply with the Pension Funds Act 24 of 1956. A high number of security officers were not linked to the business. This posed a danger to the client because they might be looked after by people whose credentials and personal particulars were not recorded by the company.

- **Uniform.** Nearly half of the security officers who were inspected were found to have no PSIRA identity cards as required by law and some of them wore uniforms which did not meet the requirements. Most security companies charged their security staff for their uniforms, so most security officers preferred to remain with the same old uniform until it was replaced rather than buying a new one. This was unfair towards the client because the fees they paid included uniforms, training, a provident fund and so on.

- **Criminality.** Where there is non-compliance with the regulations, PSIRA inspectors may impose penalties such as fines or interdict. If the case involves criminal activities, it is referred to the police to handle. About 740 criminal cases (such as the contravention of the Firearms Control Act, the deployment of illegal immigrants and the employment of people with criminal records) were opened by inspectors against security companies and security officers. Most of these cases were in Gauteng.
3.4 EDUCATION AND TRAINING

There is a concern that security officers receive less training than the police, especially in many of the smaller companies with fewer resources (Bodnar, 2012:3). The private security industry, especially the guarding component, is characterised by low skills demand and as such the educational qualifications of most security personnel tend to be low – often not higher than matric (Labour Research Service, 2014:4). According to Section 23 of the Private Security Industry Regulation Act, there is no minimum level of education for security officers or practitioners to qualify and work as a security guard. The only requirement in terms of Section 21(1) of the Act is that a security service provider should be a citizen of or should have permanent resident status in South Africa, be of sound mind and be older than 18 years. In dealing with crime as part of the operations or services rendered, applicants should not have any criminal record. The service provider should possess the infrastructure and capacity necessary to render the security service. This enables the regulating body to identify and reduce the number of fly-by-night security service providers, thus protecting the clients of the security providers from any criminal acts by the security officers who should safeguard them and their property.

PSIRA may refuse the registration of any person who, at the time of the submission of the application, is under state investigation in respect of an offence or who has a criminal record. According to PSIRA (2014a), there were about 406 accredited training providers – which indicates a reduction of 464 training providers from 2012/2013. The reasons for the reduction are attributed to among others the fact that PSIRA clamped down on non-compliance by security training providers. An MoU between PSIRA and SASSETA aimed at improving the quality of training of security officials (discussed below) added to the reduction.

3.4.1 Memorandum of Understanding between PSIRA and SASSETA

According to SASSETA (2014:1), the purpose of the MoU between SASSETA and PSIRA is to strengthen collaboration and co-operation in order to enhance training in the private security industry based on qualifications registered by the South African Qualifications Authority (SAQA). PSIRA’s co-operation was to replace the training courses made in terms of the Training of Security Officers Regulations 1992 (Grades E to A) with qualifications and unit
standards developed and registered by SAQA. It was further agreed that reforming the minimum statutory training standards is not to be implemented hastily (SASSETA, 2014:2).

The co-operation demands that all the security training providers must be on SASSETA’s schools list with a registration authorisation number, and all the courses require the learner to write an examination after a series of oral and written assignments (Labour Research Service, 2014:16). Below is a breakdown of the levels of training required in the guarding component of the private security industry.

3.4.2 Guarding Sector: Levels of Training Required

Registered security officers are graded from Grade E (the lowest or entry grade) to Grade A (the highest grade) according to experience, qualifications and training. According to SASSETA (2014:2), these security grades will in future be known as Security Skills Programmes 1 to 5. The training duration per security skills programme will still be about five training days per grade and the total credits for Skills Programmes 1 to 5 will be 200 credits over a period of five weeks. The five grades, which should be completed in chronological order, are as follows (SASSETA, 2014:3):

- **Grade E (patrol security officer).** This is the lowest grade, with 39 credits that takes five days of training. People who complete this qualification are expected to conduct a security patrol in an area of responsibility; to apply legal aspects, to handle complaints and problems in a security environment, and so on.
- **Grade D (access control officer).** This grade has 35 credits and it should be done after completion of Grade E. It equips the security officer with the skills to manage access control duties and to handle and defuse security-related conflict.
- **Grade C (asset and reaction officer).** Grade C has 39 credits and is the most preferred grade by the employers because a security officer who has completed this grade is averagely equipped to work in various environments. Security officers who are in possession of this grade are knowledgeable in writing security reports and taking statements. They are also equipped to coach or supervise a team member to enhance their work environment.
• **Grade B (first line supervisor).** This grade has 42 credits and is for first line supervisors who are expected, among other duties, to supervise a work unit (e.g. site security supervisor in a shopping mall) and to conduct a security risk analysis in a defined place of work.

• **Grade A (security supervisor).** This is the highest grade for security personnel and it has 45 credits. The security officer who completes this grade is knowledgeable in instituting disciplinary actions and the management of crime prevention activities, among others.

Most security companies avoid paying their employees the correct amount by employing security officers who are trained in the lower grades and using them for higher grades’ work, for example employing Grade E security personnel in a Grade D or C post without further training. In some instances, these officers are even equipped with firearms without being trained (Irish, 1999:16). This is made possible by the lack of effective monitoring mechanisms. Kole (2015:15) states that most security officers train for the first three grades (Grades E to C) as these grades enable them to access employment in the security industry.

### 3.5 LEGAL POWERS

In general, security officers have the same powers as other citizens. These powers are drawn mostly from the law of contracts, the law of property and labour law (Berg, 2007:7). In support of Berg’s assertion, Nemeth (2012:72) mentions that security personnel generally act on behalf of the person, business or client that they are hired to protect, so basic rights or legal powers to protect are transferred to them. In the context of this study, shopping malls (as the clients of the security service provider) transfer all these rights to the security personnel.

Shopping malls face security threats such as shoplifting; employee or internal theft; armed robberies and business burglaries; therefore, security personnel working in such environments are from time to time required to conduct searches and seizure of articles in the possession of a suspect who committed a crime. Any article found in possession of the suspect should be delivered to a police official for preservation and use as evidence in a court of law.
Security officers contracted to safeguard shopping malls may, without a warrant, arrest and detain a person caught committing a crime. The security officer executing an arrest should immediately inform the arrested person of the reason or cause for the arrest.

Security officers may be required to use force when carrying out an arrest. If a suspected shoplifter refuses to be searched and/or resist arrest, minimum force may be applied to contain such a person. Deadly force may only be used when the life of the security officer, their client or any other person (client) is under deadly threat (Fischer et al. 2013:113).

A security officer, as a private person acting on behalf of a client, may exercise the above powers as mentioned in the Criminal Procedure Act 51 of 1977. These powers should be exercised with caution or consideration to human dignity. It is very important that security officers are well trained and knowledgeable about their powers and limitations in exercising such powers. In executing their duties and powers, security personnel should avoid any negligence (Fischer et al, 2008:131). Negligence is failure to exercise sufficient care in doing what is otherwise permissible.

### 3.6 ROLE AND FUNCTION

The role and function of the private security industry were discussed in the previous chapter. The sub-sections on the functions of different security components, security systems and aspects that should be considered by the client when choosing the services or security contract are the basis of functional security in the country. The working definition of the private security industry in the South African context is that they are private business entities legally registered and certified to provide security services for remuneration, reward, fee or benefit (Gumedze, 2015:16).

According to Bodnar (2012:3), the role and function of the private security industry do not replace the role and function of SAPS. At most, its role is to complement that of the police or to assist the police in specific circumstances when they are properly trained. According to Gumedze (2015:12), private security companies provide security services to those who can afford to pay for such services (clients) and they play a crime prevention role in society.
3.6.1 Code of Conduct for Security Service Providers

According to Section 28 of the Private Security Industry Regulation Act, private security service providers are bound by a code of conduct in defining their role and function. The main purpose of the code of conduct is to provide binding rules that all security service providers and security officers must obey in order to promote and maintain the following:

- trustworthiness and professionalism among the industry role players, including the clients
- compliance by service providers with a set of minimum standards
- compliance by service providers and their obligations towards the state
- ensure the payment of the applicable minimum wages in order to avoid exploitation or abuse of security personnel

3.6.2 Security Service Providers’ Obligations to Clients

As indicated above, the growth and expansion of the private security industry were encouraged by among other things the fight against crime and fear of crime. As a result, the number of private security companies grew in order to render protection to various types of clients and business entities. Most clients will do anything and pay exorbitant fees to receive protection/security from private security companies due to fear of crime (Irish, 1999:2).

Unethical business conduct by security service providers, such as exploiting the client’s circumstances by misrepresentation or duress, is one of the reasons for the code of conducts which binds security service providers to act professionally. This is good for the clients because they can, through PSIRA’s database, access registered security service providers that adhere to the regulations and good business practices. The relationship between the client and the security service provider does not only start and ends when the SLA is signed. The relationship will lapse or end when both parties agree to contract termination. Often clients of security service providers have a limited knowledge of the private security industry (PSIRA), which in turn limits their knowledge of their rights as consumers (Private Security Industry Regulation Act).
The above obligations can be compared to the issues Fischer et al. (2008:54) highlight as important for clients to consider when deciding on hiring the services of a security provider (discussed in Section 2.6.4 of Chapter 2 of this dissertation). In South Africa, the clients are protected against exploitation by security service providers by means of the code of conduct. While the industry provides clients with a sense of security, there are risks in relying too much on it for public safety (Bodnar, 2012:4).

3.7 CHALLENGES OF THE PRIVATE SECURITY INDUSTRY

From the information in the previous chapters, it is clear that the private security industry in South Africa has its own challenges.

The main challenges for the industry are as follows (Press Portal, 2012:1):

- **Unrealistic demands of unions.** These union demands are encouraged by low wages paid to security guards and cause service fee increases for the clients. Clients may refuse to pay such fee hikes and opt for technology to replace human security, which may result in job losses for security guards.

- **Increase in PSIRA’s annual fees.** Security companies are expected to pay an annual regulatory fee (which was increased by 40%) that has to be paid up front. According to PSIRA, the fee enables the regulatory body to employ more inspectors to assist with service delivery and monitor compliance by security companies through business visits and/or inspections.

- **Regulatory challenges.** There is a concern that many companies which provide security services are not registered or do not comply with PSIRA’s regulations. Another concern is the employment of non-South African security officers whom fly-by-night security companies exploit and pay very low wages to provide below par services. The low barrier to entry is another challenge which the regulatory body faces.

- **Slow rate at which firearm licences are issued.** Most security companies depend on using firearms to render services to their clients, so the slow rate at which SAPS approves and issues firearm licences is a challenge. The reason why there is such a slow rate and delay is because most applicants are not registered with PSIRA.
Minnaar (2004) mentions the absence of a system of ongoing vetting and registration of private security employees and companies which could enable PSIRA to do away with the current system where an employee is registered “for life”. The low standards of training within the industry as a whole and the low requirements for the recruitment of security officers are also challenges. At one stage, there was a problem with the number of illegal training centres operating around the country. Although PSIRA conducts regular inspections of private security companies and training centres, it is not clear to what extent illegal training centres still operate.

3.8 CONCLUSION

Based on the challenges for the private security industry that have been discussed in this chapter, the following analysis and deductions can be made.

The growth of the security industry was motivated mainly by economic, crime and political factors. The private security industry in South Africa is well regulated compared to other developing countries, although much still has to be done to make sure that all the role players (especially the security companies and security officers) are registered with the regulatory body. The MoU between PSIRA and SASSETA to improve the level of education and training for security officers and managers of security companies will definitely assist in improving the level of services rendered to clients.

Although the growth of the security industry came with challenges, it also created good business opportunities for security service providers in various sectors of the industry. Competition among security service providers is evident in the increasing number of security companies registered with PSIRA. The private security industry is an employer of choice for many people as it is relatively easy to get employed if one has had security training (Grades E to C) and do not have a criminal record.

The main challenge for the security industry is ‘insufficient monitoring of the service providers’ compliance and the elimination of fly-by-night companies. This is due to PSIRA having less than 50 national inspectors to inspect and investigate all the security service providers in the nine provinces of South Africa. High security costs may lead to clients defecting to companies with lower fees which are usually fly-by-night companies. It is important to note that the poor
screening of new job applicants by security service providers may lead to criminals working in the industry, which may pose a danger to the client and the public in general.
CHAPTER 4
MARKETING IN THE PRIVATE SECURITY INDUSTRY

4.1  INTRODUCTION

The private security industry is tasked with protecting lives and property against an evolving array of personal and property threats. Rendering such services comes with many market-related challenges for private security providers. The private security industry renders services to various types of clients like government departments, hospitals and universities. These clients have unique and different needs and expectations (Erickson, 2010:3). This chapter includes concepts and theories on client relationship marketing and related concepts like the client, client service, client needs, client satisfaction and client retention.

According to Kihui (2013:3) private security companies are private corporations whose major business objective is to make a profit. Business opportunities depend on clients’ feelings of insecurity and do not necessarily contribute to peace building and the general welfare of a community or nation. Therefore, it should come as no surprise that the process of acquiring products and services to support this endeavour has unique characteristics. All industries, whether manufacturing or services, are concerned with improving their operations due to increased regulations, competition and globalisation (Kihui, 2013:1).

According to Officer Reports (2013), now more than ever, it is imperative that security companies reduce client attrition. Few security companies go the extra mile in understanding their clients, according to the study by Officer Reports, 68% of clients believed that security companies did not care about them; 14% was dissatisfied with the service provided; 9% left to go to a competitor; 5% got friends to provide the service; 3% moved away and 1% disappeared. In order to understand their clients and reduce client attrition, the security work force should consist of individuals who are capable not only of protecting the client’s assets but also of being sales representatives who come to work with the understanding that they represent the company through their actions and appearance. In other words, security personnel’s public relations and client service must be on par with – if not surpass – asset protection, especially in the shopping mall environment (Walker, 2006:1).
This chapter is aimed at providing some theory on the marketing strategies used in the private security industry in order to get closer to answering the primary research questions: *What are the challenges private security companies face in guarding shopping malls in Gauteng and retaining clients? What factors lead to poor client retention?*

### 4.2 WHAT CLIENTS EXPECT FROM THE PRIVATE SECURITY INDUSTRY

Client services are but one of many of the programmes intended to improve the relationship between the client and the service provider. A key requirement of a relationship marketing strategy is that the company – be it a wholesaler, retailer, service company or supplier – knows the long-term needs and desires of their clients. Service goes beyond making a single transaction of goods or services; it is but one element of the total ongoing service offering. For manufacturers, the physical article is a core element of the service offering; for security companies/service providers, it is service (Gronroos, 2000:28–29).

Private security companies in general market their services to businesses and people who are vulnerable to crime or exploited by criminals as well as former victims of crime who want to avoid further victimisation. Security companies also appeal to clients who recognise the importance of hiring a security company to protect them from physical or financial harm (Wagner, 2016).

The private security industry in South Africa is known for providing security services and playing a crime prevention role in society (Gumedze, 2015:15). According to Irish (1999:2), clients who fear crime do not mind to pay exorbitant fees to receive protection from security companies. According to Lancaster and Withey (2006:10), the starting point for business to define itself in creating a marketing oriented culture depends on how they think or define their clients. A question like “what business are they in?” will help marketing managers or departments in defining their clients.

Clients are the essence of any business and their needs should be considered at all times. This implies that there should be constant interaction and communication with clients to assess their needs and the extent to which security companies are meeting those needs. According to Krajnc (2007:16), this interaction is not happening because most security companies assume that they are aware of what the needs of their clients are.
Strom, Berzofsky, Shook-Sa, Barrick, Daye, Horstmann, & Kinsey (2010:3-10) state that the private security industry’s target population is not limited to businesses and organisations such as educational institutions, financial institutions and government departments as security is a commodity that is also sought after by many people. This can also be deduced from the Maslow’s hierarchy of human needs, where security is a basic need. Therefore, it is very important that when selecting targeted groups of clients, private security companies should have some knowledge of those clients’ specific needs.

4.2.1 Security Threats

As indicated previously, the clients of the private security industry face threats that vary from one person/business/institution/organisation to another, depending on the function and size of the particular entity. Strom et al. (2010:4/13–14) mention the following common threats:

- **Threats to critical infrastructure.** These include industries and manufacturing, utilities, transportation and national key points. The common security threat here is internal theft, followed by sabotage and espionage. Infrastructure like chemical plants, power plants and other national key points need to be protected from acts of terrorism.

- **Commercial threats.** These are threats to office buildings, financial institutions, retailers (shopping malls) and other businesses (hospitality and entertainment). The primary security threat is burglary, followed by theft in general. Financial institutions also suffer due to identity theft and fraud. Threats to retailers (shopping malls) include shoplifting, vandalism and employee theft.

- **Institutional threats.** Visitor control, internal and external theft, and fire (arson) are major security concerns at hospitals and other healthcare facilities. Educational institutions face security threats to the safety of students and staff, including violence, vandalism, fire and theft in general.

- **Residential threats.** Public and private housing face multiple security threats, depending on the interpretation one uses. Burglary is the most common security threat as the success thereof can lead to other threats or crimes depending on the objective or intention of the intruder. Burglary can lead to other crimes like theft, rape, kidnapping and murder.
• **Threats to government.** Espionage, sabotage and acts of terrorism against government infrastructure are common threats. More security companies are hired to protect government facilities as there are not enough police officials to protect such facilities.

From the above, it is clear that the clients of the private security companies face threats that vary from one client to another. Even though some threats (theft and burglary) feature more prominently in various sections than other threats, it can be deduced that the degree to which they affect the client in question differs. This is informed by the fact that similar security threats in various sectors does not necessarily suggest that the security needs and expectations of clients are the same. However, the guarding component of the private security industry will always be necessary and required to fortify security.

4.2.2 Client Needs

Client needs differ from one client to another and from one industry to another; therefore, for a company to be fully market oriented, it has to adapt its offering to meet the needs of each person or entity. An individual relationship with clients should be encouraged in order to satisfy their needs (Silk, 2006:15). The needs and expectation of clients are of vital importance in informing the service that will be provided. Gronroos (2000:314) states that the clients’ needs direct expectations towards a certain type of solution (Gronroos, 2000:314).

A market consists of a large number of clients that differ in terms of their needs, preferences and buying power. Therefore, it is necessary to divide the total market into different segments or groups. The market can be segmented on the basis of geography, demographics, psychological variables and behavioural patterns (Chopra, 2012:243–244).

Researcher’s experience indicates that a typical security company’s client segments are defined or divided in terms of geography. This means that all the clients in the same geographic area will be grouped together irrespective of their varying characteristics, threats and needs. Usually these groups of clients are managed by a single operations or area manager (a position that was held by the researcher) who is expected to champion addressing all the challenges and satisfying all the needs equally in a similar manner. An organisation can seldom satisfy the needs of different clients in a similar manner; it should not even try to solve everyone’s problems. Gronroos (2000:315) states that clients have to be divided into homogenous
segments which are sufficiently different from one another and such segments can then be chosen as target groups of clients.

4.3 MARKETING AND CLIENT RELATIONSHIP MANAGEMENT

Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange and satisfy individual and organisational needs. It is the process of discovering and translating consumer needs for products and services; it begins with the client (by identifying their needs) and ends with the client (by satisfying their needs) (Gronroos, 1996:54; Krajnc, 2007:17). Murigi and Ombui (2014:193) state that in most cases, the marketing strategy of private security companies involves transactional marketing (marketing directed at getting clients) rather than client relations marketing (marketing directed at retaining clients).

4.3.1 Transactional Marketing

Transactional marketing is based on the exchange of ready-made items or commodities. This approach does not meet the needs, wants and expectations of the client (Gronroos, 2000:25; Brink & Berndt, 2004:3). Gronroos (1990:4) states that with this approach, clients are viewed in terms of numbers and the perception is that when clients defect or stop to be clients, there are potential/new clients to take their place. This is typical in the security guarding business in South Africa, where the high crime levels in the country often force clients to remain with service providers even if they are not entirely satisfied with the services they get rather than defect to other service providers without being sure of the quality of services that they will receive there. Brink and Berndt (2004:4) assert that the main focus is to make clients enlist their services and thus client retention by meeting the needs of the client is not a priority.

All the clients in the same segment are treated and served as though they all want the same product or service. The company makes all its decisions based on the research that should be conducted and the product/service that should be provided (Brink & Berndt, 2004:3). This is why the marketing ends once there is a sale, because the sale is seen as the objective and the end result of the marketing effort (Brink & Berndt, 2004:7). In a nutshell, with this approach there is no ambition to climb the so-called client loyalty ladder – which is contrary to relationship marketing, where the focus is on the client in terms of attracting, maintaining and
enhancing the relationship with the client and business decisions centre on the needs of the client (Brink & Berndt, 2004:6).

### 4.3.2 From Transactional Marketing to Relationship Marketing

There are situations where transactional marketing yields good results because there are some clients who do not appreciate relationships in business contexts. However, Gronroos (2000:376) states that markets are maturing and new clients are difficult to get, other than by poaching them from competitors. A long-lasting relationship with clients therefore becomes exceedingly important. The objectives of client relationship management (CRM) are to identify, establish, maintain, enhance, and – when necessary – terminate the relationship with the client in the best interest of all involved. This is mainly achieved through mutual exchange and fulfilment of promises (Gronroos, 2000:243).

Krajnc (2007:22) states that the main purpose of CRM is to build long-term connections between the company and the client. This includes functions such as social reinforcement (clients’ esteem and affiliation needs); reassurance (trustworthiness, reliability, commitment and concern); solving client problems; providing service customisation (to meet clients’ particular needs); and service enhancement (loyalty rewards). Most security companies work hard to acquire clients, but this is often where the effort to promote good client relations stops. Therefore, the main aim of CRM is to focus on what happens after the client is acquired in order to develop a long-term relationship that will benefit both the client and the company (Best, 2012:205).

According to Perreault and McCarthy (2005) and Krajnc (2007:12), the CRM strategy has real benefits as it helps the business to build a good client base, retain clients and make a profit. However, although the CRM theory seems obvious, many companies still fall into a production-oriented (transactional marketing strategy) way of thinking.

Table 4.1 below indicates the difference between transactional and relationship marketing.
Table 4.1: Transactional marketing versus relationship marketing

<table>
<thead>
<tr>
<th>TRANSACTIONAL MARKETING</th>
<th>RELATIONSHIP MARKETING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on a single sale</td>
<td>Focus on client retention</td>
</tr>
<tr>
<td>Orientation on product features</td>
<td>Orientation on client values</td>
</tr>
<tr>
<td>Short time scale</td>
<td>Long time scale</td>
</tr>
<tr>
<td>Little emphasis on client commitment</td>
<td>High emphasis on client service</td>
</tr>
<tr>
<td>Limited client commitment</td>
<td>High client commitment</td>
</tr>
<tr>
<td>Moderate client contact</td>
<td>High client contact</td>
</tr>
<tr>
<td>Quality as the concern of production</td>
<td>Quality as the concern for all</td>
</tr>
</tbody>
</table>

(Source: Hoang, 2015:3)

4.3.3 Client Relationship Programmes

Winter (2001:15) indicates that the overall goal of client relationship programmes is to deliver a higher level of client satisfaction than competitors. The success or failure of relationship programmes differ from industry to industry in terms of the following (Winter, 2001:16):

- **Client services.** This must be a priority for companies that are focused on retaining their clients. These programmes are designed to be either reactive or proactive and in the security industry, the client management style is mostly reactive,
- **Loyalty/reward programmes.** The purpose is to reward clients for repeat purchases. These programmes often fail as they are expensive and their effectiveness is being questioned.
- **Mass customisation.** This refers to creating unique products or services and goes beyond one-to-one marketing.
- **Community building.** This refers to networks between clients and a company or brand.

4.3.4 Relationship between Clients and Service Providers

Private security companies build their business on successful relationships with their clients. This can be achieved by asking for referrals from clients who are satisfied with their services. Forming referral networking groups with other service providers that do not provide security services but provide other services to the same client (such as cleaning services, landscaping
services and private investigation) also build a long-term relationship with the client (Wagner, 2016).

According to Krajnc (2007:48), trust, commitment, shared goals and mutual benefits are essential requirements for client relationships, which in turn lead to the creation of client loyalty and ultimately client retention. Security companies should acquire knowledge about their clients, be able to develop insight into the acquired knowledge and interact regularly with their clients to acquire new information.

Most of the time, marketers claim to use relationship marketing without ensuring that the client sees it the same way (Gronroos, 2000:32). Page (2015:1) mentions the following five ways of improving business relationships in the security industry:

1. Have a plan or method to regularly contact clients.
2. Do not ignore clients, no matter how busy one is.
3. Understand the clients and know what makes them happy.
4. Own up to mistakes and apologise.
5. Build a trusting relationship with the client.

**4.3.5 Factors Affecting Business Relationships in the Private Security Industry**

According to Bosch (2015), there are five things that security service providers do not want their clients know about the industry:

1. **Criminal infiltration.** In 2008, some private security companies vetted about 170 728 security guards and about 14 729 of them were flagged as linked to possible criminal activities. The number of pending criminal investigations against security companies rose from 1301 in 2012/2013 to 1740 in 2013/2014. All the guards and security companies that were investigated had been registered in terms of the Private Security Industry Regulation Act;
2. **Oversight.** There is no quality control body, as the primary objective of PSIRA is to regulate effective control over the practice of the occupation and not quality. There is also a general lack of public knowledge about the legal framework within which private security companies function.
(3) **Cost cutting.** Too often contracts are focused on cost rather than service quality. Some companies secure contracts by undercutting competitors by reducing the company’s running costs. In an attempt to recoup this loss, the company underpays security guards by employing them on a lower grade than what the client is paying for.

(4) **Lack of security knowledge and management.** Security services are mostly outsourced in South Africa due to their specialised nature. Most clients/users of the outsourced services do so to complement lack of internal skills to run this function. This is where many service discrepancies are not reported and in fact hidden from the client. Clients only find out about the discrepancies after an incident occurred.

(5) **Transparency.** Many service providers ignore the cause of a problem when they compile monthly reports for users. This lead to resources being wasted on solutions that are not based on the actual security risk. The problem is exacerbated by the use of sales consultants, installers and other experts whose knowledge is usually limited and subjective to their specific field of expertise.

4.3.6 **Client Relationship Life Cycle**

Business is based on relationships that do not just happen but have to be earned. Every client has a relationship with the seller, which the company should develop and maintain. According to Gronroos (2000:236–237), the client life cycle consists of three core client management processes, namely client acquisition, client retention and client development. These processes in turn consist of the following three basic phases:

1. **Initial phase.** The client is unaware of the company and its offering. Security companies often do not advertise their offerings. Clients become aware of the service provider’s offerings mainly through word-of-mouth marketing from neighbours and associates, even though there are other avenues that could be used such as television advertising, newspapers, brochures, direct mail, public relations and personal selling.

2. **Purchasing phase.** The clients evaluate the services in relation to what they are looking for. If the outcome of this process is positive, the client may decide to use the service offered. Security companies usually have to bid for business. The client will make a purchase if the crime-fighting strategies (like crime reduction, prevention and diversion) and the return on investment are appealing and convincing to protect their assets. In the
security industry, the starting point is the ability to conduct a security risk analysis to identify and make cost-effective recommendations to address the problem.

3. **Consumption/usage phase.** The client observes the company’s ability to solve their problem and the service provided. If the client is satisfied with the perceived quality of the service, it is more probable that they will continue their association with the company. In the private security environment, a probation period of three to six months is usually offered to the bid winner and this provides a window of opportunity for the client to observe if all the promises made are fulfilled. Depending on the contract entered into or the SLA, the security company attempts to provide a service that corresponds to the client’s expectations as promised.

The client may leave the service provider during any phase of the cycle. Therefore, the service provider should recognise the client’s position in the life cycle as it can have substantial marketing consequences. Marketing resources and activities differ from one phase to another (Gronroos, 2000:238–239).

**4.5 CLIENT SATISFACTION**

According to Kihui (2013:16) client satisfaction is the comparative behaviour between inputs before and after obtainments. This behaviour pattern can be approached by improving business operations and providing quality service at an affordable price. Service quality is normally considered a predecessor of client satisfaction. It is a critical element of competitiveness based on the extent to which a service meets or exceeds a client’s needs and expectations (Baker, 2013:68–71).

**4.5.1 Managing Client Dissatisfaction**

There has been significant debate on the benchmark for what constitutes good quality service. Gronroos (2000:80–81) mentions the following seven criteria for what could be perceived as good quality service which leads to client satisfaction:

a) **Professionalism and skills.** The clients have to be convinced that the service provider and its employees, operational systems and physical resources can solve their problems in a professional way.
b) **Attitudes and behaviour.** The clients should believe that the service provider’s employees (contact person) are concerned about them and interested in solving their problems in a friendly and spontaneous manner.

c) **Accessibility and flexibility.** The clients should believe that the service provider and its location, operating hours, employees and operational systems are accessible and are able to adjust to the demands and wishes of the clients.

d) **Reliability and trustworthiness.** The clients can rely on the service provider and its employees and systems to perform the required service.

e) **Service recovery.** The clients are convinced that whenever something wrong or unpredictable happens, the service provider will immediately and actively take action to be in control of the situation and find an acceptable solution.

f) **Serviscape.** The clients feel that the physical surroundings and other aspects of the environment support a positive experience of the service process.

g) **Reputation and credibility.** The clients believe that the service provider can be trusted and gives adequate value for money, and that it stands for good performance and values which can be shared.

The above criteria can be achieved by means of a client satisfaction survey, which is a tool companies use to measure client satisfaction, identify unhappy clients and find potential advocates. Firstly, it helps employees to focus on the importance of fulfilling and exceeding client expectations and needs. Secondly, it helps when satisfaction ratings drop, as they warn of problems that can affect profitability (Beard, 2013). The researcher’s work experience in the industry indicates that the client satisfaction survey was used in monthly meetings with clients. Most clients did not like to participate in the survey as they believed that it did not address immediate concerns such as the level of service quality in general.

### 4.6 CLIENT RETENTION STRATEGIES

Client retention is a component of CRM, but there is a lack of information on client retention strategies in the private security industry. This section is aimed at filling the knowledge gap that exists by identifying challenges regarding the retention of clients in the industry. The challenges related to client satisfaction and retention in the private security industry are not unique to South Africa. Murigi and Ombui (2014) conducted research on the effects of competitive strategies on the retention of clients at G4S Security Services in Kenya. The
research was necessitated by the loss of clients, damage to corporate image, low profitability and loss of competitive edge G4S suffered. According to Murigi and Ombui (2014:192), client retention has become important in the private security industry in Kenya due to the emergence of numerous companies as a result of the lack of regulation in the industry and clients moving from one security company to another based on the kind of services offered and the cost thereof.

According to Wairagu (2004, as cited in Murigi & Ombui, 2014:193), private security companies that are able to retain their clients effectively have a chance to achieve competitive advantage. However, client retention is one of the most challenging factors affecting these companies in Kenya. Despite being one of the giants in the private security industry in Kenya, G4S’s market share and revenues have fallen. According to Murigi and Ombui (2014:194), the company had to be innovative to remain competitive and attract and retain clients. Factors such as establishing a research and development department, continuously innovating and adopting new technology, and acquiring certification can help in ensuring efficiency and effectiveness in client service.

Client retention strategies vary from company to company, but its main purpose is to manage and prevent clients from defecting to competitors. According to Dawes (2009:232), client retention is the marketing goal of preventing clients from going to the competitor. It means that companies focus their efforts on existing clients in an effort to continue doing business with them. Buttle (2008:257) states that a number of important questions have to be answered when a company puts together a client retention strategy, including the following:

- Which clients will be targeted for retention?
- What client retention strategies will be used?
- How will performance in this regard be measured?

The above questions should be asked to determine if client retention is indeed necessary. Companies should focus on retaining clients that contribute value. The fundamental purpose of CRM efforts on client retention is to ensure that the company maintains its relationships with value-adding clients. Economically speaking, client retention increases purchases as tenure grows and it lowers client management costs over time (Buttle, 2008:260–261).
The profitability gained from client retention can be phenomenal and many organisations recently started to focus on client retention. Krajnc (2007:42) states that when an organisation is certain that it has an appropriate client retention strategy, it must then determine what type of clients it wants to retain.

Improved communication with clients, increased efficiency and differentiation are the three ingredients for a successful client retention strategy in the security industry. According to Page (2015:1), communication should be improved from the first day that the prospect asks about the services offered and ask a quote. Gathering enough information about the needs of the client will ensure that there is no misunderstanding. Questions such as why the service is needed by the client and what is the desired outcome of the service serve as a point of departure for sale and marketing. Although good communication is crucial, clients are mostly concerned about job performance. Increased efficiency can be improved by putting all the personnel or departments (such as the call centre/receptionist, marketing staff, operational staff and security guards) on one system because it will help in establishing processes for new clients or routine tasks so that everyone knows the best way to perform specific tasks for specific clients.

Differentiation is one of the three ingredients for a successful client retention strategy in the security industry. To be perceived different from their competitors, security companies should offer to coordinate their tasks or functions with, among others, those of the maintenance team. Maintenance is the biggest ongoing cost for most businesses in commercial property management, especially in shopping malls. Security companies should be different by offering prioritised reports tailored for specific clients’ business operations. They will save time because clients do not want to read long-winded reports that are sometimes irrelevant and unimportant to their business operations. Security companies should also differentiate the way in which they offer quarterly account reviews. Many security companies put their best foot forward when the account is new, but let performance slip over time; by maintaining their engagement with clients at the same level, they will be viewed as different from their competitors (Page, 2015:1).

According to Krajnc (2007:14), in mature markets (like the private security industry, with more than 9000 companies operating in South Africa), there is little possibility for product differentiation and therefore companies focus on client retention. This sentiment is supported by Murigi and Ombui (2014:192) who states that security companies are expected to adopt strategies to differentiate themselves from other competitors in order to retain their clients, gain
competitive advantage and remain in business. An important ingredient is to keep the clients satisfied in the long term because client retention is a direct result of client satisfaction and is primarily influenced by the value of products/services provided (Krajnc, 2007:13).

Cook (1997:16) states that long-term relationships with clients is more profitable as it is estimated that on average, it costs five times as much to attract a new client as it does to keep an existing one. Retaining existing clients prevents competitors from gaining market share; thus client satisfaction and retention are important linkages to a market-based strategy and to profitability. The objectives of a company’s marketing strategy should be to target, attract, satisfy and retain clients – thus making client retention an ongoing challenge and threat to a company’s survival (Best, 2012:45).

4.6.1 Impact of Losing Clients and Client Defection Management

Security officers are often blamed for loss of business when clients decide to terminate a contract with the security company. In reality, everybody – from the chief executive officer to the security guard – should take a certain degree of blame for losing a client as a result of poor service or client dissatisfaction. Loss of clients damages the company’s corporate image and lead to low profit, loss of competitive edge and loss of jobs (Murigi & Ombui, 2014:192).

Client defection is the opposite of client retention in that it is viewed as a failure in business operations to keep clients satisfied. It can be regarded as a decreasing stream of value from the company to its clients. The reason why clients defect to competitors is because they are unhappy with the services offered and do not see the value of paying for such services. Hoang (2015:14) states the following as some of the reasons why clients defect to other companies:

- **Price.** Clients defect because of lower prices offered by the competitor, especially if there is no difference in the service provided.
- **Product/Service.** Clients change their service provider if they feel that they can receive a better and tailored quality product/ service from the competitor.
- **Market.** Markets have become increasingly competitive, and clients want to experience different services/products from different companies.
• **Technology.** If organisations cannot meet the clients’ demands, the clients will easily choose the product/service with better technology to satisfy their needs.

In addition to the above defection factors, Foss and Stone (2001) identify discomfort, core service failure, the response to failed services, clients of failed services, inconvenience, ethical problems and competition as factors. Page (2015) mentions the following four mistakes that should be avoided when dealing with complaints of clients who are dissatisfied with the quality of services rendered:

• **Reacting emotionally.** Meetings between clients and security representatives often do not end in a nice way. Security companies are often accused of not delivering services as promised and yet they can prove to the client that they followed the scope of the contract. As tough as it is, that is part of the job. Security company’s representatives should be open to complaints, stay calm and cut through the emotions to understand the root cause of the complaint.

• **Not acknowledging the client’s situation.** Security company representatives should not take offence at what the client says. Contrary to the popular saying, the client is not always right – but their concerns are always valid, so the duty here is to match that concern by referring back to the plan.

• **Overpromising.** This is short-term thinking at its worst. Clients will be unhappier if you say “yes” and then do not deliver than if you just tell them “no” from the start and explain why something will not work.

• **Under-communicating.** Companies should be careful about assuming that clients know more than they do. Both parties should be clear about expectations, accountability and the work done. Things that may be obvious to a security company representative may be new to the client. It should be clearly outlined in the contract how communication will take place in order to ensure that everyone understands every part of the process.

4.7 **CONCLUSION**

The importance of recognising the client’s specific needs when negotiating a contract helps private security companies to ensure that the envisaged objective will be achieved. Therefore, it is very important that companies shift from their traditional way of operating and the way
they perceive or think about their clients. As indicated above, CRM has positive advantages for creating long-lasting relationships. It should also be noted that negative client retention strategies should be avoided, especially in the private security industry as it will not make sense to retain a client who does not add value/profit to the business.

The notion of clients that security service providers are specialists in their field and will therefore know how to address all the clients’ problems is misleading and should be corrected. It is the duty of the clients to ensure that their security needs are met and that security service providers know about them and adhere to the SLA or contract.

Clients are the essence of any business and their needs should be considered at all times. This implies that there should be constant interaction and communication with them to assess their needs and the extent to which security companies meet those needs. According to Krajnc (2007:16), this interaction is not happening because most security companies assume that they are aware of their clients’ needs.
CHAPTER 5
SECURITY IN SHOPPING MALLS

5.1 INTRODUCTION

To explain shopping malls as clients of the private security industry, a brief historical background of shopping malls is given to highlight the role of shopping malls as a place of business. Since shopping malls attract a large number of customers from different walks of life, shopping malls also attract criminals. Shopping mall security management and strategies such as crime prevention through environmental design (CPTED) and the Major Incident Management Plan (MIMP) are discussed in this chapter.

The impact of crime and the role of private security in Gauteng shopping malls are touched upon with the aim of highlighting crime as another factor that affects relationships between security service providers and their clients. The training requirements for shopping mall security, which include the choice of security personnel and managers, are discussed. The aim of this section is to indicate the seriousness of unique training requirements for shopping mall security personnel in fulfilling the needs of their clients.

Applying Unisa’s Security Risk Management Model in shopping malls is also discussed. The aim is to indicate that the model can be applied in any environment or organisation in need of a security solution.

5.2 HISTORICAL BACKGROUND OF SHOPPING MALLS

The International Council of Shopping Centres (ICSC, 2004:1) describes shopping malls as a group of retail and other commercial establishments owned and managed as a single property. The three main physical configurations of shopping centres are malls, open-air centres and hybrid centres.

Victor Gruen, an Austrian born architect, is known as the inventor of the first enclosed shopping mall in the US in the 1950s. The idea was to design an urban experience that is secured and without noise, dirt and confusion but had some characteristics of the city (Kocaili,
2010:74–75). The purpose was to provide an environment that would satisfy day-to-day needs with one stop (Jewel, 2001; Krugell, 2010:28).

Kramer (2008) and Reikli (2012:28) state that since shopping malls attract a large pool of customers who use vehicles, they have to ensure that there is sufficient parking space and a good tenant mix to attract diverse customers. It is important to note that the diverse customers could include people with criminal intent, which necessitates the deployment of private security guards to ensure the safety of their clients and minimise crime and confusion as envisaged by Gruen.

5.3 SHOPPING MALL SECURITY MANAGEMENT

Traditionally shopping malls had at least minimal levels of uniformed security personnel dealing mainly with access control and the prevention of juvenile vandalism and unruliness (Sennewald, 2011:305). They had low-level security so that they could not be perceived as unsafe and unfriendly environments by customers (Sennewald, 2011:305). This has changed and according to the ICSC (2015), the shopping malls take the responsibility of safety and security very seriously – especially after the 9/11 attacks in the US. It is evident that security measures such as the deployment of uniformed security guards and surveillance camera systems are widely used in shopping malls. However, many factors should be taken into consideration, for example security plans and procedures should be customised to each shopping mall’s unique characteristics. This is a challenge which security companies should always strive to overcome in the ever-demanding management of security in shopping malls (ICSC, 2015).

There are various types of security personnel who perform different functions as they serve different role players in shopping malls. Flynn (1984:69–70) categorises them into the following based on the different roles they play:

(1) **Tenant security** revolves around the protection of merchandise and employees but also taking into account the interests of the customers in meeting their demands. It should be noted that the objective of tenants includes creating traffic; prolonging the duration of shopping trips; and encouraging cross-shopping in the centre – this create a security challenge for tenants in terms of whether or not they should use security systems
(Krugell, 2012:39). Sennewald (2011:306) states that weak security in shopping malls reflects on and affects the business of the tenants, which means that tenants (particularly anchor stores) should ensure that the security in the mall is effective and efficient. In South Africa, it is uncommon to find an anchor tenant operating in a shopping mall without a security service provider; therefore, their role in supporting the main objective of the mall is significant and should not be ignored. The researcher’s experience in shopping mall security, indicates that most tenants do not have their own security personnel; they depend on the security provided by the shopping mall – the notion is that they pay for it as part of their lease.

(2) **Owner/Management security** refers to the preservation of the buildings, representing the investment and maintenance of peace and order to deter criminality and any form of a security breach. The role of the shopping mall management in security enhances the main objective of the shopping mall as envisaged by the investors, which according to Okubo (1999:1) and Kaye (1989:43), is to produce a first-class standard in the basics of housekeeping, maintenance and security (CPTED) at an acceptable cost.

(3) **Customer security** is about shoppers’ personal safety and the safety of their property while in the shopping mall or travelling/being transported to and from it. Sennewald (2011:305) states that patrons get a sense of security when they see security officials as they shop in various stores. The visibility of security personnel or police in a shopping mall may sometimes be perceived as an indication of a crime-ridden environment by customers/shoppers, hence it is important that the environment should not make customers feel controlled, violated, and manipulated or repulsed.

There is a symbiotic relationship between tenants and the shopping mall because one is dependent on the other. If either is considered unsafe or present a security risk to customers/shoppers, this is transferred to business partners. The customer’s perception of safety in shopping malls is not obtained from individual tenants/stores but rather from the visibility of security in the entire shopping mall (Sennewald, 2011:305). It is, therefore, imperative that security service providers should not forget that even though they have entered into a contract with the shopping mall as their client, tenants are also clients of the shopping mall and they depend on the shopping mall security for protection and safety.

According to Krugell (2012:52), the role of the shopping mall manager in security does not only end with giving instructions to the security service providers but include testing fire
alarms; conducting emergency drills; examining first aid kits, fire extinguishers and other emergency-related equipment; and once in a while visiting the shopping mall at night to check that things are in order. This function is often transferred to security service providers or is not often adhered to by the shopping mall management.

Davidson (2014:4) states that the function of the shopping mall security is to ensure the overall safety and security of the shopping mall and the people and property in it. This can be achieved by deterring crime through gathering and preserving evidence, enforcing regulations, reducing risk, incident response and client services (Davidson, 2014:4). This could help in dealing with common criminal activities and public order offences such as fighting; violence to tenants or shop staff; unruly teenagers; drink-related incidents; illegal street trading; vandalism; theft/vehicle theft; organised retail crime (organised shoplifting); shootings and terrorism (Davidson, 2014:5).

Apart from the mentioned criminal threats, shopping malls can also be faced with natural disasters like floods, earthquakes and other weather-related incidents. Other threats include fire, explosion, gas leaks, structural failure, escalator safety, power loss and loss of other services that can impact the daily operation of the shopping mall. The security risk assessment should be comprehensive enough to bring these factors to the attention of the relevant authorities. Strikes and demonstrations are becoming another challenge to shopping mall safety and security (Davidson, 2014:26–28).

According to Overstreet and Clodfelter (1995:92–93), customer and tenants’ security demands have made security a major operating expense for owners of shopping malls. Previously, the role of security officials at shopping malls was viewed as an information and assistance function. Currently a shopping mall that does not have an effective and efficient security system can experience a huge drop in the number of customers/shoppers, which is why it is important that shoppers and tenants feel safe in the shopping mall (Krugell, 2012:51).

The cost of security to shopping malls can only be justified by the effectiveness and efficiency of the security that is deployed (Hess, 2008:481). Therefore, the role of security companies in shopping malls is determined and measured by the contribution they make in promoting safety and security. Geason and Wilson (1992:61) mention that security personnel have to prevent crime and the loss of items and do public relations to make clients, tenants and owners feel
safe. Krugell (2012:51) states that the type of security service needed at the shopping mall is also influenced by factors such as the characteristics of the catchment area; setting and location of the mall; characteristics of the mall; and availability of the police, fire department, ambulances and so on. Davidson (2014:6) adds trading hours as another factor. My experience is that in South Africa, long trading hours (especially during the festive season and special events such as Black Friday) also contribute to the need for more security in shopping malls – security companies often use the same security compliment/staff without adding to it. This creates fatigue (a low level of concentration) in security personnel as they end up working overtime hours and being absent from work among others.

5.3.1 Crime Prevention through Environmental Design

The security requirements of a shopping mall are determined by the nature of their appearance and design. Another factor affecting crime in shopping malls is location. Most shopping malls are in suburbs and as demographics change, crime moves from the inner city to the suburbs (ICSC, 2004).

When designing a shopping mall, the architect should take into consideration cost, appearance, durability, flexibility and security. These considerations may contribute to the success of the shopping mall and may have a negative impact if ignored (Krugell, 2010:28).

The layout of the shopping mall is a very important design component as it is necessary to create a safe and secure environment for consumers. According to Jewel (2001), the design of a shopping mall can have a psychological effect on people as it makes them feel safe inside shopping malls – in contrast to the outside environment which is perceived as dangerous.

Shopping malls have had many names, depending on different author or researcher. According to the ICSC (2004), in respect of their architecture and design, shopping centres are classified into three main groups:

1. **Shopping malls.** These are typically enclosed, with a climate-controlled walkway between two facing strips of stores.

2. **Open-air centres.** A strip centre is an attached row of stores or service outlets managed as a coherent retail entity, with on-site parking usually located in front of the stores.
(3) **Hybrid centres.** These are a combination of the first two groups, but they are usually larger, they provide the same collection of retail and leisure facilities, but in a different physical form.

Of the three types of shopping centres, strip or open-air shopping malls are inherently problematic. Their longitudinal design makes them more vulnerable to crime than other types of shopping centres since their orientation to the street makes casual surveillance relatively difficult. Open-air centres are even more problematic when they are located along higher speed roadways, as many are. Such a design has easy vehicular access and egress – factors which facilitate easy escape for criminals (Kitchen & Schneider, 2002:174).

Krugell (2010:29) calls the notion of controlling and zoning client movement through design as problematic, as it is aimed at manipulating the thoughts and actions of consumers. Consumers may for example feel violated, manipulated and/or repulsed by the shopping centre design. The sense of safety can be obtained by replicating predictability and the application of CPTED.

According to Crowe (2013:46), CPTED is one of the strategies used to prevent and reduce crime if properly implemented. CPTED can be defined as “the proper design and effective use of the built environment that can lead to a reduction in the fear and incidence of crime, and an improvement in the quality of life”.

The CPTED approach has important implications for private security as it seeks to bring together many disciplines, including urban planning, architectural design, public law enforcement and private security. Once a building has been constructed without proper security considerations, the damage has been done as security weaknesses begin to manifest – security services and devices that might not otherwise have been necessary must be instituted (Fischer *et al.* 2008:216).

In an effort to deter criminal activity, it is important that designers and architects implement CPTED strategies, such as (Crowe, 2000:36):
• **Natural Access Control.** This focuses on design (such as guards, locks, integrated security systems) and spatial definition directed primarily at decreasing the chances of crime happening;

• **Natural surveillance.** The design concept is directed primarily at keeping intruders under observation by using design features such as sufficient illumination and physical patrols by police and security guards to increase visibility in a building. Poor access control systems and lack of security patrols can lead to more disastrous incidences if not implemented properly.

• **Territorial reinforcement.** Designs such as sidewalks, landscaping and porches are employed to help distinguish between a public place and a private place. This can be exhibited by displaying signs of ownership that sends a “hands-off” message to would-be offenders.

• **Maintenance.** Care and maintenance enable continued use of space; and deterioration might indicate less concern and control and greater tolerance of disorder/crime. Proper maintenance protects public health, safety and welfare in all structures.

The following example of an incident of poor maintenance affecting escalator safety has been recorded: In 2011 in Beijing, a 13-year-old boy and 20 other people were injured after an escalator changed direction during rush hour. An expert pointed to a variety of concerns, including manufacturing defaults, overuse, lack of maintenance and poor inspection by security personnel (McCane, 2015; Wu, 2015). Another example of poor maintenance was in 2012 in Qatar, when a fire broke out in the nursery section of the mall and 12 children and six adults died. The cause of the fire was not established, but Qatar’s interior ministry stated that it was the result of a malfunctioning sprinkler system (another security function) (Seales & Yaqoob, 2012).

Knowledge of shopping malls types and their designs can help security companies to provide quality services to shopping malls and give them a better understanding of what is expected of them when they enter into a security service contract. CPTED strategies in shopping malls do not only apply to architects but to everybody involved (i.e. owners; shopping mall management’ tenants; and all service providers, especially security service providers)
5.3.2 Major Incident Management Plan

The Major Incident Management Plan (MIMP) or business continuity plan (BCP) is a crisis management tool that is used when a crisis arises. Security companies guarding shopping malls should know their client’s MIMP or BCP – which should form part of the shopping mall’s safety and security policy. This will help them to understand their role as envisaged by the client. Davidson (2014:56) states that it is important that security companies have the MIMP of their clients in order to avoid or reduce loss of life and injuries; reduces reputational risk; and enhance legal protection and commercial imperative. According to Davidson (2014:58), the MIMP should be comprehensive enough to include the initial response phase, consolidation phase, recovery phase and restoration phase. A risk audit should be the first point of departure in preparing the MIMP because it identifies potential emergency scenarios, considers their impact and likelihood of occurring and assesses existing mitigation.

Davidson (2014:59) states that when doing a comprehensive assessment of the risks in shopping malls, questions such as the following are important: What will happen if the electricity or gas supply fails? What if the telephones or IT went down? What if the roof gets blown off, or there is a major fire or explosion? What if there is no access for staff, retailers and clients? What if there is rioting and looting? What if there are a bomb threats? The objectives of the MIMP should be clear and aimed at addressing factors such as the command and control structure; roles and responsibilities; pre-defined procedures to follow in different scenarios; a key information directory which includes contact details and external liaison (e.g. police, fire brigade and ambulance). It should also have a clear communication strategy and process of training, reviewing and updating (Davidson, 2014:60).

If security issues and the MIMP are not dealt with efficiently in a shopping mall, it will have a negative impact on stakeholders. For example: customers/shoppers can suffer personal inconvenience and fear that death or injury may occur while they are shopping; tenant inconvenience include loss of trade and/or disruption to business operations; employees may lose their livelihood and face death or injury while at work; and owners and investors may suffer financial loss or incur costs; the industry may lose public confidence/poor perception; and management may lose their livelihood and reputation (Davidson, 2014:50–52).
CPTED, MIMP and loss prevention strategies are some of the strategies that can assist security service providers and shopping mall management in determining the security risks of the shopping mall. CPTED and MIMP should form part of the security risk management model (SRMM) or process for shopping malls (which is discussed in a later section).

5.4 NEED FOR SECURITY IN GAUTENG'S SHOPPING MALLS

As indicated previously, shopping malls in South Africa have their own security challenges. The aim of this section is to highlight some of the security threats and problems shopping malls face, particularly those in Gauteng. The role played by shopping malls and the private security industry in developing the economy is also discussed.

According to the Gauteng Provincial Treasury as reported in Gauteng Quarterly Bulletin (2012:4), in 2010 45% of the country’s shopping malls were in Gauteng. They occupied more than 18 million square metres of land countrywide and increased the number of shopping malls to 1443. This means that 634 of the country’s shopping malls were in Gauteng. On its busiest days, a shopping mall can assume the size of a small city in terms of the number of clients passing through or feet count, making the critical nature of effective security in shopping malls obvious (SACSC, 2015).

There are almost 2000 shopping malls in South Africa which contribute about 15% to the country’s GDP and provide more than 600 000 permanent jobs and another 500 000 jobs indirectly by role players involved, including retailers, security companies, cleaning companies and other contractors (SACSC, 2015).

According to the Gauteng Provincial Treasury as reported in Gauteng Quarterly Bulletin (2012:5), the major retailers or tenants in most shopping malls in South Africa are Edcon Pty (Ltd), Pick n Pay Holdings Ltd, Shoprite Holdings Ltd, the Spar Group Ltd, Woolworths Holdings Ltd and Massmart Holdings Ltd; other groups of retailers are Mr Price, Truworths and the Foschini Group. These tenants use the services of various private security companies. In essence, they add value to the existing security force in combating crime at any shopping mall where they operate.
It is clear from the above figures that the shopping malls in Gauteng have a large number of clients which on their own have a large number of customers and this obviously increases the security requirements.

5.4.1 Types of Crimes in Gauteng’s Shopping Malls

Shopping malls in South Africa are a target of various crimes of which 64% of the total number of violent crime incidents occurred at shopping malls in Gauteng in 2008 (SCSI, 2008:4). Violent crimes that are prominent in Gauteng shopping malls include:

(1) **Cash-in-transit robberies.** This refers to robberies of bulk cash while in the custody of cash-in transit service providers.

(2) **Armed robberies.** These robberies involve both cash and merchandise, including valuables such as cellular phones and jewellery. Armed robberies constituted about 61% of crime at shopping malls.

(3) **Hijacking.** This refers to armed robberies of vehicles, either at the mall or where the victim is followed from the mall and then robbed of the vehicle outside the mall’s premises.

(4) **Attacks at automatic teller machines (ATMs).** This refers specifically to when criminals use explosives to disable ATMs. This type of crime often results in the death of clients and shop staff (SCSI, 2008:3).

According to the Shopping Centre Security Initiative (SCSI, 2008:12), major tenants of shopping malls that are targeted are banks (ATM attacks and cash-in transit robberies), clothing stores (armed robberies), entertainment outlets (armed robberies), jewellery stores (armed robberies), restaurants (armed robberies), retailers (armed and cash-in transit robberies) and the post office (armed and cash-in transit robberies).

The modus operandi used during violent crimes varies according to the size of the gang committing the armed robbery, types of firearms and other weapons used, violence used and number of deaths or fatalities sustained, and the commodities targeted. Hand guns (as they are not easy to be detected by security guards at shopping mall entrances) are found to have been used most in incidences that have occurred in shopping malls. Automatic rifles like AK-47s
are mostly linked to incidences that occur outside the shopping mall but on the mall’s premises (SCSI, 2008:13).

5.4.2 Shopping Mall Security Initiatives and Operations in Gauteng

In researcher’s experience, the level of readiness of security personnel in shopping malls is mostly zero as most security strategies are developed after the crime has occurred. According to Bailey (in Lutchminarain, 2015:9), the security measures at shopping malls are woefully inadequate and basic security procedures are not adhered to by shopping mall management, tenants and security service providers. As a result, many shopping malls in Gauteng are attacked more than once.

The precise number of security guards working in the retail industry or shopping malls has not been documented, but it can be estimated that out of the 6407 registered active security companies, 3319 are based in Gauteng. The number of active security guards nationally amounts to 487 058, with nearly half of these based in Gauteng. From the given figures, it can be estimated that the retail industry or shopping malls use a large number of registered security guards, which accentuates the need for security (PSIRA, 2014b:36).

Various groups and organisations have developed initiatives to fight crime in shopping malls. This means that the issue of crime in shopping malls is no longer regarded as a private security industry matter but that all the stakeholders and organisations in the retail or shopping mall environment are involved.

Organisations such as Business Against Crime South Africa, the Consumer Goods Risk Initiative, the SACSC, the Consumer Goods Council of South Africa, the SCSI, the South Africa Post Office Association and SAPS have realised that crime in shopping malls cannot be tackled by private security only. Their initiatives can be seen especially during the festive season, when most of the violent crimes in shopping malls are prominent. These organisations use different approaches to combat crime.
Criminality amongst security service staff is one of the problems indicated as contributing to shopping malls being targeted more than once. According to Bailey (in Lutchminarain, 2015:9), up to 70% of the cases investigated involved collusion with security guards employed at the shopping mall.

Bailey (2009:3) states that the closed circuit television (CCTV) systems in most shopping malls that were targeted by criminals were not functioning properly or were not functioning at all. The assumption that CCTVs are a solution to crime in shopping malls is misleading because shopping malls often have hundreds of cameras but many of them are often not effectively placed to gain value from them.

5.5 TRAINING REQUIREMENTS FOR SHOPPING MALL SECURITY

The security requirements of shopping malls differ from the requirements for other property or assets. The above information makes clear how complicated the security requirements and concerns at shopping malls are. Therefore, the level of training of security personnel should be unique to fit the shopping mall environment.

5.5.1 Security Officers at Shopping Malls

Shopping malls can use in-house or outsourced security guards because their effectiveness largely depends on their training and the resources available to them. These should be complemented with instructions based on the security manual which contains standing orders and procedures on the defined responsibilities (Davidson, 2014:9). The training of security guards deployed at shopping mall should include client service, customer relations legal awareness, conflict management, health and safety, security systems and procedures, first aid and the MIMP (Davidson, 2014:13). Security services may be either proprietary (in-house), by contract or a hybrid system. The function of proprietary security is controlled directly by the protected organisation; with contract service, the security company enters into a contract with a company (client) to provide security services for a fee; and a hybrid system is a combination of both the proprietary and the contract system (Fischer et al. 2013:22).

- **Physical and security system training.** Physical training is essential for security personnel to know how to protect the shopping mall and its users or stakeholders.
Training in loss prevention and carrying out regular foot patrols to deter antisocial behaviour and criminal activities is an essential component of the shopping mall’s security system (Davidson, 2014:13). When looking for security personnel to perform guarding duties in shopping malls, employers often look for mature and responsible people who communicate and write well. It is also important that security personnel have experience with updated security computer systems, video and surveillance equipment (Reeves, 2016).

- **Client service and conflict management.** Apart from protecting people and assets from criminality, security personnel should be friendly and helpful. Talking to people and listening to their questions and answers not only help to provide good client service and customer relations, but also help in identifying problems that can escalate into serious issues. Shopping mall management, clients and tenants should get a sense of personal contact and feel at ease around security personnel (Christensen, 2016). Security personnel should also be skilled in dealing with conflict situations. The following skills should be instilled in them: avoiding conflict and reducing personal risk; defusing conflict where it arises; resolving and learning from conflict; and applying communication skills in conflict situations (Security Industry Association, 2014:3).

- **Health, safety and legal awareness.** Knowledge in occupational health and safety is a prerequisite for security personnel working in shopping malls. This also helps to ensure compliance with International Organisation for Standardisation (ISO) 14001:2004 and ensures that they are able to perform first aid when necessary (Davidson, 2014:13). Security personnel should be trained in legal issues such as the use of force and powers of arrest and other statutory requirements. Reeves (2016) adds the following factors that should be considered when employing security personnel: honesty; ability to pay attention to details and capability to use surveillance techniques to ensure the safety of all the stakeholders; ability to make sound judgements; ability to control temper because shopping malls are characterised by disruptions and disputes that arise from time to time.

### 5.5.2 Choice of a Security Manager

Security managers in shopping malls are expected to know almost every issue related to safety and security in the shopping mall and all the stakeholders involved on a daily basis. Since security management is a multifaceted occupation, the roles and duties of security managers
are varied. According to Ortmeier (2013:19), the security manager simultaneously assumes managerial, administrative, preventive and investigative roles and responsibilities. They are responsible for selecting, training, scheduling, supervising and evaluating security personnel. Security managers are also expected to write or review security-related documents, such as incident reports, proposals, tactical or strategic initiatives, and security training manuals (Ortmeier, 2013:19). Career Planner.com (2016) states that they are also expected to attend meetings, seminars or conferences to keep abreast of evolving changes. In addition, they are expected to assist with emergency management and contingency planning at the shopping centre.

Ortmeier (2013:19) states that as administrators, security managers are responsible for planning, financial control, public relations and community liaison activities. They are also responsible for recognising and appraising hazards and initiating actions to reduce or remove the risk of any loss as crime prevention officers. They also have an investigation function as they have to determine the causes of loss, conduct background checks of prospective employees and audit the site to ensure that security measures are working according to plan (Ortmeier, 2013:19).

5.6 APPLICATION OF ROGERS’ SECURITY RISK MANAGEMENT MODEL

According to Le Roux (2004:35), security companies and departments in South Africa was – and still is – generally managed by people from diverse backgrounds, such as those working for the National Defence Force, SAPS, the Department of Correctional Services and financial institutions as well as the legal fraternity. As a result, different backgrounds influence the individual management styles of security managers in managing crime. As a result, private security companies guarding shopping malls find it difficult to manage crime effectively.

Rogers’ SRMM (Figure 5.1) is a holistic crime risk management model that accommodates various important security risk management functions. The model is aimed at addressing the need for a more structured, uniform, integrated and cost-effective approach to crime risk management (Rogers, 2008).
Rogers (2008:151) states that the model can be used to solve any security problem at any company, organisation, business or residential premises as and when the need arises. The researcher explains each step of the model briefly in order to develop a general security risk management process for shopping malls.

The SRMM is based on the following premises.

### 5.6.1 Step 1: Security Risk Problem and Causes of Crime

The consequences of crime risks and potential crime risks as a negative problem affecting society must be so severe as to justify the expenditure associated with the existence of the security function in an organisation or shopping mall (Rogers, 2008:152). A form of business crime that is currently disturbing, especially in the run-up to the festive season in Gauteng, is armed robberies in shopping malls. The impact of crime (armed robberies with aggravating circumstances) is so severe that people (security personnel, customers and store staff) sustain
severe trauma or injury, and sometimes death (Institute for Security Studies, 2014). Another consequence of crime is the loss of business security companies suffer as client/shopping malls do not feel protected and the challenge of retaining clients becomes difficult as clients demand more protection.

Wilson and McLaren (1977:319) state that crime is the result of the interaction between two types of factors, namely predisposing (desire) and precipitating (opportunity) factors. According to Van der Westhuizen (1993:316–317), a third factor that causes crime is the ability of the perpetrator to commit the crime. Van der Westhuizen (1993:317) states that the interaction between the three factors may result in people committing crime. In simple terms, the criminal’s desire (willingness and intent) and the opportunity presented (poor security measures or the lack thereof) to commit crime should be complemented by the perpetrator’s ability to commit the crime.

Therefore, in terms of Step 1 of Roger’s SRMM, there should be a justification or reason why a shopping mall should employ or use the services of private security companies or in-house security.

5.6.2 Step 2: Security Policy and Mandate

Once a problem of crime and its causes has been established, a specific mandate or security policy is required from the organisation’s top management (shopping mall management) before a security service (whether contract or in-house) can be provided. The risk management process is put into action through written mandate. This mandate is normally provided in the form of a security policy or SLA (Rogers, 2008:154).

According to Purpura (2002:62), a security policy reflects the goals and objectives of management. It can be defined as a clear and approved written statement in which a company’s top management/owners commit themselves to managing crime risks in a particular manner.

Roger (2008:154–155) states that the security policy document encompasses the following:

- **The philosophy of the organisation.** This reflects the legal responsibilities of the top management to act within the ambit of the law. The shopping mall management should
clearly set out their views on and attitudes to criminal behaviour in their policy, for example crime-related injuries of staff, security personnel, customers and other people should be viewed in a serious light.

- **Security procedures.** This document sets out how security activities should be performed and approached. Without procedures that are informed by the security policy, security personnel may not know what to do if they encounter a crime or security-related situation. This document should clearly indicate the limitations placed on the security function and security personnel.

- **The role and functions of shopping mall staff/tenants.** The policy document should include the role of non-security staff members in complying with security measures relating to their employment activities at the shopping mall. Collective participation of staff members and shopping mall management should be encouraged and be stated in the document. Managers cannot expect security members alone to be responsible for the protection of their assets – they must assist with advice and comply with the approved security procedures.

- **Resources.** Top management and owners of shopping malls should allocate reasonable resources to the security function in order to meet security objectives. These resources may include human resources, technological aids, management support and other relevant security measures.

Without a written security policy/mandate and SLA, a shopping mall may open itself to criticism as security service providers may exceed their boundaries and act irrational – reflecting badly on the shopping mall’s image. It is therefore important that shopping malls have a clear security policy and SLA between them and the security service provider.

### 5.6.3 Step 3: Orientation Phase (Site Visit)

An orientation visit to the shopping mall is undertaken to gather preliminary information on the crime risks and security weaknesses. This phase or step of the model precedes the risk analysis and comprehensive security survey. Broeder (in Rogers, 2008:155) mentions that the objective of a preliminary security survey is to quickly and economically determine if such a survey is desirable and technically and economically feasible. However, only once the mandate
to conduct a preliminary security survey (accompanied by a shopping mall security policy) has been received from the top management, may the site in question be visited.

The activities associated with a preliminary security survey includes walking around the shopping mall to observe activities, processes and assets; talking to or interviewing selected stakeholders (by top management) and reading relevant documents such as occurrence (incident) books to understand the nature of the business. This helps to determine the general nature of other crime risks for the shopping mall (Rogers, 2008:156).

5.6.4 Step 4: Risk Analysis

Rogers (2008:156) mentions that a comprehensive security risk analysis is conducted, during which the assets that are vulnerable to security risk are identified. These may include people, information and goods or products (cash, cell phones and jewellery in shopping malls). Security risks are identified (robberies, shoplifting, burglaries, theft in general and hooliganism among others). All the identified assets and associated risks are prioritised and the probability or likelihood of specific crime taking place is calculated. The impact (financial consequences) if such a crime takes place is also calculated. A specific risk factor for a specific crime is then determined by multiplying the probability factor with the impact factor.

5.6.5 Step 5: Comprehensive Security Survey

During this phase, there is a clear understanding of the risks for the shopping mall as all the relevant security weaknesses present in the identified risks are classified and measured by means of a security survey or audit sheets. Survey sheets are used to list all the crime reduction measures that have to be in place given the risk for assets (Rogers, 2008:159). Broeder (1984:49) explains that the current security measures must be fully surveyed and this can only take place after the relevant research and planning have been done. The strengths and weaknesses of a targeted security measure/s is identified, recorded and measured. The exercise ends with a comparison between the actual crime reduction measures and standards that are expected on the one hand and the actual identified security weaknesses on the other hand.
5.6.6 Step 6: Security Risk Control Measures

Once the weaknesses and strengths have been identified, cost-effective security measures or solutions to manage the identified crime risks can be decided upon, formulated and recommended to the shopping mall management for approval and implementation. The financial implications of the risk findings and the current standard of security are evaluated. Security solutions to the problem are now considered. The security solutions or measures to address the crime should be set in a manner that will discourage or counteract the modus operandi employed by criminals (Rogers, 2008:160).

According to Roelofse (2001:100), security barriers can be breached by:

- **Using force.** This is forceful removal of a security measure or barrier for example shooting security personnel during an armed robbery or breaking a security measure such as a camera to avoid detection,

- **Stealth.** Here the criminal attempts to overcome the security measure or barrier undetected (going under a closed circuit camera).

- **Deceit.** Criminals normally access the shopping mall and attempt to breach the security system by using false identity, bribery and fraud among others.

A criminal may combine all these or other options to go over, through and/or under a physical security barrier.

The security measures recommended may be grouped for convenience into the following categories: policies and procedures (e.g. access control, searching and evacuation procedures), technological aids (e.g. cameras system, alarms and beams), human systems (e.g. hiring or employing security personnel and using undercover agents), physical security measures (e.g. using sniffer dogs and other security barriers like spikes in car parks) and integrating all these measures (Rogers, 2008:160).

The security measure recommended should result in one – if not all – of the following: deterrence (visibility of security measures), deflection of criminal conduct (withstanding an attempt) and detection (alarms, surveillance and or control procedures).
5.6.7 Step 7: Return on Investment

Rogers (2008:161) states that once appropriate security measures have been identified, they must be subjected to rigorous return on investment (ROI) examination in order to determine the associated financial benefits. There should be a direct or indirect benefit from the security measure. Given that security measures are violated by means of force, stealth and deceit on the part of the criminal, the question that must be answered is: Will the proposed crime prevention measures have any effect on the basic principles of security?

According to Phillips (1997: xiv), the ROI process regarding security measures is based on the following approach:

- All the anticipated benefits to be achieved by the implementation of a security measures are determined (calculated).
- All the anticipated cost associated with the proposed security measures are determined (calculated).
- The cost of the security measures is deducted from the savings.
- The savings are divided by the cost and multiplied by 100 over 1.

The formula is as follows (Phillips, 1997:33):

\[
\% = \frac{\text{Net benefits savings}}{\text{Security expenditure}} \times 100
\]

The cost of security in shopping malls can only be justified by the effectiveness and efficiency of the security system deployed there (Hess, 2008:481).

5.6.8 Step 8: Security Risk Management Report

The findings of the risk analysis and security survey, together with the ROI report on the suggested security measures, must be documented for top management approval. It is important that client/top management receive a report because the report will reflect all the identified
security risks; the security strengths and weaknesses are placed on record. Security solutions are also put on record based on the findings of the risk analysis and security survey. Good governance is enhanced because if the top management or clients do not adhere to the recommendations made based on the evidence provided, the security manager or company can be protected (Rogers, 2008:163).

5.6.9 Step 9: Implementation and Evaluation of Security Measures

The recommended security measure can only be implemented once they are approved by the top management (after presentation of the security risk management report with sound ROI calculation). This can be done through a dedicated security project management plan. Once approved, the security measures should be subjected to vigorous evaluation when implemented in order to determine their effectiveness (Rogers, 2008:163).

According to Rogers (2008:164), the implemented security measures can be evaluated by using the following technique:

- Conduct a systems penetration exercise, where an attempt is made to bypass or violate the security measures in question. For example, after installing metal detectors at access points, an attempt should be made with all sorts of metals to see if the security measure can be bypassed. If any detection can be made, however minimum, it will mean that the detector is not 100% effective and therefore there is no excuse to continue with the security measure.
- Conduct a follow-up security survey.
- Evaluate systems downtime as part of the security survey.
- Conduct a crime trend analysis regarding recorded losses or crimes prior and after implementation.
- Obtain feedback from various stakeholders, including those people caught violating the security measures.

Olckers (2007:103) states that once everything has been tested and approved, a final report has to be submitted to the top management or client. A date is set for a follow-up security risk management process to be repeated. Security control measures should be maintained and
upgraded. Often, property owners will maintain and upgrade their security control systems only when these were bypassed or violated. The maintenance and upgrade of a security measure should be reviewed regularly if the risk profile has increased.

5.7 CONCLUSION

Shopping malls, as clients of the private security industry, have characteristics which make them different from other clients. These unique characteristics make shopping mall security difficult to manage and control (a challenge for security companies). Shopping malls are viewed as places of business, entertainment and leisure, and their unique characteristics make them appealing to a large number of people with different needs and create traffic. However, among the people who are attracted to shopping malls are people with criminal intentions and motives.

Shopping malls face various security threats which should be managed effectively by security companies. The role and function of shopping mall security are the overall safety and security of the shopping mall and the preservation of people’s lives. For this function to be effective, a shopping mall should have a sound crime prevention or security risk management strategy or plan. Strategies such as the CPTED, MIMP or BCP and SRMM among others, are some of the tools shopping mall security management should use in managing and preventing crime.

Security management in shopping malls in Gauteng is becoming challenging for security companies and shopping mall management alike, as they are expected to be on high alert given the number of armed robberies and other related crimes happening in shopping malls. It is easy to blame security companies for the situation; they end up losing business contracts because the shopping mall’s management and tenants and the public/shoppers blame them of poor service and negligence, especially when crime/armed robberies at shopping malls where security measures and procedures were found to be questionable or/and inadequate resulted in death.

The training of security personnel deployed at shopping malls should be of high standard given the environment in which they work. Security personnel’s duties in shopping malls are not only preventing and detecting crime, but include client service, legal awareness, conflict management, first aid, CPTED, MIMP and SRMM. The challenge of security companies is to
ensure that the training requirements are set out clearly when they enter into an SLA with shopping mall clients.
CHAPTER 6
RESEARCH DESIGN AND METHODOLOGY

6.1 INTRODUCTION

There are two main approaches to research, namely the quantitative approach and the qualitative approach. These two approaches can be contrasted in terms of many factors, such as that the quantitative approach is used to understand the facts of an investigation from an outsider’s perspective while the qualitative approach gives an insider’s view when the researcher talks to subjects or observes their behaviour in a subjective way (Welman et al., 2005:6–9). The qualitative research approach was used for this study.

A questionnaire was used to obtain information from private security and shopping mall officials in Gauteng shopping malls. The research was conducted observing all the ethical considerations and ethical standards stipulated by Unisa (2000:128–134).

6.2 RESEARCH DESIGN

According to Mouton (2001:155), a research design is the way in which the researcher intends to conduct the research. It can be equated to a blueprint on how the research will be conducted. It is an overall plan that governs which research participants are selected and the information that will be collected from them (Welman et al., 2001:52). In essence, it is a layout of what will be done with the participants in order to reach research outcomes.

Creswell (2007) and De Vos et al. (2011:313) mention the following five research designs that can be used in qualitative research in the applied human sciences:

(1) **Narrative biography.** According to this research design, the life world of a person can be best understood either from his/her own account and perspective or from experiences and definitions (Schwandt, 2007:22).

(2) **Ethnography.** This involves studying an intact cultural or social group, or an individual or individuals within that group, based primarily on observations over a prolonged period of time (Creswell, 2007:242).
(3) **Phenomenology.** Here the meaning of the lived experiences of a phenomenon or concept of several individuals are described with the intention of understanding the research problem in terms of their own understanding and description of human experience (Creswell, 2007:57).

(4) **Grounded theory.** Despite being a theory on its own, grounded theory focuses on generating theory based on the study of social situations with the aim of developing a substantive theory that is grounded in data (Schram, 2006; De Vos et al. 2011:318).

(5) **Case study.** This encompasses a wide range of methodological frameworks already discussed above. According to Babbie (in De Vos et al, 2011:321) this is where researchers acquire knowledge from the relevant literature before conducting the field research. Thus, in this study, relevant literature on the topic was reviewed before the researcher conducted the field research.

### 6.3 RESEARCH APPROACH

As already stated, there are two main research approaches: – the quantitative approach and the qualitative approach. Quantitative research is aimed at explaining and predicting concepts that can be generalised to other people and places. It is used to objectively measure the variable(s) of interest, which are identified, developed and standardised with the intention of enhancing their validity and reliability. In essence, it typically reduces the data to means, medians, correlations and other summarising statistics (Leedy & Ormrod, 2005:95–97).

Qualitative research focuses on describing and understanding, rather than explaining or predicting, human behaviour through naturalistic observation rather than controlled measurement. It deals with the subjective exploration of reality from the perspective of an insider as opposed to that of the outsider, which is the predominant focus of the quantitative paradigm (Babbie & Mouton, 2001:53).

The reason why a qualitative research method was used for this study is because it is exploratory in nature and seeks to answer the “what” part of the research problem. This is to enable the researcher to become conversant with basic facts and have a general picture of the challenges experienced by private security companies in retaining their shopping mall clients. The study is also descriptive in nature as it seeks to establish the reason(s) for the poor retention of shopping mall clients and how this situation can be improved.
6.4 POPULATION AND SAMPLING METHOD

Mouton (2001:134) defines a population as a group of individuals who have characteristics in which the researcher is interested to study. In other words, it is the study object and can consist of individuals, groups, organisations, human products and events, or even the conditions to which they are exposed. A population is a full set of cases from which a sample is taken (Welman et al, 2005:52–53).

The population of this study were the private security officials responsible to manage other private security officials at shopping malls in Gauteng and the shopping mall officials responsible for the contracted security companies in their respective shopping malls. A total of 30 questionnaires were hand delivered; twenty-five were for the private security officials managing other private security officials at shopping malls and the five were for the shopping mall officials responsible for the contracted security companies in their respective shopping malls. The researcher’s initial plan was to interview the shopping mall officials in their respective shopping malls, but they were reluctant to be interviewed that is why the researcher decided to leave the questionnaire with the officials and collected them later. Gauteng has five metropolitan areas: Tshwane, Johannesburg, Mogale City, Ekurhuleni and Sedibeng. A total of 5 shopping malls were selected from each metropolitan area to ensure that the responses were representative of the entire province. A total of 20 completed questionnaires were received from the private security officials and five from the shopping mall officials.

Sampling is a process to select cases for inclusion in a research study and the few selected units of analysis that are used to make conclusions about the population are called the sample (Mistry, Minnaar, Patel & Rustin, 2003:91). Different sampling methods are used when planning qualitative research: theoretical sampling, deviant case sampling, sequential sampling, snowball sampling, key information sampling, volunteer sampling, and purposive or judgemental sampling (De Vos et al., 2011:392–394). Purposive sampling was used in this study.

Leedy and Ormrod (2005:206) state that in purposive sampling, people or units are chosen for a particular purpose. It is the method where the unit of analysis are chosen because they have unique characteristics that will assist the researcher in understanding the phenomenon being
studied. In this case, the purposive sampling technique was used to identify and purposively hand questionnaires to private security officials responsible for managing other private security officers in shopping malls and shopping mall officials responsible for contracted private security companies in shopping malls. These groups were appropriate for this study as they represented diverse perspectives on the topic being studied.

6.5 DATA COLLECTION METHOD

According to Maree (2016:175), there are different methods of data collection and each method has its own advantages and disadvantages. Some methods are better in some areas than others. In this study, the literature review (discussed below) and questionnaires (discussed in the previous section) were the main data collection methods.

A literature review assists the researcher to gain a clearer understanding of the research problem (Cooper, 1998:15). It enables him/her to understand what has already been discovered on a subject and what areas have not yet been discovered. This enables the researcher to develop the rationale and objectives of the study. According to Welman et al. (2005:38), prospective researchers should acquaint themselves with previous research on a particular topic before they start to plan their own research. It will be of little use to do research on a topic on which general consensus has been reached, unless the researcher intends to provide a new perspective. In this study, the researcher gathered information on the research topic from books, the internet, dissertations, journal articles and newspaper articles.

6.6 DATA ANALYSIS AND INTERPRETATION

Data analysis is the process of bringing order, structure and meaning to the mass of collected data. This involves reducing the volume of raw information, sifting significance from trivia, identifying significant patterns and constructing a framework for communicating the essence of what the data reveal (De Vos et al, 2011:397).

6.6.1 Data Management, Classification and Themes

Data is managed by organising files which researchers convert into appropriate text units like words, sentences and an entire story for analysis, either manually or by computer (De Vos et
al, 2011:408). In this case, the data were written by the participants on the questionnaires and this eliminated the need for transcription.

Thematic data analysis was used in this study. In other words, the collected data were organised into themes and the themes were analysed. According to Ryan and Bernard (2000:59), without thematic categories, the researcher has nothing to describe, compare and explain. The aim of this study was to describe and explain the phenomenon in question, thus the themes were organised mainly according to the questions of the questionnaires and the participants’ responses (own written transcripts). This was done in line with Dey’s (1993:98) assertion that even with a fixed set of open-ended questions, one cannot anticipate all the themes that arise before analysing the data.

6.7 VALIDITY AND RELIABILITY OF THE STUDY

6.7.1 Validity

According to Leedy and Ormrod (2005:28), validity relates to the extent to which a measuring instrument is able to measure what it is supposed to measure. One of the most common and useful classifications of the validity underlying measurement is content, face, criterion and construct validity. In this study, validity was ensured by using questions that were relevant to the participants to ensure that the answers given were relevant to the formulated research question and research objectives. Descombe (2002:100) states that ensuring validity relates to the data and the analysis method used in the research. To this end, the researcher ensured that the data were valid by comparing and verifying some responses obtained with the information obtained from the literature review.

6.7.2 Reliability

Reliability relates to the ability of an instrument to measure the same thing repeatedly and to give the same results (Delport & Roestenburg, 2011:177). The reliability of data was ensured by conducting a pilot study with the appropriate group of people using the same instruments. To achieve reliability, the researcher ensured that the questionnaires were standardised and asked the participants relevant questions.
According to Mistry et al. (2003:138), piloting is testing of the instrument by ensuring that it measures what it is intended to measure and giving an indication that the data collection instrument enables the researcher to answer the research question. A pilot study was conducted with three private security officials responsible for managing other private security officers in shopping malls and one shopping mall official responsible for managing the contracted private security company at a shopping mall. The objective of the pilot study was to test and validate the questionnaires. Janesick, Denzin and Lincoln (in De Vos et al., 2011:395) state that a pilot study assists in estimating the time and costs that may be involved as well as in pre-empting the problems that may arise during the actual administration of the questionnaire. The outcome of the pilot study was significant in indicating that the initial plan of interviewing the shopping mall officials should be replaced with distributing questionnaires to them.

6.8 ETHICAL CONSIDERATIONS

Strydom (2011:114) states that ethics is a widely accepted set of moral principles embraced by an individual or group which offers rules and behavioural expectations about the most correct conduct for the subjects of experiments and respondents/participants, employers, sponsors, other researchers, assistants and students. The researcher complied with Unisa’s research ethics by applying for ethical clearance (Appendix A) and conducting research according to the stipulated ethical requirements to ensure that the procedure used was ethically above reproach (Unisa, 2000:128–134). Ethical research was also promoted by safeguarding the dignity, rights, safety and wellbeing of all the participants. This ensured that the researcher fulfilled my ethical obligation to protect the participants against any form of physical discomfort (Dane, 1990:44).

The following ethical aspects were considered when conducting this research:

- **Avoidance of harm.** Babbie (2007:27) states that because participants can be harmed in a physical and/or emotional manner, the fundamental ethical rule of social research is that the participants should suffer no harm. The pilot study of this research indicated the participants’ fear to be interviewed due to the sensitivity of the information that they might disclose about their respective companies. To obviate this fear, the researcher decided to distribute questionnaires rather than interview the participants.
Voluntary participation. Participation should at all times be voluntary and no one should be forced to participate in a research project (Rubin & Babbie, 2005:71). In this study, the voluntariness of the shopping mall officials responsible for the contracted private security companies in their respective malls was based on them being given a questionnaire rather than being interviewed.

Informed consent. According to Babbie (2007:64), the concepts of voluntary participation and ensuring no harm to participants have become formalised in the concept of informed consent. This is emphasised by De Vos et al. (2011:117), who state that no one should be coerced into participating in research and when subjects are involved without their consent, their right to self-determination is impaired and this should be avoided at all cost. In this study, the participants were handed the consent form together with the questionnaire so they were well informed and voluntarily completed the questionnaire. The inference could be drawn that those who were uncomfortable with the questionnaire did not complete it as the number of questionnaires received was less than the number of questionnaires distributed.

6.9 CONCLUSION

The qualitative research approach is a flexible approach to obtain explorative data from participants. The data collection process used for this study was very stimulating for the researcher because through the pilot study, the researcher developed a data collection instrument that was embraced and understood by all the participants; therefore, the reliability and validity of the instrument (questionnaire) was tested.

Thematic data analysis was adopted for this study to ensure that similar themes were grouped together to systematically answer the research question and determine the achievement of the research objectives. This indicates that the research methodology used in this study was the appropriate method and enabled the researcher to answer the research question and achieve the stated research objectives.
CHAPTER 7
RESEARCH FINDINGS

7.1 INTRODUCTION

The research findings presented in this chapter emanate from the questionnaire used to obtain information from the private security officials and the shopping mall officials who participated in the study. Section 7.2 below deals with the presentation and analysis of the demographic information of the participants and Section 7.3 deals with the presentation and analysis of the information obtained from the participants.

The collected data is categorised and presented in themes that are aligned to the questions that were posed. The analysis is provided in the context of this study, indicating the complexities and challenges of providing security services at shopping malls. This analysis provides the basis for the recommendations and conclusion of this study.

7.2 PRESENTATION AND ANALYSIS OF PARTICIPANTS DEMOGRAPHICS

Considering the sensitivity of this research, the researcher collected only demographic data that is crucial for the research analysis, thus ensuring the protection of the participants’ identity – which the participants emphasised. The demographic data that was deemed relevant and significant for the study relate to the position of the participants in the company, the type of work they did, their work experience and their highest educational qualification. The collected demographic data (Appendix E) indicates the suitability and appropriateness of the participants to this study.

7.2.1 Position Occupied

The identification of the position occupied by the participants in their companies is important to determine the job level of the security officials responsible for managing and guarding shopping malls.

The positions of the private security officials varied from being site managers, site supervisors, area managers, area supervisors and operational managers. Of the total 25 participants, 65%
was site security managers and/or supervisors, 30% was area managers and/or supervisors, and 5% was senior security managers. It is important to note that the position occupied by the participants differed from company to company and from client to client.

The positions of the shopping mall officials were as follows: assistant operations manager, facility or building manager, maintenance manager, operations manager and centre manager (as indicated in Appendix E).

7.2.2 Work Done

It is important that clients of private security companies clearly define what have to be done when, where, how and by whom in the contract entered into by the two parties. This helps in identifying the calibre of people required and that the prospective service providers have a thorough understanding of the client’s needs. As indicated in Appendix E, the work of 65% of the site managers involved managing 15 to 20 security personnel per shift who were guarding shopping malls. Although the manner in which these security officers are managed varies from one shopping mall to the other, they largely include being posted at various strategic positions and ensuring that they perform the work as described by the client. Site managers liaise or communicate with the client, tenants, customers and other stakeholders like cleaners and other security contractors in the shopping mall.

60% of the security managers indicated that risk assessment and the ongoing training of security officers were part of their daily work to enhance crime prevention. Participant 1 emphasised this by stating that regular workshops were held in an attempt to achieve this objective. Participants 1, 3, 8 and 19 mentioned that they monitor the CCTVs that had been installed to deter potential criminals and identify those committing crime. Participants 14 and 17 mentioned that besides managing security personnel, they supervise other contractors like cleaners and car guards from other companies because this was included in their employment contracts.

Area supervisors and managers were more responsible for assisting site supervisors and managers in managing security at shopping malls. All the area managers who responded were responsible for four to seven shopping malls and a number of other sites (clients). Although
the details of the work differed from participant to participant, the common denominator was to ensure that all the security personnel at shopping malls and other sites were well managed.

Other daily work done by area managers in managing security at shopping malls was to assist site managers in conducting risk assessments and doing other administrative duties like conducting disciplinary hearings, ordering security personnel’s uniforms and ensuring that the duty roster was followed. Participants 2, 9, 12 and 16 (private security officials) emphasised that the payment of security personnel working in shopping malls was determined by the allocated budget of the site. So the duty of area managers was to ensure that the correct information pertaining to security personnel’s salaries was captured in order to avoid pay queries which often resulted in high absenteeism. Like the site managers, area managers were expected to communicate with the clients, their security staff and other stakeholders, thus providing a link between the client and their employer.

The work of the participant who was a senior security manager (operations manager) and had 15 shopping malls in his span of control included drafting policies and signing SLAs/contracts with the clients and other relevant stakeholders.

In summary, the work of all shopping mall managers who participated in this study included managing contractors working in the shopping malls such as private security, cleaners, tenants, parking lot attendants, maintenance staff and suppliers. Their second most important work was maintaining the security of the shopping mall to ensure that consignments reached their destinations safely. Only one out of the five participants indicated that they also made security decisions at the highest management level of the shopping malls for which they were responsible.

7.2.3 Number of Years in the Private Security Industry

The work experience of both groups of participants was regarded as vital as the aim was to seek to know the number of years they had worked in the industry. The number of years of work experience, especially those of the private security officials, is important as it helps employers to provide the correct person with the relevant and necessary experience to fulfil the needs of the clients.
The work experience of 30% of the private security officials was between 20 and 30 years, 60% had 11 to 18 years’ work experience and only 10% had less than 10 years’ work experience in the private security industry. Most of the participants spent a number of years working for the same employer and some indicated that they had more than three years’ experience providing security in one shopping mall. Only one participant had less than 10 years’ experience working at shopping malls and the rest had more than 10 years’ experience.

7.2.4 Educational Qualifications

This category was to determine the education level/qualifications of the participants. The aim was to highlight the participants’ educational backgrounds in order to determine if it had any relevance to the research study and if their educational qualifications were in accordance with the recommendations of their respective industries.

All the participants were registered with PSIRA and 85% of them had an accredited Grade A certificate, while the remaining 15% had a Grade B certificate which complies with the PSIRA regulations. 5% of the participants had completed Grade 10; 60% had completed Grade 12 (matric); and 35% had various tertiary qualifications that were very useful in the private security industry, including the Diploma in Security Management (see Appendix E).

The majority of the shopping mall officials had diplomas/degrees in Business Management. Others had various qualifications such as certificates/diplomas in Occupational Health and Safety, in CRM, in Shopping Centre or Facility Management, and so on.

7.2.5 Summary

The demographic data of the participants revealed the various roles of the participants, their educational qualification, and the length of their service in the private security industry and in their respective companies. It was clear that site managers manage security operations in shopping malls and their main function was to devise crime prevention strategies and promote effective and efficient communication with the client and other stakeholders like shop-owners on crime-related matters.
Even though the shopping mall officials’ positions are named differently, their job descriptions are similar in many respects. The majority of the private security officials who participated in the study had a Grade 12 certificate, while all the shopping mall officials had a tertiary qualification and a significant number of work experience in providing security in shopping malls.

7.3 PRESENTATION AND ANALYSIS OF INFORMATION ON SECURITY MANAGEMENT AND SERVICE IN SHOPPING MALLS

The purpose of this section is to answer the research question and objectives of this study. The presentation and analysis of data in this section are based on the responses from the participants. As mentioned in the previous chapter (Section 6.6.1), thematic data analysis – which is a coherent way of organising or reading interview data in relation to the specific research question – was used in this study. The themes that emerged from this process are dealt with in the subsequent sections.

7.3.1 Security Management Challenges in Shopping Malls

The aims of this section is to present the perspectives of the private security officials and the shopping mall officials regarding the challenges they encounter in managing security in shopping malls on a daily basis. 70% of the private security officials mentioned crime as their main challenge, stating that shopping malls as public places with no strict access control/restriction compared to warehouse and other sites with restrictions to public access are prone to crime. They stated that potential criminals are attracted by valuable items in different shops.

They mentioned armed robberies, shoplifting, theft, and theft of and from vehicles as commonly committed crimes. Participant 15 emphasised this as follows: "The crime problem we experience in this shopping mall is theft of cars and attempted theft of cars which leads to theft from cars, because they will take anything they lay their hands on." White collar crime such as fraud was mentioned as a challenging crime in most shopping malls and Participant 4 stated that some crimes in shopping malls are made possible by syndicates involving some corrupt shop attendants and security officers. This put enormous pressure on security officers
as shop-owners, shopping mall management and the public at large expect them to prevent or combat every crime that occurs.

Crimes committed by private security officers who are employed to secure shopping malls is another challenge for the private security industry and shopping mall. Participant 4 emphasised this by stating: “Some security officers who provide services to various shops/tenants in the shopping mall collude with shoplifters to commit crime. This defeats all the crime prevention plans or strategies we come up with because the very same people are part of our crime prevention team/committee.”

Violent crime such as shootouts with robbers was mentioned by some participants as one of the factors that result in security officers not lasting long in a shopping mall due to its dramatic nature and the high pressure that security officers has to operate under due to the safety expectations of tenants and clients. Participant 20 emphasised this by stating that “security staff do not last long in shopping malls, especially after being exposed to crime, for example armed robbery involving shooting. It becomes more difficult for them if the shooting involved some fellow security personnel even if they were from another contractor or service provider”. Participant 13 stated that violent crime in shopping malls caused panic among shop tenants and clients who are likely to be victims of crime.

Private security officials mentioned that working in shopping malls is more complicated and demanding than working at other sites due to the following:

- **Long hours.** Participants 9, 12, 16 and 18 mentioned that due to the nature of the work in shopping malls, security officers work long hours compared to in other places. This lead to constant change of security personnel, which made effective security in a shopping mall a complex matter according to 80% of the participants. Participants 2 and 3 attributed the changing of the security officers to the high absenteeism rate and alleged ill treatment of security officers by the private security companies in some instances.

- **Constant pressure and complaints from customers, shop-owners and shopping mall management.** Participants 2, 5, 6, 7 and 12 mentioned that most tenants and shop-owners were rude and had no respect for security officers. It was also stated that tenants complained more than the shopping mall management and this was emphasised by
Participant number 17 as follows: “Shop-owners like to complain about poor security service, mostly after experiencing a loss of profit during stocktaking, and attribute this to poor crime prevention strategies used in the shopping mall.”

The ripple effect of the abovementioned factors is the high turnover of security officers in shopping malls compared to other sites in the security industry, according to Participants 2, 8, 15, 19 and 20. Participant 15 emphasised this: “On top of working long hours standing, security staff in shopping malls are expected to possess high PSIRA grades plus a matric certificate but they are paid the same salary like other security officers working on other sites.”

The SLAs of shopping malls are complicated and difficult to manage, unlike at other security sites. Participant 5, an operational security manager responsible for 15 shopping malls, stated that there were no clear job descriptions from the majority of the shopping malls. This indicates that security companies are usually expected to provide comprehensive security services, which complicates matters as some services are not contained in the SLA and could lead to legal challenges.

Participant 8 mentioned that it was impossible for security officers to fulfil some clauses in some SLAs and this posed a security challenge in shopping malls. This was supported by Participants 10, 13, 14 and 17, who mentioned that shopping malls were difficult to manage as the shopping mall management and shop-owners gave too many instructions.

Of the shopping mall officials, Participants 1, 2, 3 and 4 indicated that the failure of private security companies to comply with the SLA was a major challenge. They mentioned that some security officers did not report security incidents on time and waited until the shopping mall management enquired about such incidents. This was a breach of the SLA.

7.3.2 Specific Security Management Needs Required and the Challenges of Meeting them

85% of the private security officials mentioned retail experience as one of the critical attributes required of skilled security officers by shopping mall management or clients of security companies guarding shopping malls. Participants 4, 5, 9, 10 and 17 mentioned other
accompanying skills such as a mature attitude, effective communication, client care and conflict management, as well as Grade 12.

80% of the private security officials stated that most security companies experienced challenges in providing the required calibre of security officers such as security officers with retail experience and training. According to Participant 2, constant training of shopping malls security officers who are paid by the shopping mall management was being conducted to address this shortcoming.

Effective crime prevention was mentioned by 60% of the private security officials as another important factor for the shopping malls management. Participants 7, 10, and 14 indicated the risk assessment and screening of security personnel were other important factors in the SLA between the shopping malls and private security companies.

All the shopping mall officials stated that in order to deal with the identified challenges, regular meetings with the security management are essential to review and monitor compliance with the SLA. This was emphasised by Participants 2, 4 and 5, who stated that they penalised security companies for contravening agreed set standards by cutting monthly security fees but regular training and workshops were provided by shopping mall management to obviate these challenges.

It is clear from this section that the shopping mall management and security service providers in shopping malls experienced security challenges. These challenges escalated as crime levels increased in shopping malls, demanding the deployment of skilled and experienced security officers. There was also concern over the private security companies’ failure to meet the expectations of the shopping mall management expressed in the SLAs, and this could explain the rapid turnover of private security personnel in some shopping malls.

7.3.3 Client Retention Rates and Strategies

70% of the private security officials indicated that they normally served the full period of the contract, from three to five years, providing a security service in shopping malls. Participants 2 and 3 indicated the challenges of contract work for the employees of private security companies because there was no guarantee that their contracts would be renewed and this
affected their morale. This was emphasised by Participants 1 and 5 of the shopping mall officials, who stated that the termination or renewal of the contract was the prerogative of the shopping mall management. Participant 5 added: “Decisions to terminate or retain the contract are mostly influenced by the opinions made by tenants and the customers alike through surveys.” He also stated: “Price increases is another factor which influence the decision to terminate or renew the contract.” Although most private security officials alluded to the slim chance of having security contracts renewed by shopping malls, 35% of them indicated that they were able to provide a security service in some shopping malls for a maximum period of 12 years.

Three of the five shopping mall officials indicated that they were not in favour of changing or rotating security companies guarding shopping malls due to the investment they make in training the deployed security officers and the stability of the security situation. This is captured by the following words of Participant 4: “There are huge investment made on security companies like the training of the security officers and continuous change does not lead to the return on investment.”

7.3.4 Client Retention Strategies of Private Security Companies

The majority of the participants agreed that communication as a strategy played a pivotal role in client retention and the management of security service provision in shopping malls. Constant meetings with the client, even when there was no serious matter to discuss, were highlighted as necessary to maintain the relationship. Participant 11 of the private security officials added: “We communicate with the client immediately where their demands cannot be met by security staff and we come to a compromise which often works well for all.”

Improving the quality of the service rendered is another strategy security companies use to retain their clients, according to 50% of the private security officials. They attempt to do this by trying to exceed the clients’ service expectations as contained in the SLA. This is done without performing functions that could exceed their mandates as that could lead to legal challenges, according to Participant 5 of the private security officials. Participant 7 of the private security officials mentioned the importance of flexibility as a strategy to improve the quality of the service rendered and enhance retention as follows: “My company enters into month to month contracts with their clients, this is to ensure that partnership is kept flexible at
all times and this also increases efficient service.” Team work is another aspect that plays a big role in the provision of efficient and effective service and ultimately contributes to client retention. Participant 14 of the private security officials stated: “We become part of the shopping mall management that tackles crime issues together as a team.”

Participants 2, 9, 10 and 19 of the private security officials stated that the security function they rendered to the shopping malls differed from the security function they provided at other sites as it encompassed additional services such as armed response and technical service. To try and have continuity and ensure the minimal disruptions to the client when the new security company takes over from the previous one, they ask the client if they will prefer to retain some of the security officers of the outgoing company. If the client prefers that some of the security officers should indeed be retained, the new company employs those security officers and they continue to perform the functions they performed previously. This benefits the shopping mall as there are fewer disruptions during the transition and the security company reduces its training cost (in terms of new members who have to be trained on the operations at the new site). These participants also mentioned the inclination of such members to want to dictate to the new company as they feel they have superior knowledge about the operations in the shopping malls and their new managers are at a disadvantage. Participant 2 of the private security officials cautioned against absorbing security officers who had worked for the previous security company as they might have been the problem why the company’s contract had not been renewed in the first place. To make sure that the shopping mall management will be comfortable with the calibre of the people employed by the new private security company they should be invited to be part of the interview panel to appoint security officers.

Participants 1, 8 and 20 of the private security officials indicated that the cost of the security function as the main factor determining the retention of security companies by shopping malls. They emphasised the importance of avoiding over-pricing or under-pricing during the bidding process, as neither will lead to prolonged client retention if the company is contracted to the shopping mall. Over-pricing will lead to the shopping mall searching for another security company that can provide the same functions at a lower rate than the current company; while under-pricing will lead to the private security company funding some operations and running at a loss, which obviously will have an impact on the security officers’ wages and benefits, and it will thus not be willing to renew the contract at the same rates.
7.3.5 Critical Factors Resulting in the Immediate Termination of the Security Service Contract in Shopping Malls

The main reason why security companies are contracted by shopping malls is to prevent crime and assure the safety and security of the shoppers and tenants of the shopping malls. Participants 2, 3 and 4 of the shopping mall officials stated that failure to have an effective strategy that reduce crime or failure to report crime incidents can lead to the termination of the contract of the private security company. Participant 2 stated that in some cases, this is exacerbated by the fact that “security personnel get involved in crime syndicates because security companies do not vet their staff members, and vetting is part of the service level agreement”.

The abuse of shopping malls’ clients/tenants and their death/injury through the negligence of the security function were mentioned by Participants 1, 4 and 5 of the shopping mall officials as other factors that could lead to the termination of the private security company’s contract. Participant 1 emphasised this by saying: “We try by all means to prevent any legal issues which may result into us facing a civil case against us.” Participants 3 and 5 mentioned the failure of the private security companies’ management to attend meetings called by the shopping malls’ management as another factor that could lead to the termination of the contract as issues related to the quality of service delivery are dealt with at these meetings.

Most security companies served the full term of their contracts and some failed to have the contracts renewed on expiration. It is clear that most private security companies have client retention strategies but the effectiveness of these strategies can only be determined by their ability to retain clients beyond the original contract. For the sake of stability and continuity, many shopping mall managers are not in favour of the continuous changing of security companies servicing them. However, where there are compelling factors not to renew the contract (largely due to the quality of the service they get from a security company), they do not hesitate to decline renewing such contracts.

7.3.6 Measuring Client Satisfaction

Most of the private security officials mentioned that they conducted client satisfaction surveys to measure the shopping malls’ level of satisfaction with the quality of services they rendered.
Participant 2 stated: “We conduct customer satisfaction surveys every three months with all our clients. The result from the survey indicates whether the client is satisfied or not. Where dissatisfaction is indicated, the company looks at the factors leading to that and corrective measures will be put in place.”

Participants 2, 4, 5, 6 and 14 of the private security officials stated that the survey questions encompass the following:

- the client’s satisfaction with the effectiveness of the crime reduction strategies contained in the SLA;
- the client’s satisfaction with the calibre of the security officers deployed at the shopping mall
- the client’s satisfaction with the number of visits conducted by security managers to monitor security officers deployed at the shopping mall
- the client’s satisfaction with the implementation of the resolutions taken at the meetings between the shopping mall management and the contracted private security companies

Nearly half of the participants of the private security officials mentioned that compliance with all the provisions of the SLA was another major factor client satisfaction surveys were designed to determine. 45% of the participants confirmed that clients renewed their contract with security service providers and referred them to associates if they were satisfied with the services rendered. Participant 11 mentioned that “our company have six shopping malls that they secure and they all renewed service contracts with us. That is why I have been in this shopping mall for 12 years, thus meaning that the client is satisfied with our services”.

This sentiment was supported by Participant 17, who stated that they had more new clients who were referred to them by clients they were servicing, indicating that most of their clients were satisfied with the services they provided.

What the above participants stated were supported by all the shopping mall officials, who agreed that security companies’ survival mainly depended on the approval of tenants and other stakeholders like customers of shopping malls. They stated that to determine satisfaction with the services provided, shopping mall management conduct a customer satisfaction survey among all the stakeholders. Participant 3 of the shopping mall officials indicated that most
often tenants who were less satisfied with the security provided were those without their own internal security and were dependent on the shopping mall security.

Four of the five participants of the shopping mall officials indicated that it is critically important that the contracted private security company adheres to the SLA to ensure client satisfaction with the services provided because this is a binding agreement. Participants 1 strongly emphasised that they did not tolerate the ill treatment of security officers by private security companies as “unhappy or disgruntled security officers pose a security risk for the shopping mall because crime syndicates look for vulnerable security officers to advance their activities”.

All the participants of the shopping mall officials mentioned that if the performance of the private security company was unsatisfactory, they called a meeting with the relevant stakeholders and revisited the SLA to establish discrepancies. Participants 2 and 4 stated that they penalised security companies that contravened the agreed upon standards by cutting monthly security fees by up to 50%.

7.4 CONCLUSION

The demographic information of the participants played a significant role in understanding the responses to questions within the context of the private security industry as well as the profile of people working in it. The data indicates clearly the significant work experience of the participants, complemented by their educational qualifications and the number of years they had worked in their respective industries.

The findings revealed security challenges such as an effective crime prevention strategy, the provision of skilled security officers and effective communication in shopping malls as factors that the security provider and the client have to grapple with. The success, or lack thereof, in this area influences the ability of private security companies to retain their clients and the various client retention measures they use to retain clients. The success of these strategies can be measured by the ability of the private security company to have its contract renewed.
CHAPTER 8
RECOMMENDATIONS AND CONCLUSION

8.1 INTRODUCTION

This last chapter contains the recommendations and general conclusion of the study. The recommendations are intended to address the challenges or shortcomings emanating from both the literature and empirical research, with the ultimate aim of further improving the services private security companies provide to shopping malls and enabling shopping malls to make more informed decisions when contracting the services of private security companies.

8.2 RECOMMENDATIONS

As indicated above, the recommendations in this section are designed to address the shortcomings indicated by the literature review and empirical research. They are largely categorised as recommendations that address the challenges or shortcomings affecting private security officials and shopping mall officials.

8.2.1 Recommendations for Private Security Managers

- **Recruitment of security officers for shopping malls.** Security companies should recruit security officers with relevant experience in the specific area of shopping mall or retail security where they are going to be deployed. This will enable them to provide the skilled and experienced security officers indicated as needed by the shopping mall management (as per Paragraph 1 of section 7.3.2 of the research findings).

- **Upskilling security officers at shopping malls.** This entails developing a dedicated shopping mall security management course to teach basic retail or shopping mall security aspects. This course could enhance the skills of security officers regarding the dynamic security aspects of shopping malls for effective and efficient crime prevention. This will address the training needs of the private security officers deployed in shopping malls (as indicated in Paragraph 2 of Section 7.3.2 of the research findings).
• **The SRMM.** There is a need for security companies to adopt and implement the SRMM as discussed in Section 5.5 of Chapter 5. The model is adaptable for use by any security company and it could provide sound crime prevention strategies to enhance the safety and security of the secured environment.

• **Fair pricing.** Security companies should avoid over-pricing or under-pricing when they bid for security business because neither one of these is sustainable for security companies. Over-pricing will cause security companies to lose business due to the unaffordability of their services while under-pricing could cause the security company to run at a loss. This will eventually impact the quality of services rendered by the security company (as indicated in the last paragraph of section 7.3.4 of the research findings).

• **Renewability of the security contract in shopping malls.** Security personnel should render satisfying services to the shopping mall as well as develop and create a good relationship with tenants and their customers. This is based on Paragraph 6 of Section 7.3.6 of the research findings which indicates that the decision of most shopping mall managers to terminate or renew the security contract is largely influenced by the shopping mall tenants’ satisfaction with the quality of the security services rendered.

• **Regular security management meetings.** There should be transparent communication in dealing with issues related to security management which may jeopardise the business relationship between the contracted security company and the shopping mall management. This will ensure that perceived challenges are speedily dealt with before they develop into problems that might compromise the security of the shopping mall and ultimately lead to the termination or non-renewal of the security contract (as indicated in the last paragraph of Section 7.3.5 of the research findings).

• **Partnership with stakeholders.** It is vital to create a partnership with other contractors and stakeholders like cleaners, maintenance staff, tenants’ security staff, parking lot attendants and others in the shopping mall to ensure that the shopping mall’s interests are protected as expected by the client. This will also help the security company to monitor the contractor activities and reduce any involvement of staff with criminal syndicates (as indicated in the first paragraph of Section 7.2.2 of the research findings).
8.2.2 Recommendations for Shopping Mall Managers

The literature review revealed that there is a lack of security knowledge and management generally. As most security services are outsourced and specialised in nature, most clients or users of security companies do so to complement a gap in or lack of internal skills to run this function (Bosch, 2015). The empirical research findings revealed that security personnel did not get clear job descriptions from the majority of the shopping malls (as indicated by Participants 5 of the security service participants), so security companies are expected to provide comprehensive security services and this complicates matters as some of the expected services are not contained in the SLA and could lead to legal challenges. As a result, it is important to employ security personnel or managers with vast experience and the necessary qualifications in both security management and the operations of shopping malls. This will help in sound decision making, especially when it comes to contract negotiations, interviewing and training security personnel, and planning and selecting informed crime prevention strategies. They should be registered with PSIRA and have a Grade A certificate. Someone who has completed this grade will be equipped and knowledgeable in instituting disciplinary actions and managing crime prevention activities among others (as shown in Section 3.4.2 of Chapter 3).

• **SRMM.** The shopping mall management should familiarise themselves with the practical application of the SRMM, as discussed in Section 5.5 of Chapter 5 of this study. As indicated above, this model may be adapted for use by any security company in any setting and it could provide sound crime prevention strategies to enhance the safety and security of the secured environment. An understanding of the SRMM by both shopping mall officials and private security officials will be beneficial in devising effective and efficient crime prevention strategies.

• **Use of unregistered security companies.** The shopping mall management should avoid using the services of unregistered (fly-by-night) security companies that use various tactics such as under-pricing to secure contracts, ultimately compromising the quality of the services rendered and employing security officers who are less skilled, less experienced and poorly paid. The literature revealed that fly-by-night security companies that employ non-South Africans, exploiting and paying them very low wages, is another concern for the private security industry (Press Portal, 2012:1).
The empirical research further revealed that crimes committed by private security officers employed to secure shopping malls are another challenge for the private security industry and shopping mall management.

According to Fischer et al. (2008:54), when conducting a selection procedure, the client should set standards for security officers, such as appearance, rules of conduct, age restrictions, physical condition, educational level, reporting skills, language proficiency and criminal record checks. They also state that it is advisable that clients not only interview the security company’s representative but also their contract security officers who will be deployed on the client’s premises. Therefore, the shopping mall management should not leave it only to the security company to vet their security staff but should also do their own private investigation on the personnel they recruit. This will help to eliminate the risk of security personnel being involved in crime syndicates and will ensure that the correct people are recruited. PSIRA inspectors opened about 740 criminal cases with SAPS in the 2013/2014 financial year and most of them involved the employment of people with criminal records by unsuspecting clients in Gauteng (PSIRA, 2014c).

8.3 CONCLUSION

The main purpose of this study was to establish the client retention challenges for private security companies guarding shopping malls in Gauteng. This was done by analysing challenges impacting client retention and the client retention strategies of private security companies providing security services at various shopping malls. Factors leading to poor client retention were also identified and analysed.

The study indicates that there are indeed client retention challenges for security companies guarding shopping malls. The findings show that security challenges such as the lack of an effective crime prevention strategy, skilled security officers and effective communication in shopping malls are challenges security providers and their clients grapple with.

Security companies guarding shopping malls also faces the challenge of criminal elements infiltrating their organisations, which accentuates the need for intensive vetting of security officers. This is compounded by the use of less skilled, less experienced and poorly paid
security officers, particularly if the contracted security company under-priced their operations in order to get the contract during the bidding period.

The need for skilled and experienced security officers cannot be overemphasised, as they are key in making inputs to the crime prevention strategic plan of shopping malls and its implementation because the lifespan of the security contract in the shopping mall or the renewability thereof hinges on it. This is more crucial, particularly taking into account the plethora of private security companies and the fact that shopping mall managers will not think twice to contract another private security company if they are not satisfied with the services rendered by the current one. The security environment has become highly competitive, demanding that private security companies craft their competitive urge to make it in this market.
REFERENCES


Institute for Security Studies (ISS). 2014. From Armed Robberies at Malls to Cable Theft, Recent Increases in Crime are having a Significant Impact on Business. Available at:


Krugell, B.S. 2010. What is essential for a shopping centre to be a success? BSc (Hon) in Quantity Surveying research report, University of Pretoria, Pretoria.


APPENDICES

(APPENDIX A)

Dear Mr T E Banda

ETHICAL CLEARANCE APPLICATION: THE CHALLENGES FACING PRIVATE SECURITY COMPANIES IN RETAINING CLIENTS: A CASE STUDY IN GAUTENG

Thank you for the application for research ethics clearance by the College of Law Research Ethics Review Committee for the above mentioned research project. The ethical clearance application for the above mentioned research project has been approved.

The proposed research may now commence with the proviso that:

1) The researcher/s will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics, which can be found at the following website: http://www.unisa.ac.za/cmssys/staff/contents/departments/res_policies/docs/Policy_Research%20Ethics_rev%20app%20Council_22.06.2012.pdf

2) Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study, as well as changes in the methodology, should be communicated in writing to the Chair of the College of Law’s Research Ethics Review Committee. An amended application could be requested if there are substantial changes from the existing proposal, especially if those changes affect any of the study-related risks for the research participants.

3) The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study.

Yours Faithfully,

Prof Mareliize Ehoeman
Chairperson Research Ethics Review Committee
College of Law

Prof S Songca
Executive Dean
College of Law
(APPENDIX B)  INFORMED Consent FORM

Researcher: Tebogo Elliot Banda
Contact details: 078 005 0654 (w) 012 433 9485 bandate@unisa.ac.za

Title of Study: The Challenges Facing Private Security Companies in Retaining Clients: Case study in Gauteng.

Purpose of Study: To establish the challenges that are faced by private security companies that are guarding various shopping malls in Gauteng Province in retaining their clients. To analyses these client retention challenges and determine how best they can be dealt with by security companies. To establish factors leading to poor client retention by these security companies guarding shopping malls.

Procedures 1: The researcher will be conducting one-on-one interview with senior managers of selected private security companies guarding shopping malls in Gauteng Province with the help of an interview schedule. The researcher will make use of a tape recorder (if allowed by participants) to record all interviews that will be conducted. By using semi-structured and open-ended question, the researcher obtains in-depth information from the respondents as they will be comfortable to use their own words and expressions. The interviews will not be longer than one and half hour, but may end sooner by natural process or on request of the respondent or researcher, depending on the circumstances.

Procedures 2: The researcher will use a self-administered questionnaire in order to get responses from selected shopping malls managers in Gauteng. Open-ended questions will be administered since they allow respondents to answer in any manner they wish to and it allows them to formulate their own responses and not only one response might be forthcoming.

Risks and Discomforts: The conduct of ethical research will also be promoted by safeguarding the dignity, rights, safety and the wellbeing of all research participants. To ensure that the researcher has an ethical obligation to protect his/her subjects against any form of physical discomfort. The following will be safeguarded: The respondent will be given an opportunity to voice their discomfort during the interviews. The respondent may become tired or feel emotional discomfort at which point a break may be requested or the interview may be postponed to a later
date or terminated if so desired. The researcher will make every effort to ensure the comfort and minimize the risks for the respondent.

**Benefits:** Since this study is mainly focused on the business relationship between service provider and their clients, it is the hope of the researcher that respondents who will mainly be senior members of management will be free to participate and contribute to the solving of the phenomenon in question. The respondent’s participation will be beneficial as it will also provide more understanding into the problem. The findings and recommendations of this study will also beneficial as they might be used for future research and for business practice. On a personal level, it is the hope of the researcher that the respondents will obtain personal satisfaction once they have discussed certain issues with the researcher and thus gaining personal insights that were not gained prior to the interview.

**Respondent’s Rights:** The participants will be provided with the UNISA Ethics number where they can call if they feel that their privacy or dignity are/were violated or call to enquire about the authenticity of the research. Participation in this study is voluntary and may be withdrawn at any time without negative consequences for the respondent. All information is treated as confidential and anonymity is assured by the researcher. The data shall be destroyed should the respondent wish to withdraw since it will not serve as valid and reliable for this study.

The researchers (and her study leader) are the only individuals who will have access to raw data from interviews, and hereby ensure that data will be treated as stipulated above.

**Right of Access to Researcher:** Respondents are free to contact the researcher at the telephone number as stipulated on this form, at a reasonable hour, in connection with interview particulars, if they so wish.

*I, the undersigned, agree to participate in this study voluntarily without duress.*

Respondent Signature ........................................... Date: ...........................................

Researcher Signature........................................... Date: ...........................................

I (the researcher) .......................................................... certify that I explained the contents.

**THANK YOU FOR YOUR PARTICIPATION IN THIS STUDY.**
(APPENDIX C) INTERVIEW SCHEDULE: PRIVATE SECURITY MANAGERS

SECTION A: (BIOGRAPHICAL DATA)
(The following questions are for statistical purpose only)

1. What is designation of your post?

2. What does your current job involve on a day-to-day basis?

3. How many years of service do you have in the private security industry?

4. What is your highest educational qualification?
SECTION B: (SECURITY SERVICE AND MANAGEMENT)

1. What are the security management challenges faced by the security companies guarding shopping malls compared to other clients? E.g. warehouses or residential security etc.

2. On average how long do you manage to keep shopping malls as your customer?

3. Do you normally serve the full period of your contract in providing security service in shopping malls?
   
   a. If yes, what factors contribute to you serving that whole period?

   b. If no, what factors contribute to you not serving the whole period?
4. What client retention strategies does your company utilize to retain shopping malls as clients?

5. How does your company measure customer satisfaction of shopping malls as clients?

   a. What common concern factors are revealed by such measurement?

   b. How do you deal with the highlighted factors?
6. What specific security management needs are usually required by shopping mall management from security companies guarding shopping malls?

a. What challenges do you encounter in providing the required needs?

b. If you do encounter challenges, how do you overcome them?
7. Any other thing that you will like to mention on the retention of shopping malls as the client of the private security companies?
(APPENDIX D) INTERVIEW SCHEDULE: SHOPPING MALL MANAGERS

SECTION A: (BIOGRAPHICAL DATA)
(The following questions are for statistical purpose only)

1. What is designation of your post?

2. What does your current job involve on a day-to-day basis?

3. How many years of service do you have in the shopping mall environment?

4. What is your highest educational qualification?
SECTION B: (SECURITY SERVICE AND MANAGEMENT)

1. On average how long do you manage to keep a security company at your shopping mall?

2. Do you have companies whose contract were terminated before the end of their term?

2.1. If yes, what were the major causes of such terminations?

2.2. If no, why do you say so?
3. What are the major challenges that you encounter with the security companies that are contracted to provide security at the shopping mall?

4. How do you deal with such challenges?

5. What are the critical factors that could result in the immediate termination of the security service contract at the shopping mall?
6. Are you in favour of changing/rotating security companies guarding your shopping mall?

6.1. If yes, why do you say so?

6.2. If no, why do you say so?

7. What are the specific security management needs required from a security company to guard your shopping mall?
8. How do you measure your level of satisfaction with the services of the security company guarding your shopping mall?

9. If level of service is not satisfactory, how do you deal with that?
10. Any other thing that you would like to mention on the retention of security companies that are providing security at the shopping malls.

Thank you for participating.
<table>
<thead>
<tr>
<th>Private Security Participants</th>
<th>Work/Job Position/Designation</th>
<th>Day-to-day Job/Work Description</th>
<th>Years in Private Security Industry</th>
<th>Educational Qualification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Site manager (JHB region)</td>
<td>Manage security staff x 45 people. Liaise with tenants and clients. CCTV operator. Crime prevention workshops.</td>
<td>18 years</td>
<td>Grade 11 and Grade A (PSIRA)</td>
</tr>
<tr>
<td>3.</td>
<td>Site manager (Tshwane region)</td>
<td>Manage 15-20 security staff per shift (day and night). Report all crime incidents to client. CCTV operator</td>
<td>11 years</td>
<td>Matric (Grade 12) Certificate in Computer. Grade A (PSIRA)</td>
</tr>
<tr>
<td></td>
<td>Position</td>
<td>Experience Description</td>
<td>Experience</td>
<td>Qualification</td>
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</tr>
<tr>
<td>6</td>
<td>Area manager (Ekurhuleni region)</td>
<td>Manager of 4 shopping mall’s security staff with 70-80 guards per shift.</td>
<td>11 years</td>
<td>Grade 12 Grade A (PSIRA) Certificate in Computer.</td>
</tr>
<tr>
<td>7</td>
<td>Site manager (Sedibeng region)</td>
<td>Manage 36 security guards at this shopping mall. Training of staff.</td>
<td>18 years</td>
<td>Grade 12 Grade A (PSIRA) Diploma in Security risk management.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Conduct security assessments</td>
<td>4 years in</td>
<td>Certificate in computer studies.</td>
</tr>
<tr>
<td>8</td>
<td>Site supervisor (JHB region)</td>
<td>Supervise x 12-15 security staff per shift (day and night). Prevent crime. Liaise with tenants CCTV operator</td>
<td>12 years</td>
<td>Grade B (PSIRA) Matric (Grade 12) Certificate in computer studies.</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>3 years in</td>
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<td></td>
<td></td>
<td></td>
<td>this shopping mall</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>9 years in</td>
<td>Grade A (PSIRA) Other security and safety management courses.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>the same company</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Area manager (JHB region)</td>
<td>Security risk assessment for 38 site/clients. Manage 5 shopping mall’s security stuff.</td>
<td>19 years</td>
<td>National Diploma in security risk management. Grade A (PSIRA) Certificate in</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Computer literacy.</td>
</tr>
<tr>
<td>11</td>
<td>Site manager (Soweto region)</td>
<td>Post security staff to their strategic points x 18. Liaise with both the client and the tenants about crime activities in the mall.</td>
<td>16 years</td>
<td>Matric Grade A (PSIRA) Certificate in Computer literacy.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>12 years</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>in the same shopping mall and security company</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Position (Region)</td>
<td>Responsibilities</td>
<td>Experience</td>
<td>Certification</td>
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</tr>
<tr>
<td>12</td>
<td>Area supervisor (JHB region)</td>
<td>Post guards at various sites including seven shopping malls. Liaise with site managers and shopping mall’s management</td>
<td>20 years</td>
<td>Junior Certificate Grade A (PSIRA)</td>
</tr>
<tr>
<td>13</td>
<td>Site manager (Ekurhuleni region)</td>
<td>Ensure full staff complement.</td>
<td>18 years</td>
<td>Grade A (PSIRA) Standard 8</td>
</tr>
<tr>
<td>14</td>
<td>Site manager (Ekurhuleni region)</td>
<td>Managing security staff x 27, Oversee cleaner’s performance, Liaise with all stakeholders, Risk assessments</td>
<td>14 years</td>
<td>Grade 12, Grade A (PSIRA) SAMTRAC</td>
</tr>
<tr>
<td>15</td>
<td>Site manager (Sedibeng region)</td>
<td>Managing and training of staff, Planning of crime prevention, Liaise with all stakeholders</td>
<td>8 years</td>
<td>Matric Grade A (PSIRA) Computer literacy Other certificates in security.</td>
</tr>
<tr>
<td>16</td>
<td>Area manager (Ekurhuleni region)</td>
<td>Inspect posting sheets every day, Visit client’s x 53, Admin duties, Budgeting, Disciplinary hearings.</td>
<td>25 years 18 years in current company</td>
<td>Grade B (PSIRA) Computer literacy</td>
</tr>
<tr>
<td>17</td>
<td>Site manager (JHB region)</td>
<td>Manage x 20 security staff including 25 car guards, Liaise with all stakeholders on regular basis</td>
<td>22 years 3 years in this mall</td>
<td>Grade 10 (Std 8) Grade A (PSIRA) Computer literacy</td>
</tr>
<tr>
<td>18</td>
<td>Site manager (Soweto region)</td>
<td>Crime prevention, Liaise with all relevant stakeholders, Training of security staff</td>
<td>10 years</td>
<td>Matric (Grade 12) Grade A (PSIRA)</td>
</tr>
<tr>
<td>Shopping Mall Participants</td>
<td>Work/Job Position/Designation</td>
<td>Day-to-day Job/Work Description</td>
<td>Years in Retail Industry</td>
<td>Educational Qualification</td>
</tr>
<tr>
<td>---------------------------</td>
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<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1.</td>
<td>Assistant Operations Manager. (JHB region)</td>
<td>Manager of contractors e.g. security, cleaning and suppliers.</td>
<td>8 years</td>
<td>Diploma in Retail Business Management and Certificates in Shopping Centre, Facilities and OHS management.</td>
</tr>
<tr>
<td>2.</td>
<td>Facility or Building Manager (Ekurhuleni region)</td>
<td>Maintenance of the shopping mall. Manager of private security and cleaners.</td>
<td>14 years</td>
<td>Diploma in OHS, Business Studies and Customer Relations.</td>
</tr>
<tr>
<td>3.</td>
<td>Maintenance Manager (Tshwane region)</td>
<td>Maintenance of shopping mall. Manager of private security, cleaners and parking lot.</td>
<td>28 years 11 years in this shopping mall</td>
<td>Diploma in OHS and other retail and customer relations certificates.</td>
</tr>
<tr>
<td>4.</td>
<td>Operational Manager (Tshwane region)</td>
<td>Manager of contractors and maintenance of the shopping mall.</td>
<td>15 years</td>
<td>Grade 12 Diplomas in Business management.</td>
</tr>
<tr>
<td>5.</td>
<td>Centre Manager (JHB region)</td>
<td>Decision making at senior level. Manage tenants and all contractors.</td>
<td>17 years in this shopping mall</td>
<td>Degree in Business management. Diploma in Customer relations and shopping centre management.</td>
</tr>
</tbody>
</table>
APPENDIX F

DJ Rodrigues  
E-mail: debsrodi@gmail.com  
Cell: 072 426 8295  
23 January 2018

To whom it may concern

CONFIRMATION OF EDITING

This serves to confirm that I edited Mr TE Banda’s dissertation for the M Tech degree in Security Management entitled The challenges facing private security companies in retaining clients: A case study in Gauteng shopping malls.

Mr Banda had to attend to the editorial queries, comments and suggestions to improve the document further.

I am a qualified editor with various professional qualifications (including an MA in English) and more than 16 years’ experience as a professional editor at the University of South Africa and in government.

Regards  
DJ Rodrigues