

The adverse effects of the rise of unscrupulous security service providers on the private security industry

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Abstract

The private security industry (PSI) in South Africa continues to grow and transform, which is accompanied by the rise of unscrupulous security service providers (SSPs), which presents new regulatory challenges to the Private Security Industry Regulatory Authority (PSiRA) of South Africa.

The purpose of this study is fourfold. Firstly, to identify the leading causes of the prevalence of unscrupulous SSPs in the PSI, to scrutinise their adverse impact on the PSI, and to recommend strategies that could be employed to prevent their prevalence in the PSI. Secondly, to identify challenges that hinder the effective professionalisation of the PSI. Thirdly, to ascertain the need to professionalise the PSI. Lastly, based on the findings, to propose possible best practices, in the form of recommendations, to reconceptualise the research gap identified from previous studies, in order to guide all relevant stakeholders, especially PSiRA, towards the professionalisation of the PSI. In pursuit of the objectives of the study, a quantitative approach was adopted that followed a cross-sectional design. The data-gathering instrument was a paper-based, self-administered, structured questionnaire, which utilised a standardised measuring instrument using a five-point Likert scale. The first author distributed 450 questionnaires to private SSPs (private security companies and security officers) in the Gauteng, Western Cape, and KwaZulu-Natal provinces. Three hundred responses were returned that were used for analysis. The findings highlighted that the majority (n=207; 80.33%) of the respondents agreed that there are unscrupulous security companies that operate in the PSI without registration. Furthermore, the findings also highlighted that the Private Security Industry Regulation (PSIR) Act does not adequately confer powers to PSiRA in order for it to deal effectively with unscrupulous security companies.

This study recommends that in order to minimise the prevalence of unscrupulous SSPs, PSiRA needs to revise its funding mechanism and strengthen its regulatory framework through

amendment of the PSIR Act. Furthermore, PSiRA needs to be given power to criminally investigate and prosecute unscrupulous SSPs, instead of handing them over to the South African Police Service, as well as the authority to publish the names and business addresses of all unscrupulous SSPs so the public can be aware of them.

Keywords: Compliance; endangerment; exploitation; inspection; Private Security Industry Regulatory Authority; registration; regulation; security industry; security service provider; security services; unscrupulous.

Introduction and problem formulation

There can be no denying the substantial growth of the private security industry (PSI) in many countries, whereby the PSI significantly outnumbers the public police (Button, 2020). According to Security Focus Africa (2020), the PSI in South Africa is worth R45 billion, with 10 615 active security businesses and 551 101 employed security officers currently registered on the Private Security Industry Regulatory Authority's (PSiRA) database. There are 1 958 425 registered inactive (unemployed) security officers currently on the security database as stated by Security Focus Africa (2020). The number of unregistered/unscrupulous security service providers (SSPs) is, however, unknown. The scale and scope of the industry make democratic oversight and accountability a key priority, since the exponential growth and broadening of the PSI's activities have overtaken the applicable regulatory frameworks (Gumedze, 2020). The phenomenon of the PSI as a whole, locally and internationally, is a complex topic in itself (Davis, 2019; Gill, 2014; Nalla and Prenzler, 2018; Satyam, 2014). Furthermore, the surpassed regulatory frameworks have several shortcomings and loopholes, which have created inroads for unscrupulous SSPs to penetrate the PSI, which triggers many industry-related challenges that have rendered many regulatory frameworks obsolete. The power and responsibility of PSiRA can weaken or become ineffective if they are not built on strong and standardised regulatory frameworks. Botha (2015) and Gumedze (2016) are of the same view that high levels of crime and criminal activity encourage the fast-paced development of the PSI in South Africa. However, it is the very same criminal activity that threatens the future growth and sustainability of the PSI. The PSI plays a strategic role through the employment of large numbers of people and significantly contributes towards the economic growth of the country (Govender, 2013; Pillay, 2020; Sefalafala and Webster, 2013). The PSI's services safeguard assets and property worth hundreds of billions of rands. Some of the challenges identified by PSiRA that are linked to unscrupulous SSPs include, among others, the rendering of security services by unregistered security companies (so-called "fly-by-night" businesses), illegal employment and underpayment of security officers, and unregistered and untrained security officers hired to render security services. Some security officers are even issued with firearms when they do not have firearm competency certificates, which poses a threat to the public (Kole, 2015). This bad mix of challenges caused by unscrupulous SSPs leads to more widespread non-compliance, which leaves the industry susceptible to the abuse of workers, irregularities, endangerment of human life, corruption, criminality, destruction of

private and public property, and lack of accountability and responsibility (Sefalafala and Webster, 2013). With the rise of unscrupulous SSPs, the PSI may not remain stable and sustainable for long and it may change for the worse, which will require alternative approaches to regulation with the need for “out-of-the-box” thinking and regulators needing to accommodate a diversity of views when responding to the rise of unscrupulous SSPs (Pillay, 2020).

The research problem under study is that there are unscrupulous SSPs that operate without being registered in the South African PSI, especially in the Gauteng, KwaZulu-Natal, and Western Cape provinces (Drew and McLaughlin, 2016). Unscrupulous SSPs have been operating in the PSI from as early as 1994, and PSiRA has not been able to keep track of all active, inactive, retired, or deceased security officers, which paved the way for unscrupulous SSPs to strengthen their position in manipulating the industry system for unlawful activities (Berg and Gabi, 2011). Unscrupulous private security companies (PSCs) tend to be corrupt, non-compliant, unaccountable, and engage in corrupt practices. Unscrupulous SSPs have considerably less accountability, legally or financially, than registered SSPs, which makes it easy for them to operate without registration, as required by the law. Incidents of PSiRA certificate forgery, coupled with identity theft, are also committed by unscrupulous SSPs. The Security Association of South Africa (SASA, 2020) states that imposing stricter registration criteria could help to prevent unscrupulous PSCs from operating in the PSI. This research is important because the PSI is a vast crime prevention and reduction resource, and it will remain only a potential resource until steps are taken to eliminate unscrupulous conduct, corruption, lack of accountability, exploitation, identity theft, and certificate forgery by unscrupulous SSPs that plague the PSI. The protection of lives and property is a huge societal responsibility, and public interest demands that persons or security companies entrusted with such responsibilities be competent, responsible, accountable, and professional (Nemeth, 2012).

The purpose of this study is fourfold. Firstly, to identify the leading causes of the prevalence of unscrupulous SSPs in the PSI, to scrutinise their adverse impact on the PSI, and to recommend strategies that could be employed to prevent their prevalence in the PSI. Secondly, to identify challenges that hinder effective professionalisation of the PSI. Thirdly, to ascertain the need to professionalise the PSI. Lastly, based on the findings, to propose possible best practices in the form of recommendations. This paper begins with a literature review in order to reconceptualise what is known, what works, and what was overlooked in the form of a research gap. The significance of this article is twofold. Firstly, little is known regarding the adverse effects of the rise of unscrupulous SSPs on the PSI, based on the responses from both administrators as well as security officers. This study therefore provides empirical research based on what could be a research gap identified from previous studies. Secondly, this study attempts to suggest and/or recommend, from a strategic perspective, what strategies should be put in place by PSiRA, as well as other relevant stakeholders, in order to professionalise the PSI. This study therefore provides a solid foundation towards the professionalisation of the PSI.

Literature review

Leading Causes of the Rise of Unscrupulous Security Service Providers (SSPs) in the Private Security Industry (PSI)

Schneider (2012) believes that PSiRA has the potential to become a strong regulator that keeps the industry in check, but it does not currently play that role effectively, owing to financial constraints that lead to lack of resources such as manpower (mainly inspectors). Human and financial resources are generally insufficient to implement the laws that regulate the industry throughout the country. Such challenges make it difficult for PSiRA to put in place effective systems in areas of registration, monitoring through inspection, and ensuring compliance in the PSI. This is largely due to minimal funding of PSiRA, which has over the years struggled to effectively carry out its mandate due to financial constraints (Berg and Gabi, 2011). PSiRA inspectors are instrumental in the PSI to conduct inspections of individual security officers and SSPs, investigating illegal practices in the PSI, and enforcing applicable laws to ensure that all SSPs act in the public and national interest in rendering security services. PSiRA also assists the South African Police Service (SAPS) in the regulation of firearms. To date, PSiRA has only around 65 inspectors to regulate the entire PSI. This number of inspectors is far too low compared to the size of the PSI.

An insufficient number of inspectors compromises effective regulation and management of SSPs, thereby paving the way for the continued rise of unregistered, non-compliant (unscrupulous) SSPs, which also contributes to criminality and illegal activity within the industry. A large number of registered PSCs can go without any inspection annually, which creates a crucial compliance vacuum in the PSI. As a result, some SSPs end up providing services without renewing their registration and hiring security officers without properly screening them, and ultimately end up with untrained, undocumented, and unregistered security officers and thereby becoming an unscrupulous SSP (Kole, 2015). Unscrupulous SSPs do not comply with regulations and operate corruptly in the industry. Pillay (2020) confirms that some PSiRA staff and inspectors engage in corrupt activities and are biased in their conduct by favouring some SSPs over others, by “exempting” them from maintaining certain industry standards and adhering to the industry code of conduct. This prompted Berg and Howell (2017) to assert that the PSI is not well regulated and that most PSCs believe that PSiRA is not doing enough to ensure proper and effective regulation of the industry, which has contributed to the rise of unscrupulous SSPs. Another factor identified by Gumedze (2020) that is paving the way for the rise of unscrupulous SSPs in the industry is the lack of coordination between government departments, such as the SAPS, the Department of Home Affairs, the Department of Employment and Labour, and the National Prosecuting Authority (NPA). There are reports of little or no coordination between PSiRA and other governmental bodies that are relevant to overseeing the laws, regulations, standards, and policies applicable to private security providers.

Adverse Effects of Unscrupulous SSPs on the PSI

The following are some of the most significant adverse impacts of unscrupulous SSPs

on the PSI:

- **Undermining PSiRA's authority and efforts:** PSiRA is more focused on licensing the PSI than regulating it; that is, monitoring and oversight of the industry. This makes the industry generally unaccountable and less professional (Gumedze, 2020), and leaves SSPs with the power to determine the minimum criteria for their security officers without the involvement of PSiRA. Unscrupulous SSPs have no regard for the regulations that govern the PSI through PSiRA as the state-appointed regulator. Despite PSiRA having a new certificate with improved features that is used in line with the Department of Home Affairs' database to authenticate the identity of applicants, to verify citizenship using electronic fingerprint scanning, to indicate the expiry dates of certificates, and to add a new stipulation that a valid tax certificate must be produced, unscrupulous SSPs have no regard for PSiRA regulations and find a way around this renewal project, which is aimed at addressing non-compliance and reducing the increasing identity theft within the industry. According to a PSiRA media statement released in May 2020, there has been a continuation of complaints with regard to security officers using false identities of South African citizens. Identity theft is a serious offence. The code of conduct places an obligation on PSCs to ensure that the people they recruit as security officers are legitimate. Failure to do so may mean that they are complicit to the crime of falsifying documents.
- **Exploitation:** Unregistered and untrained security guards stand a chance of being exposed to a number of challenges, such as financial exploitation through low wages and unpaid Unemployment Insurance Fund and Provident Fund contributions. Critical incidents, such as death threats, injuries, hijacking, assault, and hold-ups, are also part of their work, which can be exacerbated by lack of proper training to handle such threats. In relation to other similar high-risk jobs, the consequences of security guards working in such conditions could impact on their psychological wellbeing and physical work performance, and lead to poor employee relations and poor coping strategies adopted to address work-related issues. However, they have no choice but to persevere in working in such conditions as they have no rights or power to report such matters to the relevant authorities due to the fact that they are also non-compliant with the provisions of the Private Security Industry Regulation (PSIR) Act (No. 56 of 2001).
- **Cheap labour:** Due to an increased demand for security services in recent years, it is evident that the high demand for security services has given unregistered companies an opportunity to open their doors for business and often persuading innocent business owners and landlords of their "valuable service offering". Cheap labour is one of the factors that encourages recognition of unscrupulous SSPs by clients, as they are far less competitive in terms of prices than compliant companies. Being less competitive also makes it possible for unregistered security companies to offer cheap services to maximise their profits using cheap labour to steal clients from registered SSPs (Cobalt Security Services, 2020). Cheap labour is inexpensively acquired; it is therefore not valued and is lowly paid, which encourages unregistered security officers to collude with criminal elements to steal from the clients they are tasked to protect and, in the process, civil abuse and sometimes deaths and serious injuries of clients and the public may occur.

- **Tax evasion:** While most SSPs comply with their tax obligations, unscrupulous SSPs are determined not to do so. Tax evasion and tax fraud continue to occur and can be substantial, amounting to billions of rands per year. Not only is this against the law and defrauds the government of revenue, but it also creates an unlevel playing field for compliant taxpayers (Organisation for Economic Co-operation and Development [OECD], 2017). One of the greatest incentives for unscrupulous SSPs to operate in the PSI is the ability to cut corners, set their own rules, and above all evade any form of financial obligation such as income tax. Unscrupulous SSPs mainly operate without any form of legal documentation or registration. Tax evasion can involve deliberate omission or falsification of income or revenue, as well as efforts to be invisible to tax authorities altogether, which results in the reduction of lawful income belonging to the government and the people (OECD, 2017). According to section 256 of the Tax Administration Act (No. 28 of 2011), taxpayers are required to have a valid tax clearance certificate in order to bid for state or private contracts. This tax clearance certificate is issued by the South African Revenue Service (SARS) to compliant taxpayers. The clearance certificate is a declaration of taxpayers' compliance with their tax obligations under tax legislation such as the Taxation Laws Amendment Act (No. 23 of 2020) and the Employment Tax Incentive Act (No. 26 of 2013), and confirms good standing with SARS. However, unscrupulous SSPs are unknown to PSiRA and SARS and because of their lack of registration and non-compliance, they easily evade paying tax and continue to operate under the radar (National Treasury, 2015; SARS, 2014). By evading tax, unscrupulous SSPs not only defraud the public of revenue that is to be used for the public good, but also put compliant SSPs that obey the law at a disadvantage. It makes it difficult for compliant SSPs to be profitable when they are competing with unscrupulous SSPs that do not bear any expense of paying their fair share of taxes (OECD, 2017).
- **Endangerment of clients, the public, and property:** The illegal operation of both unscrupulous SSPs and security officers presents a great threat to the security of the state, clients, the public, and property (Gumedze, 2020). Rendering security services while not registered endangers the lives of both clients and the public as these SSPs do not follow the regulations, code of conduct, or industry ethical and occupational standards. Unregistered security companies will most likely employ unregistered and untrained security officers as they will in most cases not follow legitimate protocol when recruiting staff. Untrained security officers lack basic security skills such as basic investigation of crime, reporting crime, report writing, and using an occurrence book and/or pocketbook. They also do not have sound knowledge of law enforcement and they will therefore not know the procedure they should follow when threats arise, which can result in avoidable accidental deaths and injuries of clients and the public. Training for private security officers is a concern for civil liberties. Berg and Gabi (2011) and Loader and White (2015) claim that there are very low training and educational standards in the PSI for security officers. The effects of such low training are devastating as their lack of skills could result in poor handling of security equipment such as firearms and other security equipment (baton sticks, handcuffs, pepper spray, and security dogs). Untrained security officers who carry firearms assume an increased risk of injury to themselves and others when

carrying out their security duties. This is further worsened when security officers carry firearms when working in public spaces where large crowds of people are present, such as shopping malls, stadiums, or universities. The proliferation of unscrupulous SSPs, unlicensed firearms, relatively low pay for security officers, and recent developments of selling forged security certificates has turned the PSI into a threat that engages in criminal activities instead of preventing crime (Ndungu, 2020).

- **Accountability and responsibility:** Drew and McLaughlin (2016) believe that unscrupulous companies operate in the PSI without being properly registered and because of this, they have considerably less legal, financial, and regulatory accountability than registered SSPs and it then becomes easy for them to operate without registration as required by the law. This is supported by SASA (2020), which indicates that fly-by-night security companies employ various means of avoiding statutory levies and registration regulations and circumventing minimum standards and the code of conduct to gain an unfair advantage over compliant PSCs and exploit the labour force, despite the presence of regulations in the PSI. Unscrupulous SSPs do not want to pay the minimum wage or follow the industry code of conduct and rules and regulations set by PSiRA and they thus resort to employing cheap and unregistered labour. Inspectors and police are believed to be paid by some unscrupulous PSC directors to turn a blind eye to non-compliance grievances raised concerning exploitation of employed security officers where the police receive bribes to make dockets disappear, so that the unscrupulous SSPs would not be legally brought to account.

Methods and materials

For this study, the research paradigm was rooted in positivism. Consequently, a quantitative approach was adopted, after which a cross-sectional design was employed. The data-gathering instrument was a paper-based, self-administered, structured questionnaire, which utilised a standardised measuring instrument that used a five-point Likert scale. The first author distributed 450 questionnaires across the three provinces. Three hundred responses were returned for analysis. The respondents were asked to state their level of agreement with the given statements, as discussed below, from strongly agree to strongly disagree. The collected data were analysed by means of coding and were computerised. The answers to the questionnaires were assigned numerical codes and entered into Microsoft Excel. The codes in Microsoft Excel were subsequently exported to the Statistical Package for the Social Sciences (SPSS) (Field, 2013; International Business Machines Corporation [IBM], 2021) for coding and further analysis (McCormick, Salcedo and Poh, 2015). The quality of the data was ensured through demonstrating validity and reliability. Validity refers to the extent to which the empirical measure accurately reflects the variable that it claims to be measuring.

The chi-square value for the sets of data was calculated and compared with a critical value that was obtained from a chi-square table. If the chi-square value is less than the critical value, then there is no significant difference, and the null hypothesis can be rejected. The alternate hypothesis is then accepted. Furthermore, Phi and

Cramer's V coefficients were used to test the strength of association. The strength of the association is between -1 and +1. Very strong positive associations are 0.7 and above. Fair associations are between 0.5 and 0.64 and weak associations are below 0.3. According to Du Plooy-Cilliers, Davis and Bezuidenhout (2014), hypotheses are statements or proposed explanations made on the basis of limited evidence as a starting point for further investigation. They can also take the form of statements of proposed alternative "facts", states of affairs, or tentative statements that can assist to establish whether certain relationships exist between dependent and independent variables. Furthermore, it can be a process by which hypotheses follow principles of deductive logic; that is, drawing conclusions about particular knowledge of a general conclusion (Terre Blanche, Durrheim and Painter, 2006). The following two research hypotheses guided this research:

H₁: The apparent lack of professionalism in the PSI can be related to the likelihood and extent of non-compliance with the rules and regulations applicable to the industry.

H₂: The recognised absence of effective oversight by PSiRA in terms of a regulatory framework for the PSI can be related to the extremely diverse and largely inherent problematic PSI that has only a handful of inspectors.

Ethical considerations are an important aspect of any research, especially research that deals with human participants. Hence, all research requires ethical clearance and approval in order to be conducted. For the purposes of this study, ethical clearance was granted by the relevant university; initially on the condition that PSiRA as well as PSCs approved the request to conduct research. This was later changed to full ethical clearance, following the approval of the research request by PSiRA and PSCs. In agreement with the pre-selected PSCs, permission was requested and granted by the respondents. The sample unit comprised respondents from PSiRA and PSCs who work within the PSI in the three provinces, who have industry knowledge and understand the activities of the PSI, and who were able to provide responses regarding the extent that the researched issues applied to their respective areas or influenced professionalism.

Results and discussion

Awareness of the adverse effects of the rise of unscrupulous SSPs on the PSI is crucial for the PSiRA mandate to succeed. For the purposes of this study, various statements were formulated with the intention to describe how prevalent or adverse the effects of the rise of unscrupulous SSPs on the PSI are in general.

Demographic Characteristics of the Respondents

The demographic characteristics of the respondents were grouped by gender, language, years of service, and sector in which respondents work. The provision of the specified demographic characterisation of the respondents has a direct positive impact on the quality of the results as it allows the researcher to obtain universal acknowledge about the psychological processes that occur depending on the gender or language of the respondents.

Table 1: Presentation of demographic variables.

Demographic variable	Responses	Percentage (%)
Demographic variables (N = 300)		
Gender		
Male	222	74.00
Female	72	24.00
Missing	6	2.00
Languages		
English	112	37.33
IsiZulu	99	33.00
IsiXhosa	47	15.67
Sepedi	11	3.67
Sesotho	8	2.67
Xitsonga	7	2.33
Afrikaans	5	1.67
Tshivenda	5	1.67
Setswana	4	1.33
IsiNdebele	2	0.67
Years of service		
1-5 years	167	55.67
6-10 years	49	16.33
11-15 years	32	10.67
16-20 years	17	5.67
21 years and more	34	11.33
Missing	1	0.33
Security sector		
Guarding	251	83.67
Operations	16	5.33
Training	13	4.33
Administration	6	2.00
Missing	6	2.00
Other	3	1.00
Maintenance	1	0.33
Investigations	1	0.33

Table 1 shows that the majority of the respondents (n=222; 74%) comprised males, whereas only 24% (n=72) were females. Two percent (n=6) of the respondents did not indicate their gender. In terms of ranks or seniority, the majority of the respondents (n=112; 37.33%) comprised SSP directors and security officers who were able to speak

English. The second most spoken language was isiZulu (n=99; 33%), while the least spoken language was isiNdebele (n=2; 0.67%). Concerning the years of service in the industry, 55.67% (n=167) of the respondents had between one and five years of service, followed by 16.33% (n=49) with six to ten years of service in the industry, and lastly, 10.67% (n=34) with 11 to 15 years of service. One participant (0.33%) did not indicate the years of experience. Furthermore, the findings indicated that the most dominant sector in the PSI was guarding duties. From the responses, the majority of the respondents (n=251; 83.67%) were security officers performing guard duties; followed by 5.33% (n=16) performing operations. Training featured thirdly with 4.33% (n=13), followed by 2% (n=6) involved in administration. Missing information comprised 2% (n=6). The least performed duties were “other” (n=3; 1.0%), maintenance (n=1; 0.33%), and investigations (n=1; 0.33%).

Statements that Describe How Prevalent or Adverse the Effects of the Rise of Unscrupulous SSPs on the PSI are

Statements 1 to 4 of the questionnaire sought to obtain valuable information about the awareness and prevalence of the problem, which includes unscrupulous SSPs that operate without being registered in the South African PSI, especially in Gauteng, KwaZulu-Natal, and the Western Cape. Detailed results and discussions are provided below.

Statement 1: There are unscrupulous security companies who operate without registration

Table 2: Responses to Statement 1

Statement 1	Frequency	Percentage (%)
Strongly agree	113	37.79
Agree	94	31.44
Neutral	44	14.72
Disagree	25	8.36
Strongly disagree	23	7.69
Total	299	100.00

The results in Table 2 show that the majority of the respondents strongly agreed (n=113; 37.79%) and agreed (n=94; 31.44%) that there are unscrupulous SSPs that operate in the PSI without registration, while 14.72% (n=44) were neutral, 8.36% (n=25) disagreed, and 7.69% (n=23) strongly disagreed with the statement.

Statement 2: There are challenges that hinder effective professionalisation of the PSI

Table 3: Responses to Statement 2

Statement 2	Frequency	Percentage (%)
Strongly agree	123	41.00

Agree	118	39.33
Neutral	39	13.00
Disagree	10	3.33
Strongly disagree	10	3.33
Total	300	100.00

As shown in Table 3, the majority of the respondents strongly agreed (n=123; 41.00%) and agreed (n=118; 39.33%) that there are challenges that are hindering effective professionalisation of the PSI, while 13.00% (n=39) of the respondents were neutral, 3.33% (n=10) disagreed, and 3.33% (n=10) strongly disagreed with the statement.

Statement 3: The PSIR Act gives enough powers to PSiRA regarding non-registered security companies

Table 4: Responses to Statement 3

Statement 3	Frequency	Percentage (%)
Strongly agree	95	31.88
Agree	102	34.23
Neutral	57	19.13
Disagree	23	7.72
Strongly disagree	21	7.05
Total	298	100.00

As shown in Table 4, concerning the PSIR Act giving enough powers to PSiRA regarding non-registered security companies, 66.11% (n=197) of the respondents agreed with the statement, whereas 19.13% (n=57) were neutral, followed by 14.77% (n=44) who disagreed. The mean = 60 and the standard deviation (SD) = 63; the participants are therefore considered to be in strong disagreement and disagreement with the statement.

Statement 4: There is a need to professionalise the PSI

Table 5: Responses to Statement 4

Statement 4	Frequency	Percentage (%)
Strongly agree	125	41.67
Agree	113	37.67
Neutral	29	9.67
Disagree	18	6.00
Strongly disagree	15	5.00
Total	300	100.00

In response to Statement 4 on the need to professionalise the PSI, Table 5 shows that the majority (n=238; 79.34%) of the respondents scored above the mean and the SD;

they were therefore of the view that there is a need to professionalise the PSI, whereas only 9.67% (n=29) were undecided, and 11% (n=33) disagreed and strongly disagreed with the statement. However, each scored below the mean = 60 and the SD = 63; they are therefore all viewed as strongly disagreeing and disagreeing.

The results of Table 2 confirm the finding, as stated by Drew and McLaughlin (2016), that there are unscrupulous SSPs that operate in the PSI without registration. This is supported by Ndungu (2020), who states that unscrupulous SSPs are on the rise and are linked to a high use of unlicensed firearms, exploitation of security officers by paying them below the minimum wage, selling fake security certificates, corruption, and bribery of SAPS and PSiRA inspectors, which have turned the PSI into a threat that engages in criminal activities instead of preventing crime. This was attributed to the issue of accountability, responsibility, and penalties. The results in Table 2 show that a combined 207 (69.23%) (i.e., n=113; 37.79% + n=94; 31.44%) of the respondents strongly agreed and agreed that the PSI is awash with unscrupulous SSPs. A number of factors have been identified by various researchers as contributing to this phenomenon. Berg and Gabi (2011) assert that PSiRA has not been able to keep track of all active, inactive, retired, or deceased security officers, which paved the way for unscrupulous SSPs to strengthen their position in the industry by manipulating the system in order to conduct unlawful activities (Berg and Gabi, 2011). Schneider (2012) agrees with this and further states that PSiRA has the potential to keep the industry in check, but is failing due to funding issues. Berg and Gabi (2011) and Gumedze (2020) confirm that PSiRA lacks the human and financial resources to implement the regulations effectively in the PSI; it is thus lagging behind in areas of registration, monitoring, and ensuring compliance. As a result, most SSPs end up providing services without renewing their registration and hiring security officers without properly screening them, and thereby end up with untrained, undocumented, and unregistered security officers without anyone to monitor and inspect them, and thus become unscrupulous SSPs (Kole, 2015). Corruption and bribery were identified by Pillay (2020) as factors that lead to the rise of unscrupulous SSPs. PSiRA staff and inspectors were reported as engaging in corrupt activities, which make them biased in their conduct by favouring some SSPs over others, by “exempting” others from maintaining certain industry standards and the code of conduct, and turning a blind eye to non-compliance. Berg and Howell (2017) confirm that the PSI is poorly regulated and that most SSPs believe that PSiRA is ineffective in ensuring proper regulation of the industry, which make it easy for unscrupulous SSPs to thrive.

The results in Table 3 expressed the views of the respondents, which confirm Gumedze’s (2020) statement that PSiRA is more concerned with licensing the PSI than regulation, because licensing brings in revenue to support PSiRA and its operations. When regulation is not strengthened, the PSI becomes less accountable and less professional; thus leaving SSPs with the power to do as they please (Gumedze, 2020). When SSPs see a gap in the regulations, they will take advantage and undermine PSiRA’s authority and efforts. They thus exploit security officers in their employment, or employ unregistered personnel as cheap labour. Cobalt Security Services (2020) confirms that one way of identifying unscrupulous SSPs is through their pricing, which is much less competitive than compliant SSPs; it is too good to be true, because

they use cheap labour by hiring unregistered security officers who do not know their rights, and if they do, they have no power to question their employers or negotiate a good contract since they do not have proper certification. Such unregistered personnel end up engaging in criminal activities to make ends meet; some steal from clients, while others, because they do not know the regulations and the code of conduct, end up killing or assaulting innocent people during their security operations. The OECD (2017) identifies fraud and tax evasion by unscrupulous SSPs as another challenge that robs both PSiRA and the government of much-needed revenue. Although stipulations for taxation of taxpayers are contained in the Tax Administration Act of 2011, unscrupulous SSPs dodge the law in order to save money and maximise their profit.

Table 4 showed the results from the respondents concerning the PSIR Act giving enough powers to PSiRA regarding non-registered security companies, which confirm Berg and Howell's (2017) statement that legislative pieces are instrumental in bringing about massive changes in the PSI worldwide. The South African PSI we have today is a product of the PSIR Act, which gives PSiRA the power to regulate the industry through operations (i.e., registration, risk management, planning, and monitoring), law enforcement (i.e., the industry code of conduct, compliance, enforcement, infrastructure inspections, and legal services), and brand management, communications, and training (i.e., customer value proposition, public relations and stakeholder management, accreditation, and training standards) (PSiRA, 2019a). Although the PSIR Act gives PSiRA the power to regulate the PSI, it does not have enough power over unscrupulous SSPs because the majority of them are not registered; PSiRA therefore cannot punish them the same way it punishes registered SSPs. When unscrupulous SSPs are caught operating by PSiRA inspectors, they hand them over to the SAPS; after this, PSiRA has no power to determine their fate, because it is now a matter for the SAPS, the NPA, and the courts. Most of them are released without any charge and proceed to form a new company under a new name and continue to operate unregistered in the PSI. It is the view of the authors that for something to be improved, it means that it is not fully serving the purposes for which it was designed. This speaks directly to the PSIR Act; not the entire Act *per se*, but some sections of the Act need improvement if regulation of the PSI is to be effective.

The results in Table 5 confirm Gumedze's (2020) indication that the PSI indeed needs to be professionalised. A number of strategies could be used to professionalise the PSI so that it can curb the rise of unscrupulous SSPs, such as strengthening the licensing requirements for security services of both security officers and the security service companies. Loader and White (2015) identified that the cooperation and teamwork of various security sector regulators and departments have strengthened regulatory enforcement, and improved the profile and quality of the profession. One of the strategies that could be employed in professionalising the industry in order to deal with the rising number of unscrupulous SSPs is strengthening law enforcement partnerships between PSiRA and law agents. PSiRA should work together with other agencies such as the SAPS, as well as the Department of Employment and Labour, the Department of Home Affairs, the Hawks, and the NPA to deal with the deployment of unregistered security officers and unscrupulous SSPs who are

operating in the PSI. Public-private cooperation takes many forms; ranging from national information-sharing programmes to local-level operational partnerships. Coordination mechanisms with other state organs such as the Central Firearm Register and Metro Police are important for effective collaboration between private and public actors. PSiRA needs to provide adequate platforms for collaboration. However, some findings suggest that a limited percentage of law enforcement agencies fully participate in formal collaboration with the PSI. SASA (2020) asserts that industry associations can play a vital role in professionalising the PSI by addressing industry challenges through self-regulation, and by establishing industry standards to be followed by their members to increase accountability and responsibility in order to protect the public and consumers. Associations can also bring about stability in the security industry by keeping a watchful eye on their members (registered SSPs and security officers) and weeding out unscrupulous SSPs. If associations educate and guide their members in terms of regulations, it can eliminate non-compliance, which leads to unscrupulous activity, code of conduct non-compliance, ethical issues, and many other industry-related misconduct. Some associations help in regulating firearms, fraud, crime, campus protection, security electronics, fire detection and installation, counterterrorism, safety management, and information systems.

Conclusions and recommendations

Based on the results of the study, a number of conclusions can be made. Firstly, as long as the PSI exists, more and more unscrupulous SSPs will find creative ways to penetrate and operate in the PSI unless there are concerted efforts and collaboration mechanisms between PSiRA and industry and law enforcement agents in the country to work towards eliminating unscrupulous SSPs and hold each other to account in the interest of the profession and the nation. Secondly, effective identification and dealing with unscrupulous SSPs can only happen if PSiRA is financially capacitated by the government to increase its human resource base, especially inspectors, so that more inspections can be conducted. Thirdly, unscrupulous SSPs are motivated to operate in the PSI because of the lack of liability and accountability they encounter when they operate without registration. It appears that the PSIR Act and its regulations are harsher towards registered and compliant SSPs than the unscrupulous ones.

To inhibit the rise of unscrupulous SSPs in the PSI, the following recommendations are made. Firstly, the tightening of the South African regulatory framework for private security is a necessity. Some of the proposed changes to the current Act include the provision to formalise and strengthen the cooperation between PSiRA and crime fighting and law enforcement stakeholders. Secondly, choosing the option to privately prosecute can be advantageous as one of the strengths of private prosecution is the ability to have more control over the proceedings from start to finish. Not only will PSiRA be able to prosecute cases, but it will also have the added benefit of potentially gaining a faster turnaround and final outcome. Thirdly, cease and desist instructions through a warning letter issued to unscrupulous SSPs. The letter may warn that if the recipient does not discontinue the specified conduct, or take certain actions, by the deadline set in the letter, legal actions may be imposed against that party. If

implemented, this will grant PSiRA the power to warn unscrupulous SSPs of the consequences that may arise if they do not stop rendering security-related services while not registered with PSiRA. Fourthly, naming and shaming or publishing the names of unscrupulous SSPs and their directors can serve as an essential platform of keeping record and also alerting the public so they can report such companies and individuals when they encounter them. It has been widely established that a reputation is a powerful social control device; naming and shaming unregistered security companies on various platforms will therefore alert clients and the public of who they are. This will also encourage clients to not engage or do business with unregistered SSPs. A list of unregistered companies that is published and amended on a monthly basis will assist clients to be aware of SSPs that are not complying with PSiRA and enable them to avoid doing business with them, as they will know the consequences that may arise should they continue doing business with such security companies. Lastly, simplifying the code of conduct can involve the use of simple language, flow charts, and readers' guides designed to make the code of conduct easier to follow. This will assist with improving the knowledge of the public, clients, and SSPs with regard to what is required from them in terms of the PSiRA Act. The code of conduct may also be translated into all the official languages spoken in South Africa.

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