

2018

PSIRA Private Security Intermediary Survey



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Findings and Remarks

December 2018

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01

Introduction



INTRODUCTION

1

1.1 BACKGROUND

Section one provides an introduction and concise roadmap of the **PSIRA Private Security Intermediary Survey**. The chapter provides concise background to the project, survey methodology as well as a report outline.

1.2 PROJECT BRIEF & OBJECTIVES

DEMACON Market Studies were commissioned by **PSIRA (Private Security Industry Regulatory Authority)** to undertake consumer surveys to attain a better understanding of the utilisation of intermediary security providers.

Four types of intermediary security providers were identified by the client:

- ✓ Labour Brokers
- ✓ Independent Contractors
- ✓ Co-operatives
- ✓ Security Learnerships.

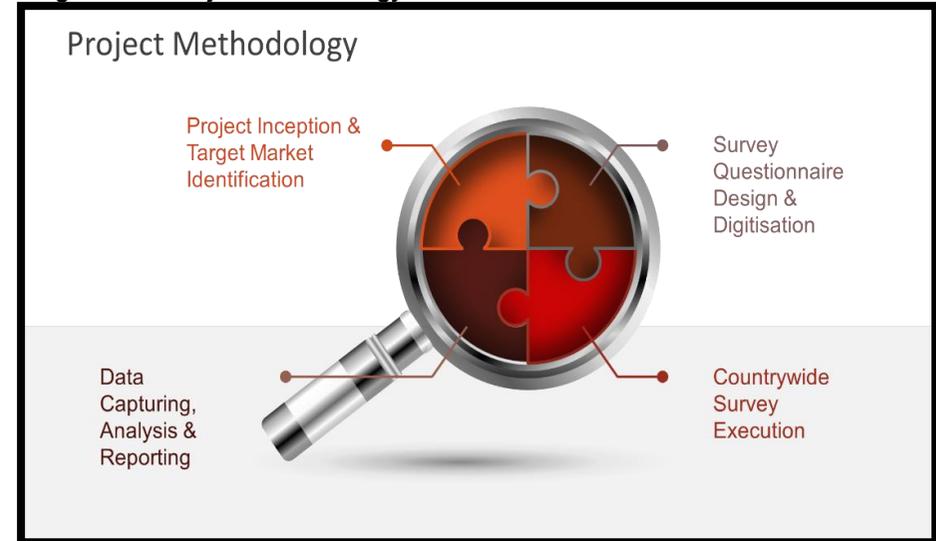
The purpose of this report is to reflect on the findings attained via the set of consumer surveys undertaken nationally across the provinces.

1.3 PROJECT METHODOLOGY

Diagram 1.1 illustrates the project methodology, summarised in terms of four main steps:

1. Project Inception and Target Market Identification
2. Survey Questionnaire Design and Digitisation
3. Countrywide Survey Execution
4. Data Capturing, Analysis and Reporting.

Diagram 1.1: Project Methodology



Each step is discussed in short:

Project Inception & Target Market Identification

- ✓ The Project Brief was refined.
- ✓ The survey outline received.
- ✓ Progress report and due dates were set.
- ✓ Target Market – Identified – Businesses countrywide making use of security service providers in the nature of labour brokers, independent contractors, cooperatives and learnerships.



Survey Questionnaire Design & Digitisation

- ✓ The survey outline received by PSIRA was utilised as a basis from which a formal consumer survey was developed.
- ✓ Discussions were held telephonically with the client to ensure that the purpose of the survey was clearly understood.
- ✓ The client provided definitions to what was understood as a labour broker, independent contractor, cooperatives and learnerships.
- ✓ The survey was distributed to PSIRA for any comments and additional inputs before being finalised.
- ✓ The survey was then digitised to conduct it electronically using ios- or android-enabled devices.
- ✓ The surveyors were then effectively trained, and the survey properly explained.
- ✓ The consumer survey was then tested in the field.



Country Wide Survey Execution

- ✓ A total of 3 699 businesses were contacted to participate in the survey.
- ✓ 39.0% business numbers contacted represented valid numbers.
- ✓ 7.0% of businesses participated in the survey – either telephonically or via e-mail links sent to them.



Real Time Data Capturing, Analysis & Reporting

- ✓ Survey data is electronically captured as the surveys are completed.
- ✓ A total of 101 completed business surveys could be used for analysis.
- ✓ Data was analysed and illustrated via figures and tables.
- ✓ The findings were written up in a report format.
- ✓ Concluding remarks were provided.



Challenges experienced during the undertaking of these surveys:

Lacklustre market response. The main reasons therefore picked up in our survey work in general refers to:

1. General economic dis-illusionment and scepticism towards government and parastatal structures
2. Increasing levels of apathy from citizenry
3. Generally low levels of business and consumer confidence.

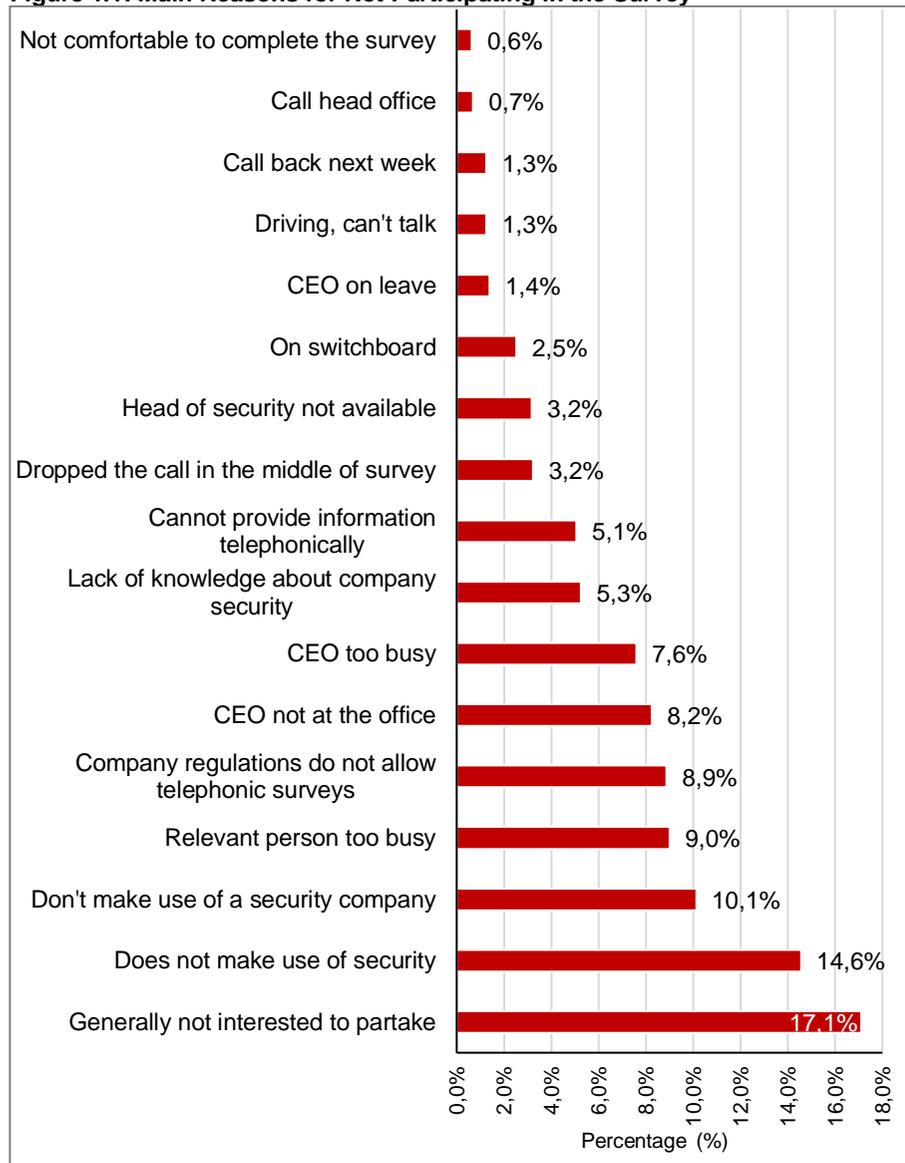
Other reasons given include:

- ✓ Many companies do not make use of intermediate service providers.
- ✓ Too busy – no time to complete survey.
- ✓ Certain companies still do not make use of any security services.
- ✓ Company policy does not allow participation in surveys.
- ✓ Sensitivity – respondent not comfortable providing such information.
- ✓ Manager or representative is not available to take the call.
- ✓ Head of security is not available.

Figure 1.1 provide a comprehensive list of reasons for not participating in the survey.

We as Demacon actively followed up on companies where managers and head of security was not available. E-mail links were also forwarded to those businesses that preferred to fill in the survey online and in their own time. Generally, the survey progress was slow but steady.

Figure 1.1: Main Reasons for Not Participating in the Survey



Source: Demacon PSIRA Survey, 2018



1.4 DEFINITIONS OF INTERMEDIARY PROVIDERS

- ✓ **Independent Contractors** – independent contractor that sub-contract other speciality contractors under one umbrella, i.e. person rendering services to an employer and sub-contracts independent service providers to provide an integrated security service.
- ✓ **Co-operatives** – group of companies that have formed an alliance and co-operate to provide a broader but integrated set of services to the consumer.
- ✓ **Labour brokers** – independent company that brokers guarding services.
- ✓ **Learners** – placement of students under security specific learnership programmes managed by SETA accredited providers.

1.5 REPORT OUTLINE

The remainder of the report is addressed under the following sections:

- ✓ Company Background
- ✓ Appointment of Intermediary Security Service Provider
- ✓ Obligations to your clients
- ✓ Reliability of intermediary service provider
- ✓ Oversight and involvement related to security personnel on site
- ✓ Concluding Remarks.

02

Company Background



COMPANY BACKGROUND

2

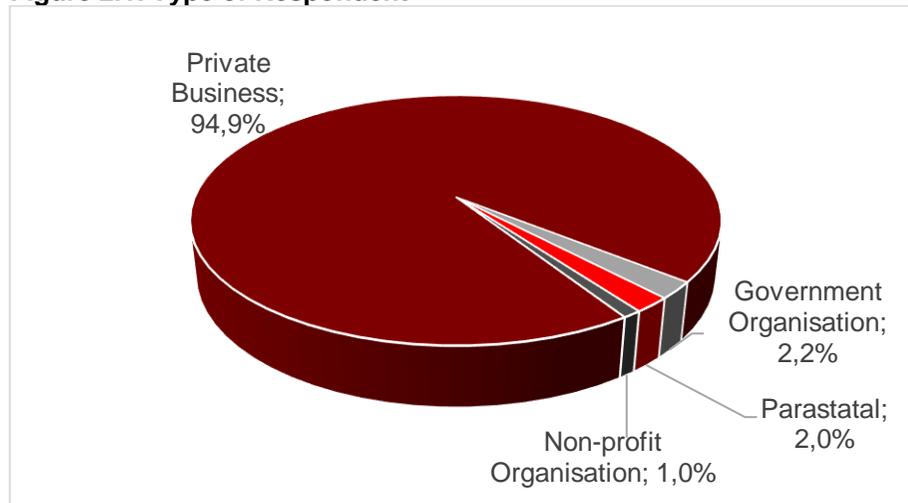
2.1 INTRODUCTION

This section reflects on the findings related to the background information of the companies interviewed:

- ✓ Type of respondent
- ✓ Provincial distribution
- ✓ Position of respondent in company
- ✓ Industry involved in
- ✓ Business size (number of employees)
- ✓ Age of the business
- ✓ Geographic setting of business
- ✓ Total number of business premises occupied by company.

2.2 TYPE OF RESPONDENT

Figure 2.1: Type of Respondent



Source: Demacon PSIRA Survey, 2018

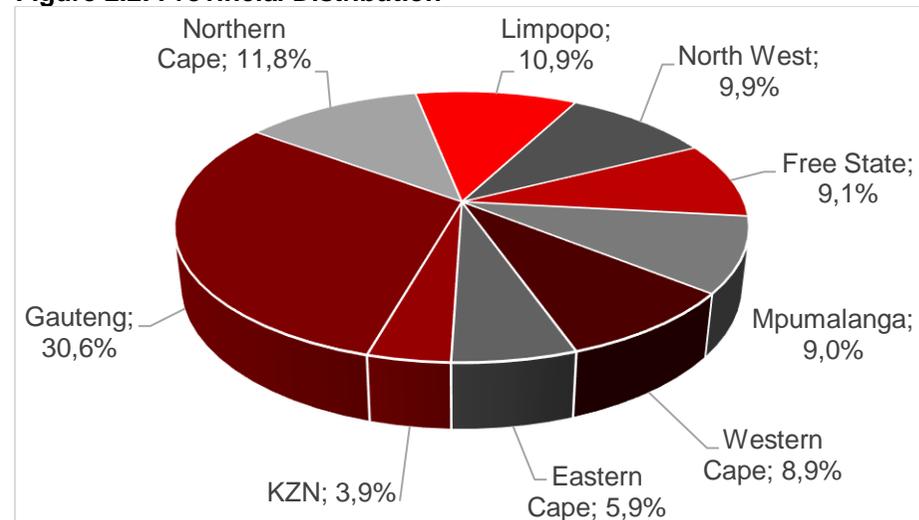


The following type of respondents took part of the survey:

- ✓ Private Businesses – 94.9%
- ✓ Government Organisations – 2.2%
- ✓ Parastatals – 2.0%
- ✓ NGOs – 1.0%.

2.3 PROVINCIAL DISTRIBUTION

Figure 2.2: Provincial Distribution



Source: Demacon PSIRA Survey, 2018

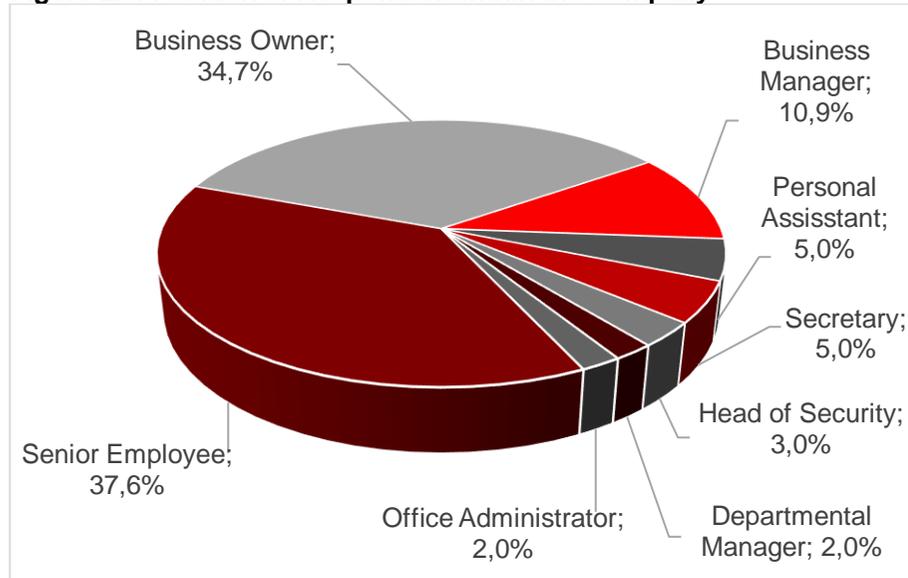
The provincial spread of businesses taking part in the survey is:

- ✓ Gauteng – 30.6%
- ✓ Northern Cape – 11.8%
- ✓ Limpopo – 10.9%
- ✓ North West – 9.9%

- ✓ Free State – 9.1%
- ✓ Mpumalanga – 9.0%
- ✓ Western Cape – 8.9%
- ✓ Eastern Cape – 5.9%
- ✓ KZN – 3.9%.

2.4 POSITION OF RESPONDENT WITHIN THE COMPANY

Figure 2.3: Position of Respondent within the Company



Source: Demacon PSIRA Survey, 2018

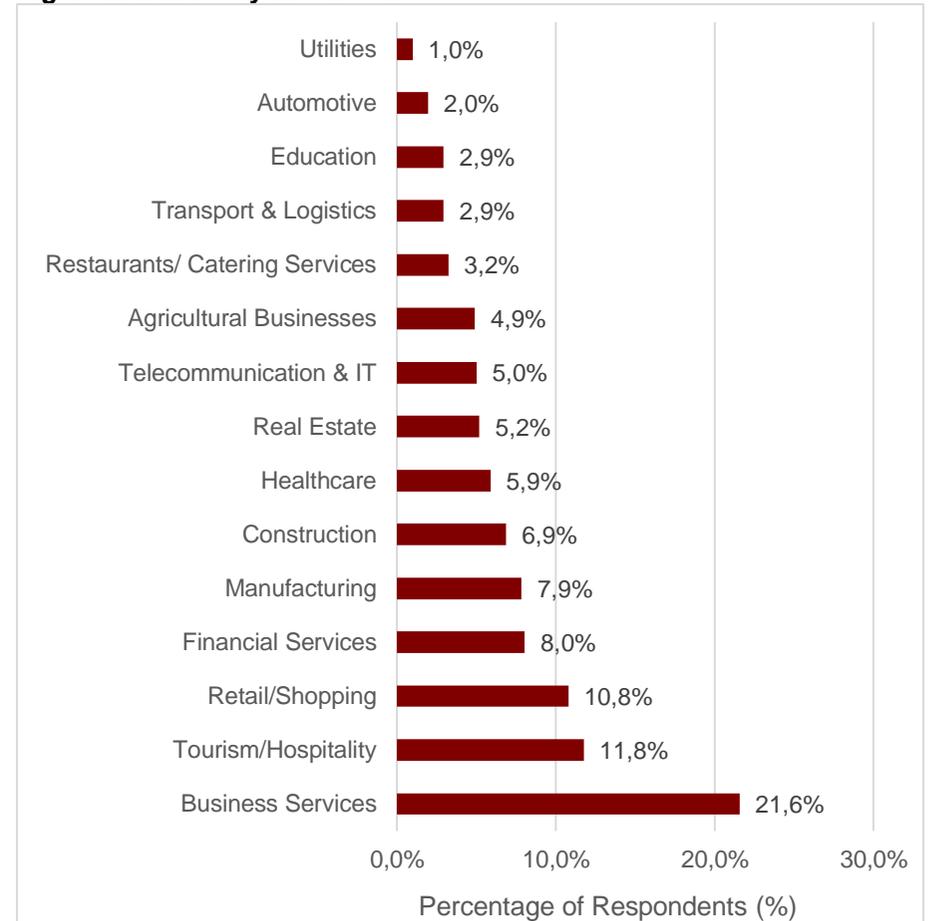
Respondents filling in the survey, fulfilled the following positions within the respective companies:

- ✓ Senior Employee – 37.6%
- ✓ Business Owner – 34.7%
- ✓ Business Manager – 10.9%
- ✓ Personal Assistant – 5.0%
- ✓ Secretary – 5.0%
- ✓ Head of Security – 3.0%
- ✓ Departmental Manager – 2.0%
- ✓ Office Administrator – 2.0%.



2.5 INDUSTRY INVOLVED IN

Figure 2.4: Industry Involved In



Source: Demacon PSIRA Survey, 2018

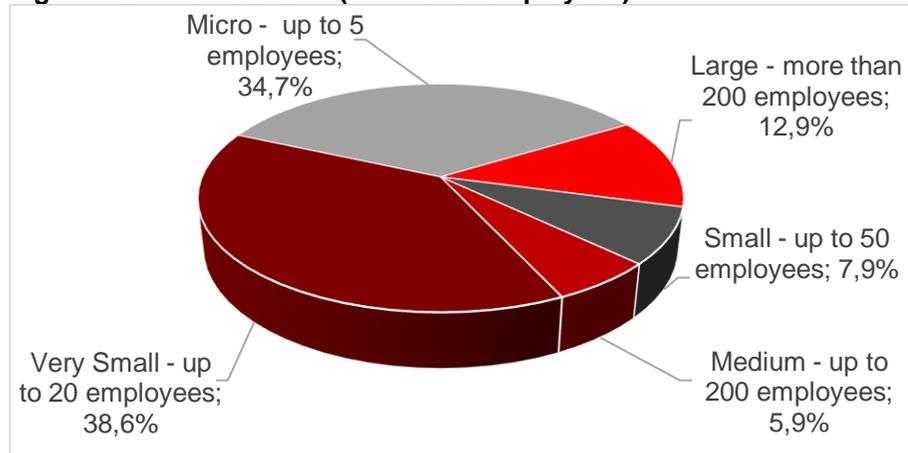
The businesses partaking in the survey are predominantly involved in the following type of industries:

- ✓ Business Services -21.6%
- ✓ Tourism/Hospitality – 11.8%
- ✓ Retail/Shopping – 10.8%

- ✓ Financial Services – 8.0%
- ✓ Manufacturing – 7.9%
- ✓ Construction – 6.9%
- ✓ Healthcare – 5.9%
- ✓ Real Estate – 5.2%
- ✓ Telecommunication & IT – 5.0%
- ✓ Agricultural Businesses – 4.9%
- ✓ Restaurants/ Catering Services – 3.2%
- ✓ Transport & Logistics - 2.9%
- ✓ Education - 2.9%
- ✓ Automotive – 2.0%
- ✓ Utilities – 1.0%.

2.6 BUSINESS SIZE

Figure 2.5: Business Size (number of employees)



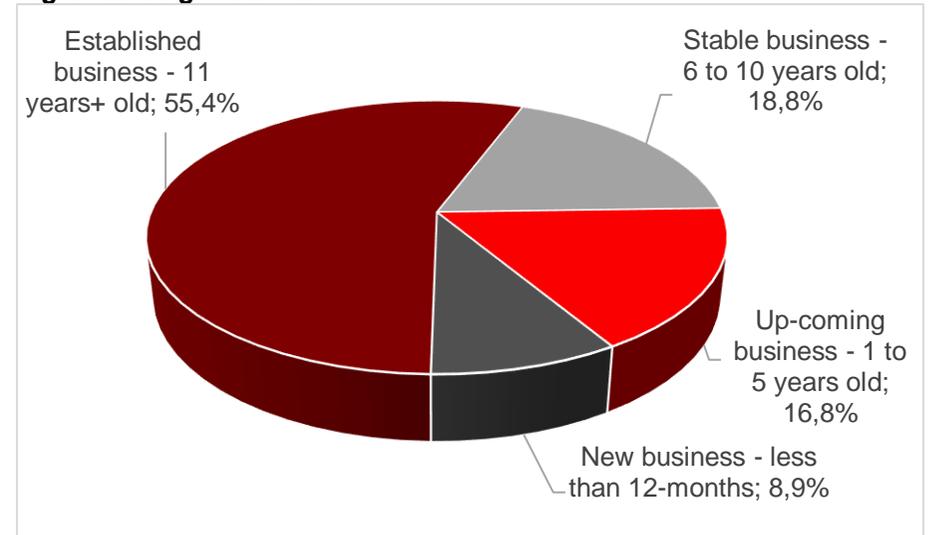
Source: Demacon PSIRA Survey, 2018

A mixture of different sized businesses completed the survey:

- ✓ Very Small (up to 20 employees) – 38.6%
- ✓ Micro (up to 5 employees) – 34.7%
- ✓ Large (more than 200 employees) – 12.9%
- ✓ Small (up to 50 employees) – 7.9%
- ✓ Medium (up to 200 employees) – 5.9%.

2.7 AGE OF BUSINESS

Figure 2.6: Age of Business



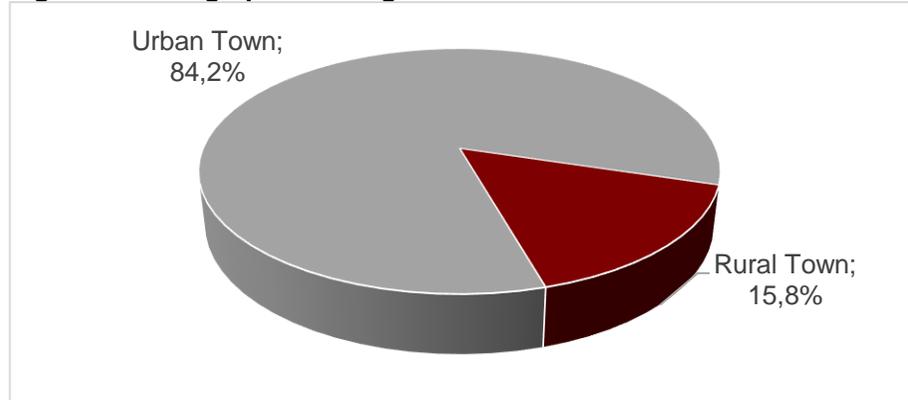
Source: Demacon PSIRA Survey, 2018

The larger segment of businesses partaking in the survey represented established and stable businesses:

- ✓ Established business (11 years+) – 55.4%
- ✓ Stable business (6 to 10 years) – 18.8%
- ✓ Up-coming business (1 to 5 years) – 16.8%
- ✓ New business (less than 12-months) – 8.9%.

2.8 GEOGRAPHIC SETTING OF BUSINESSES

Figure 2.7: Geographic Setting of Businesses



Source: Demacon PSIRA Survey, 2018

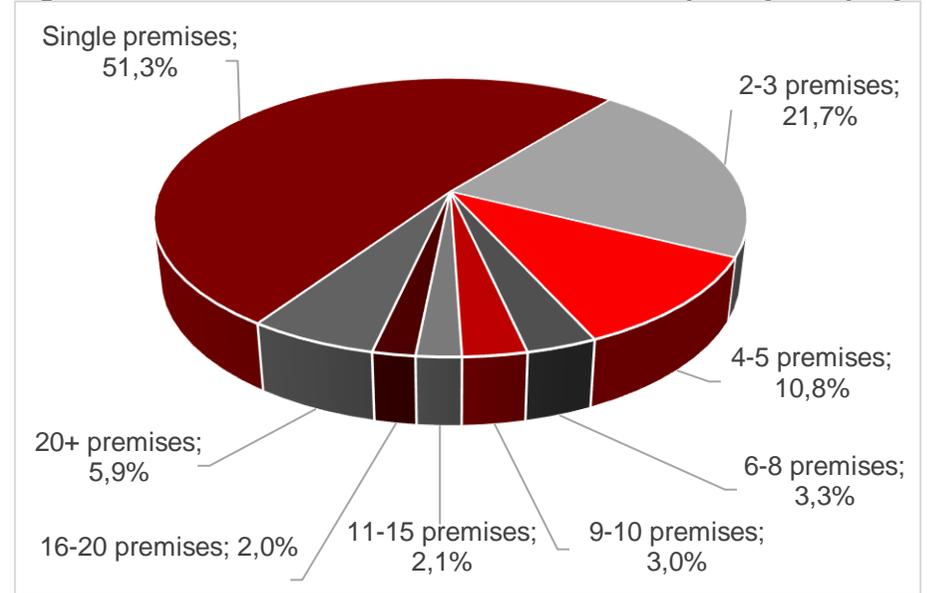
The larger segment of respondents is located within an urban town setting (84.2%), with a smaller segment located within rural town settings (15.8%).

2.9 TOTAL NUMBER OF BUSINESS PREMISES OCCUPIED BY COMPANY

In terms of the number of business premises occupied by the participating businesses, the following was indicated:

- ✓ Single premises – 51.3%
- ✓ 2 to 3 premises – 21.7%
- ✓ 4 to 5 premises – 10.8%
- ✓ 20+ premises – 5.9%
- ✓ 6 to 8 premises – 3.3%
- ✓ 9 to 10 premises – 3.0%
- ✓ 11 to 15 premises – 2.1%
- ✓ 16 to 20 premises – 2.0%.

Figure 2.8: Total Number of Business Premises Occupied by Company

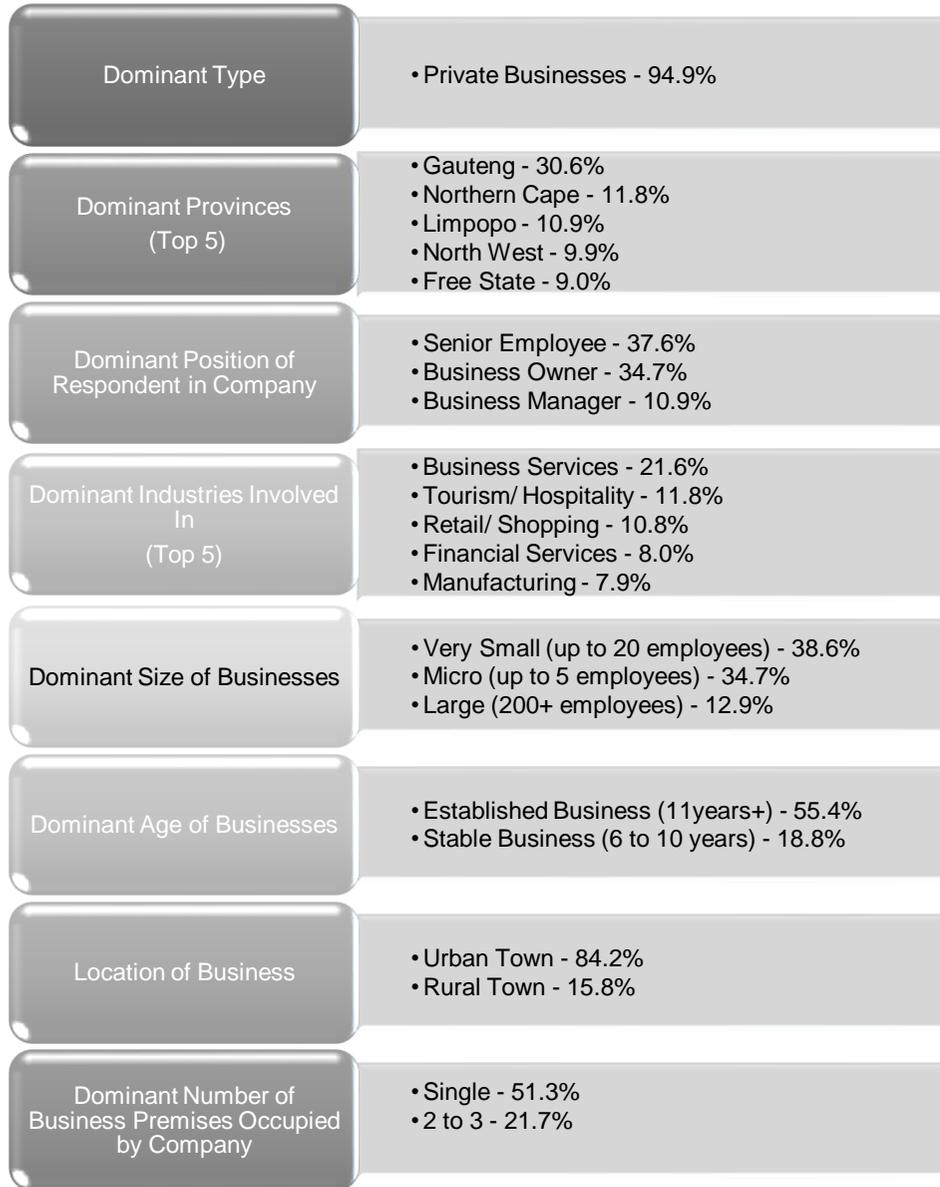


Source: Demacon PSIRA Survey, 2018

2.10 SYNTHESIS

The section provided business background of the responding businesses. The dominant characteristics of these businesses are subsequently illustrated within Diagram 2.1.

Diagram 2.1: Dominant Company Characteristics



03

Appointment of Intermediary Service Provider



APPOINTMENT OF INTERMEDIARY SECURITY SERVICE PROVIDERS

3

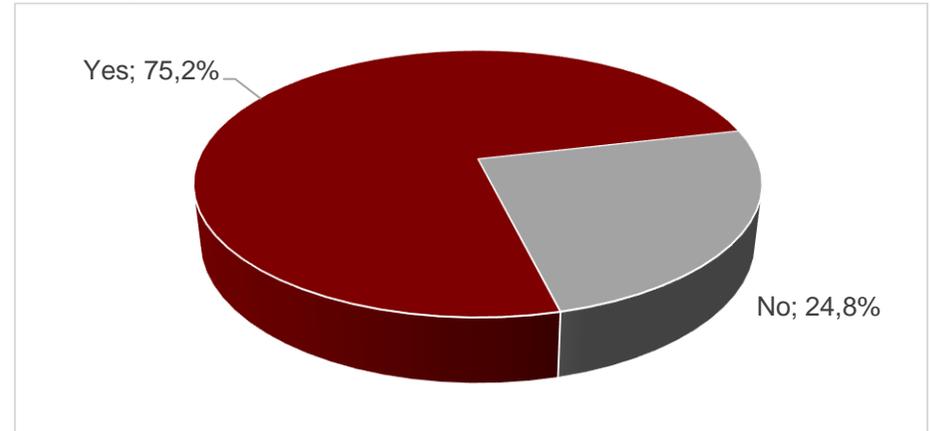
3.1 INTRODUCTION

This section reflects on the type of intermediary security service providers appointed by responding businesses at their current business premises. Answers to the following questions are addressed in this section:

- ✓ Is it of value to you to know under which mode of employment the security personnel employed on your site are under?
- ✓ Have you appointed any of the following type of intermediary security service providers at your business premises?
- ✓ How did you allocate your private security service provider specified above?
- ✓ When you appointed the service providers were you aware that they were intermediary service providers that sub-contracted services of other entities to deliver a more comprehensive security service to you?
- ✓ How did you first become aware of the fact that the service providers were an intermediary that subcontracted other experts?
- ✓ If you knew you appointed an intermediary service provider, what were the specific reasons for appointing them?

3.2 IMPORTANT TO KNOW HOW PERSONNEL WAS SOURCED

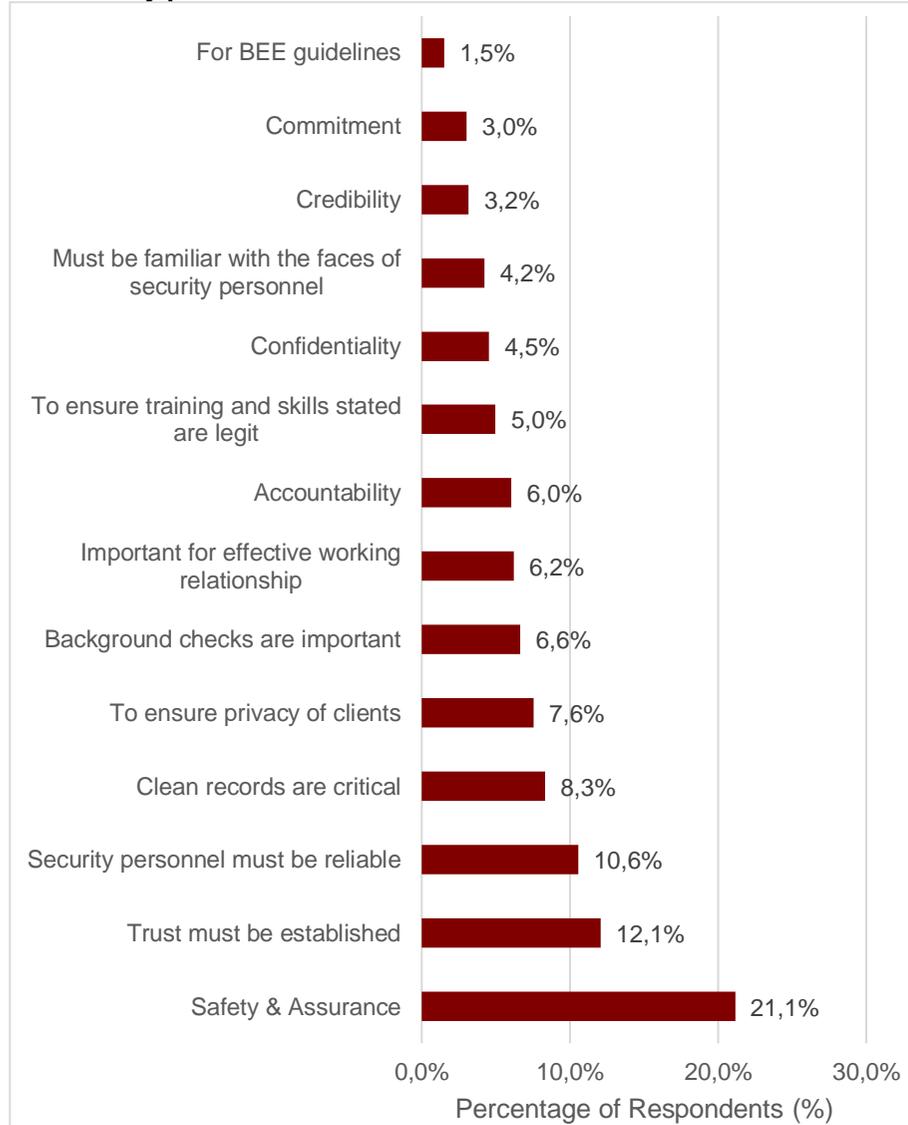
Figure 3.1: Is it important to know how the security personnel on your site was sourced?



Source: Demacon PSIRA Survey, 2018

The larger segment of respondents (75.2%) indicated that it is important for them to know how the security personnel on their business site was sourced. The dominant reasons provided, are illustrated in the figure below.

Figure 3.2: Reasons why it is important for respondents to know how the security personnel on their business site was sourced



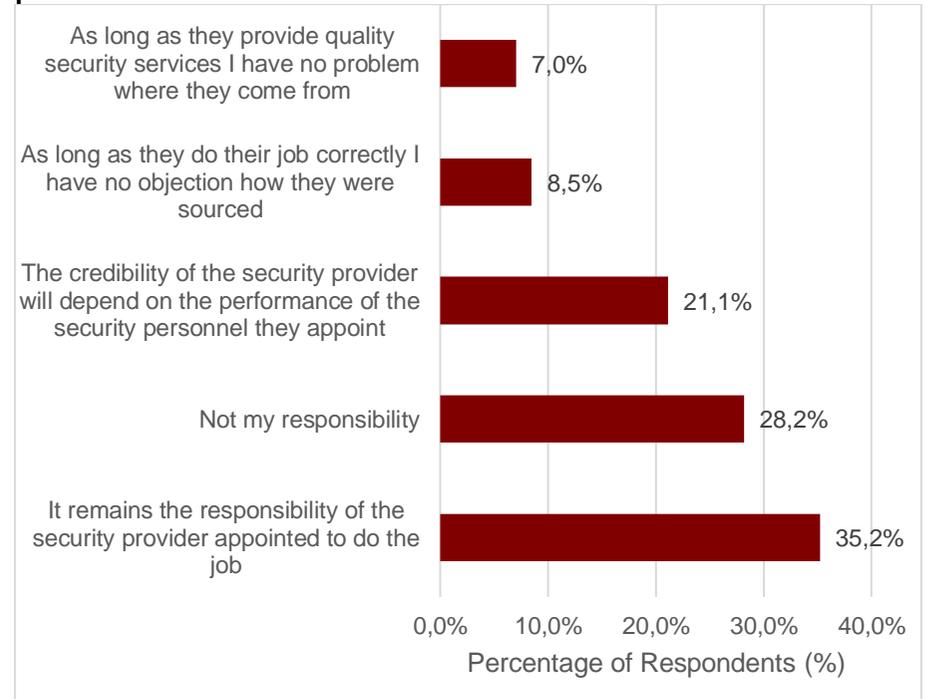
Source: Demacon PSIRA Survey, 2018

The dominant reasons provided include:

- ✓ Safety and assurance – 21.1%
- ✓ Trust must be established – 12.1%
- ✓ Security personnel must be reliable – 10.6%
- ✓ Clean records are critical – 8.3%
- ✓ To ensure the privacy of their clients – 7.6%
- ✓ Background checks are important – 6.6%
- ✓ Important for effective working relationships – 6.2%
- ✓ To ensure accountability – 6.0%.

The segment of businesses responding no to the question, provided the following reasons why it is not important for them to know how the security personnel on their business site was sourced.

Figure 3.3: Reasons why it is not important to know security personnel was sourced



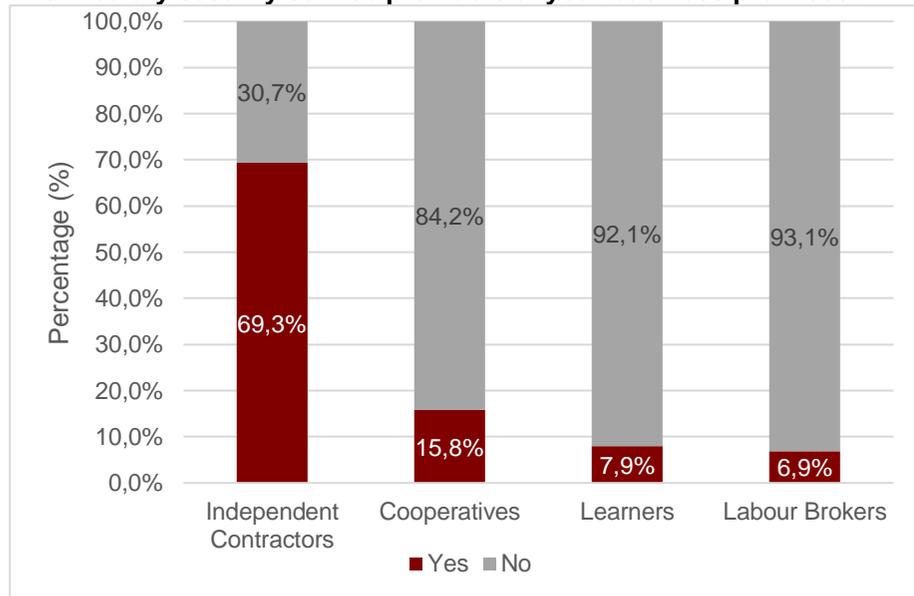
Source: Demacon PSIRA Survey, 2018

The dominant reasons included:

- ✓ It remains the responsibility of the service provider appointed to do the job – 35.2%
- ✓ Not my responsibility – 28.2%
- ✓ The credibility of the security provider depends on the performance of the security personnel they appoint – 21.1%.

3.3 HAVE YOU EVER APPOINTED ONE OF THE FOLLOWING TYPE OF INTERMEDIARY SECURITY PROVIDERS?

Figure 3.4: Have you ever appointed any of the following type of intermediary security service providers at your business premises?



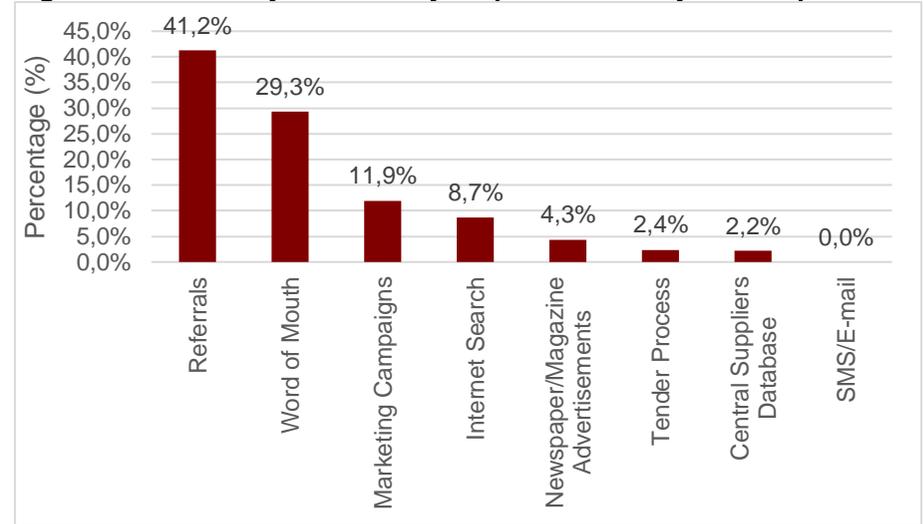
Source: Demacon PSIRA Survey, 2018

Businesses responded as follow:

- ✓ 69.3% have appointed independent contractors
- ✓ 15.8% have appointed cooperatives
- ✓ 7.9% have appointed learners enrolled in learnership programmes
- ✓ 6.9% have appointed labour brokers.

3.4 HOW DID YOU ALLOCATE YOUR PRIVATE SECURITY SERVICE PROVIDER SPECIFIED UNDER 3.3?

Figure 3.5: How did you allocate your private security service provider?



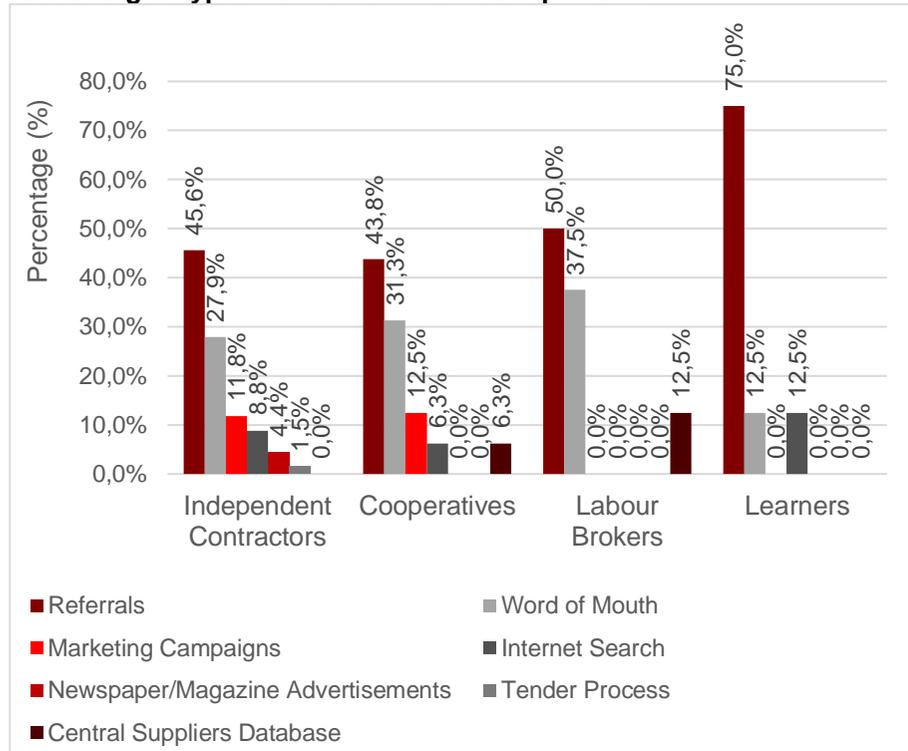
Source: Demacon PSIRA Survey, 2018

The main method employed to allocate the service providers appointed at their business premises include:

- ✓ Referrals – 41.2%
- ✓ Word of Mouth – 29.3%
- ✓ Marketing Campaigns – 11.9%
- ✓ Internet Search – 8.7%.

The subsequent figure indicates the main method employed by businesses to allocate the different type of intermediary security service provider.

Figure 3.6: How did you allocate your private security provider? According to type of intermediate service provider



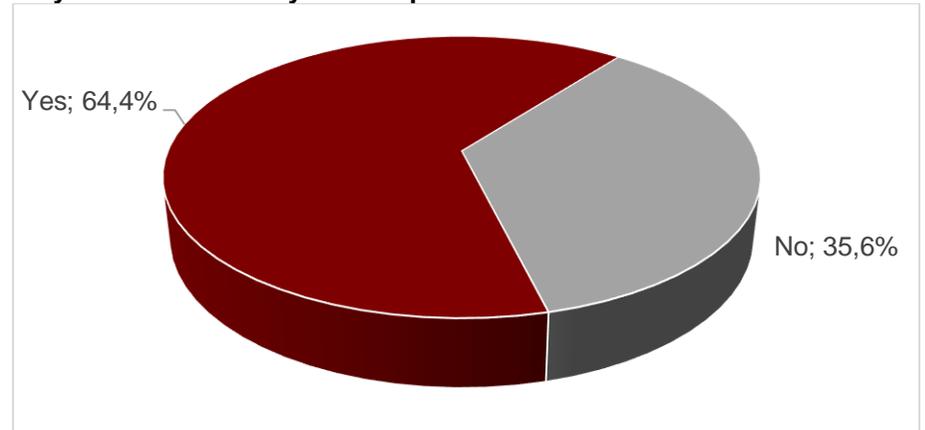
Source: Demacon PSIRA Survey, 2018

- ✓ Independent Contractors were allocated via:
 - Referrals – 45.6%
 - Word of Mouth – 27.9%
 - Marketing Campaigns – 11.8%
 - Internet Search – 8.8%
- ✓ Cooperatives were allocated via:
 - Referrals – 43.8%
 - Word of Mouth – 31.3%
 - Marketing Campaigns – 12.5%
- ✓ Labour Brokers were largely allocated via:
 - Referrals – 50.0%

- Word of Mouth – 37.5%.
- ✓ Learners were largely allocated via:
 - Referrals – 75.0%.

3.5 WHEN YOU APPOINTED THE SERVICE PROVIDER WERE YOU AWARE THAT THEY WERE INTERMEDIARY SERVICE PROVIDERS THAT SUB-CONTRACTED SERVICES OF OTHER ENTITIES TO DELIVER A MORE COMPREHENSIVE SECURITY SERVICE TO YOU?

Figure 3.7: When you appointed the service provider were you aware that they were intermediary service providers?

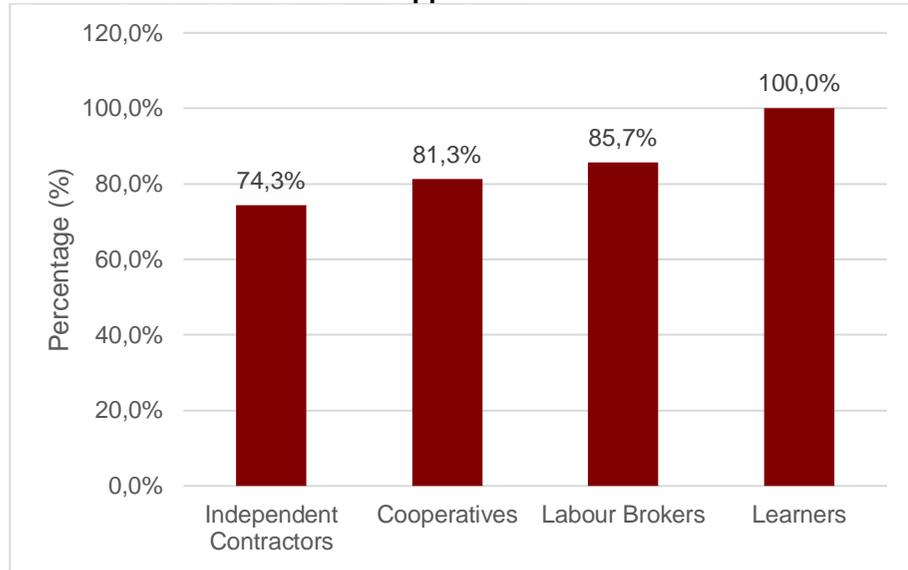


Source: Demacon PSIRA Survey, 2018

It is interesting to note that the majority (64.4%) of businesses were aware that they appointed intermediate security service providers, compared to 35.6% indicating that they were not aware.

The following figure reflects the answers to the same question, according to the different type of service providers appointed.

Figure 3.8: When you appointed the service provider were you aware that they were intermediary service providers? – According to Type of Intermediate Service Provider Appointed

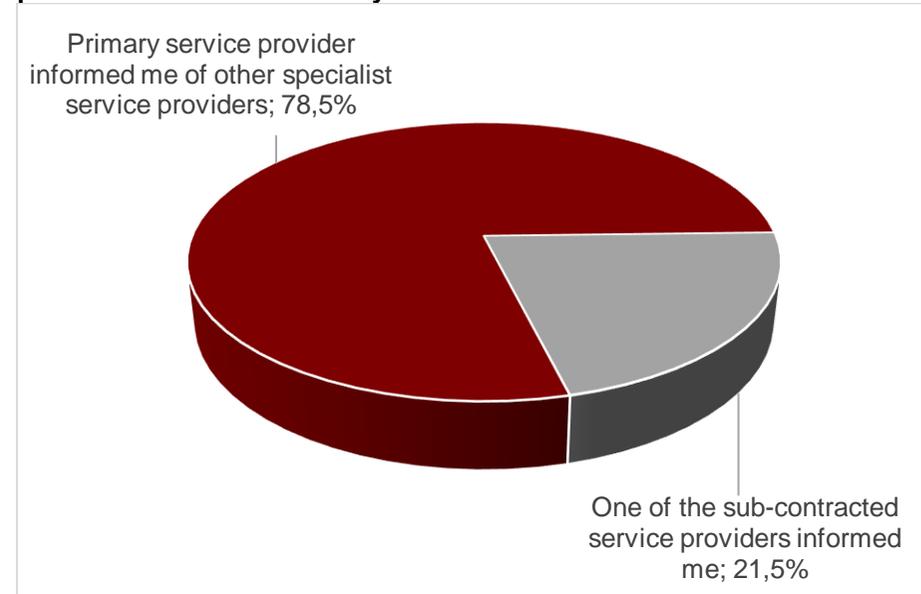


Source: Demacon PSIRA Survey, 2018

- ✓ Highest levels of awareness were reflected by companies making use of independent contractors:
 - Independent Contractors – 78.8% of companies appointing independent contractors were aware that they represented intermediate service providers.
 - Cooperatives – 19.7% of companies appointing cooperatives were aware that they represented intermediate service providers.
 - Labour Brokers – a mere 9.2% of companies appointing labour brokers were aware that they represented intermediate service providers.
 - Learners – 12.3% of companies appointing learners for security services were aware that they represented intermediate service providers.

3.6 HOW DID YOU BECOME AWARE OF THE FACT THAT THE SERVICE PROVIDER WAS AN INTERMEDIARY SERVICE PROVIDER?

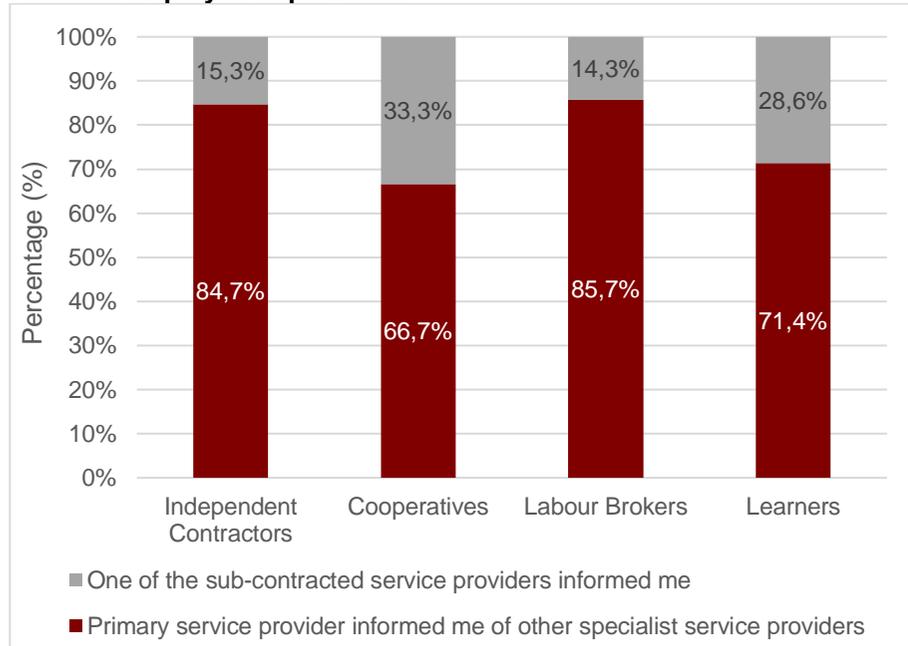
Figure 3.9: How did you become aware of the fact that the service provider was an intermediary?



Source: Demacon PSIRA Survey, 2018

Companies were primarily informed by the Primary Service Provider that they were an intermediary service provider and informed them of other specialist service providers (78.5%), while the remainder was informed by one of the sub-contracted service providers (21.5%).

Figure 3.10: How did you become aware of the fact that the service provider was an intermediary? In terms of Type of Intermediary Service Provider employed at premises



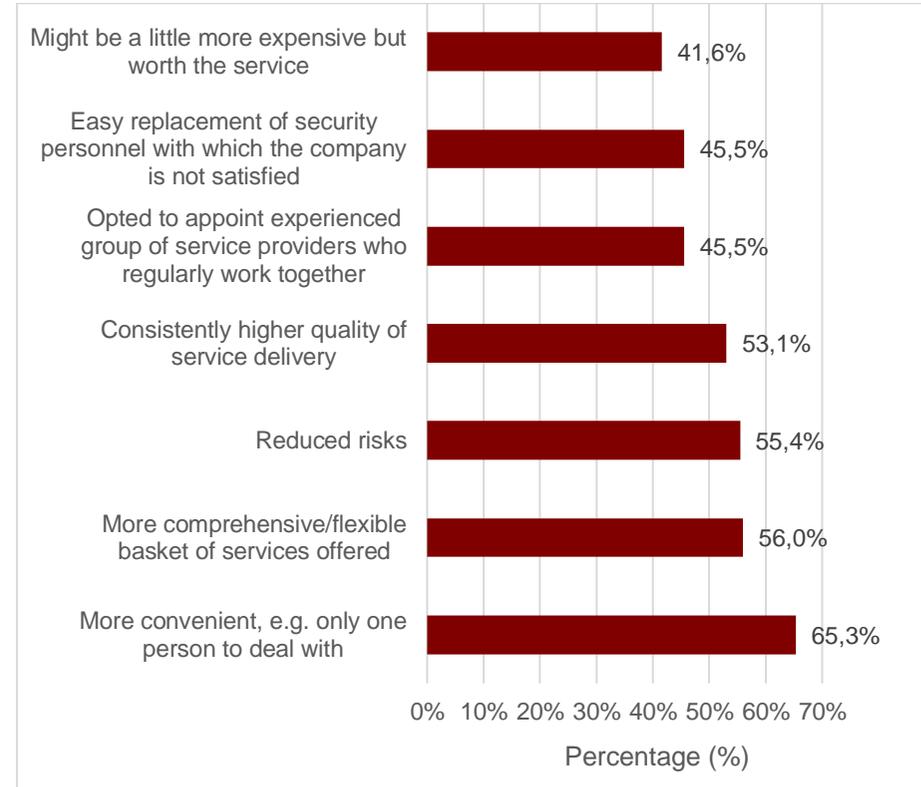
Source: Demacon PSIRA Survey, 2018

The majority of companies were informed by the primary service provider, informing them of the other specialist service providers sub-contracted by them:

- ✓ Independent Contractors – 84.7%
- ✓ Cooperatives – 66.7%
- ✓ Labour Broker s- 85.7%
- ✓ Learners – 71.4%.

3.7 IF YOU WERE AWARE OF THE FACT THAT YOU APPOINTED AN INTERMEDIARY SERVICE PROVIDER, WHAT WERE THE SPECIFIC REASONS FOR APPOINTING THEM?

Figure 3.11: Specific Reasons for Appointing Intermediary Service Providers



Source: Demacon PSIRA Survey, 2018

The main reasons for businesses going the route of appointing intermediary service providers include:

- ✓ More convenient – 65.3%
- ✓ More comprehensive/ flexible – 56.0%
- ✓ Reduced risks – 55.4%
- ✓ Consistently higher quality of service delivery – 53.1%.

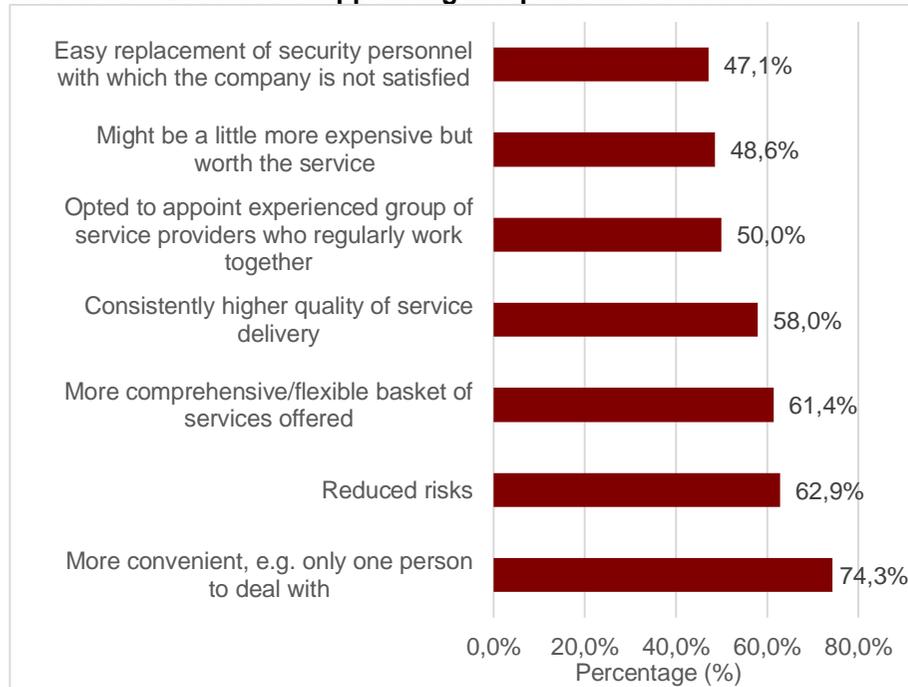
Other advantages of appointing intermediate security providers listed by businesses included:

- ✓ Access to higher levels of experience
- ✓ Can decide on the mixture of the security team at various sites
- ✓ Direct communication channels
- ✓ Lower levels of administration
- ✓ Less time-consuming
- ✓ Knowledge of the local area and security problems experienced.

The disadvantages of appointing intermediate security providers indicated by businesses was limited to:

- ✓ More expensive – higher costs
- ✓ Lack of control in terms of who secures your business premises
- ✓ No trust relationship with security personnel on grass route level.

Figure 3.12: Specific Reasons for Appointing Intermediary Service Providers – Businesses Appointing Independent Contractors



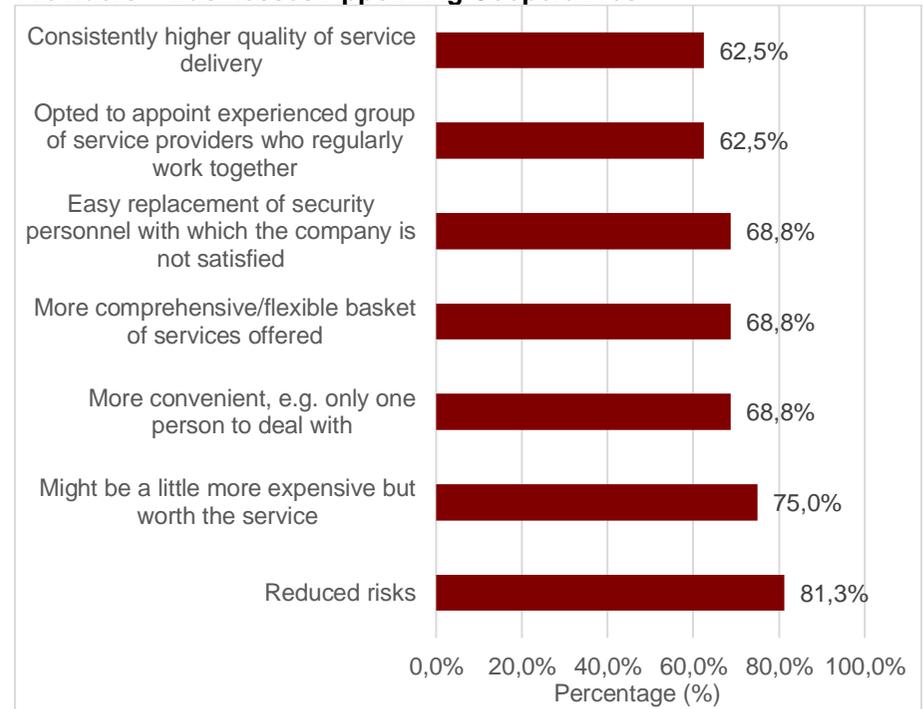
Source: Demacon PSIRA Survey, 2018



The main reasons for businesses going the route of appointing Independent Contractors include:

- ✓ More convenient – 74.3%
- ✓ Reduced risks – 62.9%
- ✓ More comprehensive/ flexible – 61.4%
- ✓ Consistently higher quality of service delivery – 58.0%.

Figure 3.13: Specific Reasons for Appointing Intermediary Service Providers – Businesses Appointing Cooperatives



Source: Demacon PSIRA Survey, 2018

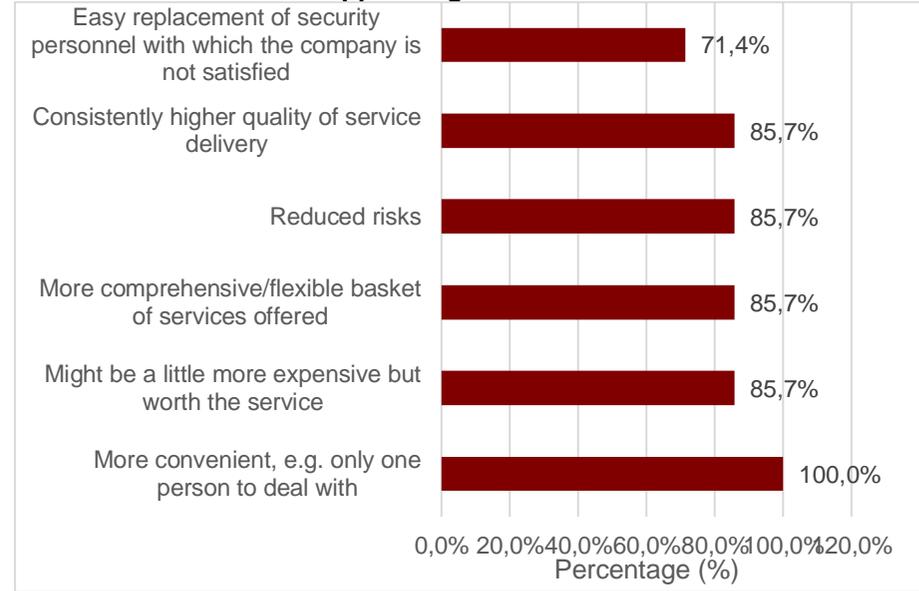
The main reasons for businesses going the route of appointing Cooperatives include:

- ✓ Reduced risks – 81.3%
 - In appointing a cooperative, companies have reported that it provides peace of mind that all their requirements are met without

having to take the risk of appointing independent service providers/security personnel.

- ✓ Might be a little more expensive but worth the service – 75.0%
 - This is applicable to intermediary security provider services in general, as is evident from the responses obtained through this survey.
- ✓ More convenient, e.g. only one person to deal with – 68.8%
 - Cooperatives normally have sales personnel/account managers who deals with companies/businesses and ensures that the correct package of services/products are made available based on each company's individual needs and requirements. Companies/Business therefore only have to deal with that one person and yet they have access to a variety of services.
- ✓ More comprehensive/ flexible basket of service offered – 68.8%
 - Through forming alliances, cooperatives are able to provide a variety of specialised services.
- ✓ Easy replacement of security personnel – 68.8%
 - In cases where companies or businesses are unhappy with security personnel, they merely contact the sales personnel/account managers of the Cooperative to replace the security personnel.

Figure 3.14: Specific Reasons for Appointing Intermediary Service Providers – Businesses Appointing Labour Brokers



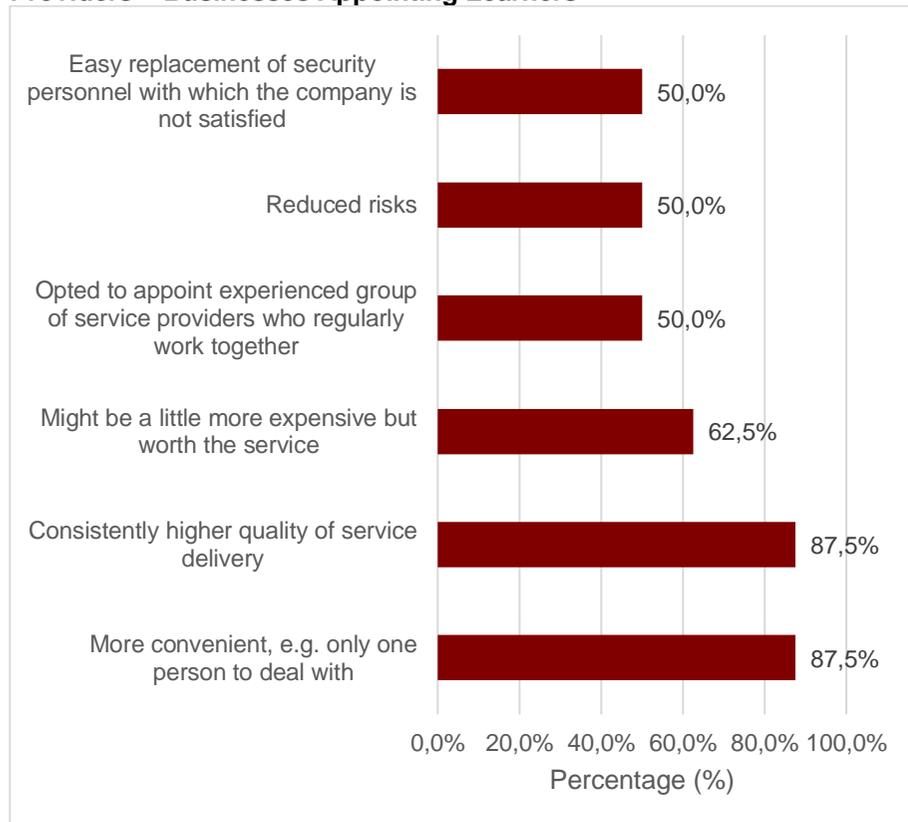
Source: Demacon PSIRA Survey, 2018

The main reasons for businesses going the route of appointing Labour Brokers include:

- ✓ More convenient, e.g. only one person to deal with – 100.0%
 - Companies normally contact a labour broker company (usually an account manager/a person specifically assigned to certain clients), whom in turn source the aptly skilled personnel. If the company/business is not satisfied, it is simply a case of contacting the labour broker company to replace the personnel that underperforms.
- ✓ Might be a little more expensive but worth the service – 85.7%
 - This is applicable to intermediary security provider services in general, as is evident from the responses obtained through this survey.
- ✓ More comprehensive/ flexible basket of service offered – 85.7%
 - A labour broker almost acts as a “one-stop-shop” to gain a variety of skills. The company or client provides the labour broker

- company with their specific requirements, and the labour broker sources the aptly skilled personnel.
- ✓ Reduced risks – 85.7%
 - Companies/businesses does not have to carry the risk of appointing someone that does not have the necessary skills.
- ✓ Consistently higher quality of service delivery – 85.7%
 - In sourcing personnel that has all the necessary skills and requirements, companies/businesses are ensured of a certain standard (as per their requirements provided).

Figure 3.15: Specific Reasons for Appointing Intermediary Service Providers – Businesses Appointing Learners



Source: Demacon PSIRA Survey, 2018



The main reasons for businesses going the route of appointing Learners include:

- ✓ More convenient, e.g. only one person to deal with – 87.5%
 - In this case, businesses contact a registered SETA service provider that places the learners at companies
- ✓ Consistently higher quality of service delivery – 87.5%
 - It has been reported that learners are usually very eager to learn and hardworking, and as time progress throughout their learnerships, these learners gain more experience and subsequently the quality of service increases constantly.
- ✓ Might be a little more expensive but worth the service – 62.5%
 - This is applicable to intermediary security provider services in general, as is evident from the responses obtained through this survey.

In terms of the reasons why companies opted to appoint Learners as an Intermediary Security Provider service, it is important to take note that generally registered SETA service providers are responsible for the learners placed at various locations or business premises. Although learnerships normally have between 1 and 3 years duration, replacement/suspension of learners are possible in instances where learners do not abide with the rules of regulations imposed on them.

3.8 SYNTHESIS

The section provided background information to the reasons for appointment of intermediary security service providers, allocation of security service providers, awareness of appointing intermediate service providers, and the advantages and disadvantages of appointing such service providers.

Diagram 3.1: Summary of Key Findings

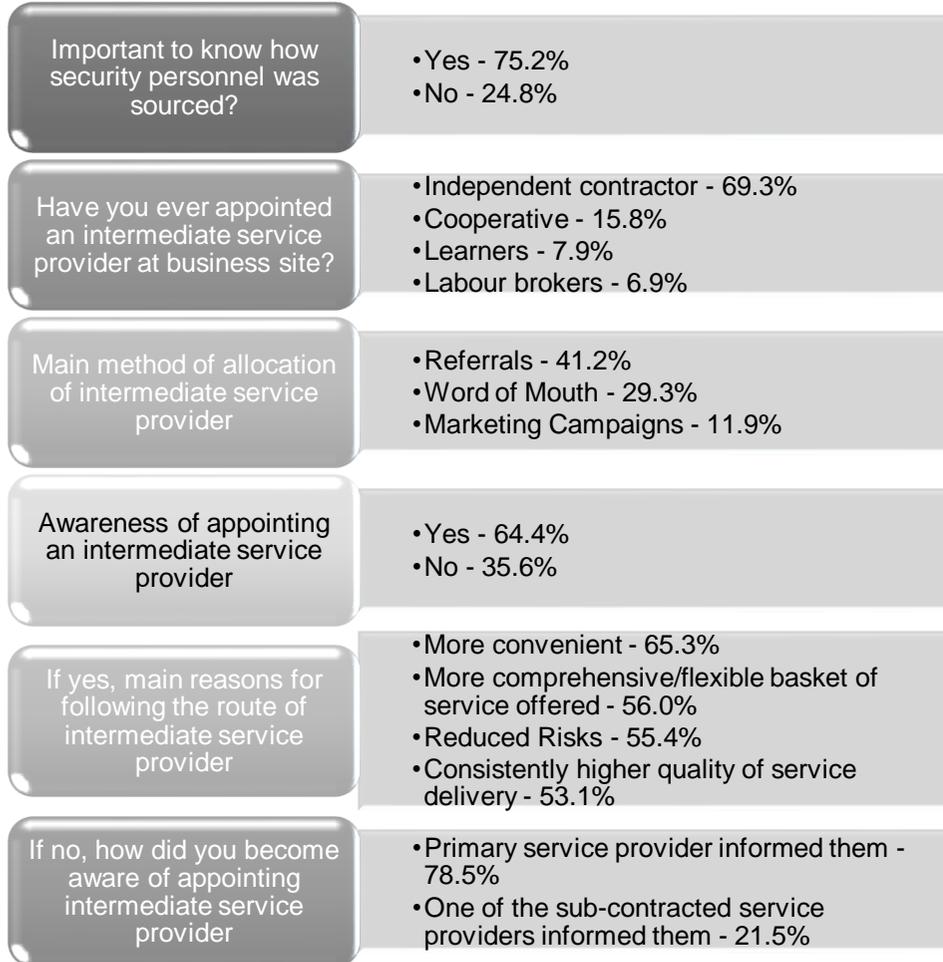


Diagram 3.2: Businesses that employed Independent Contractors

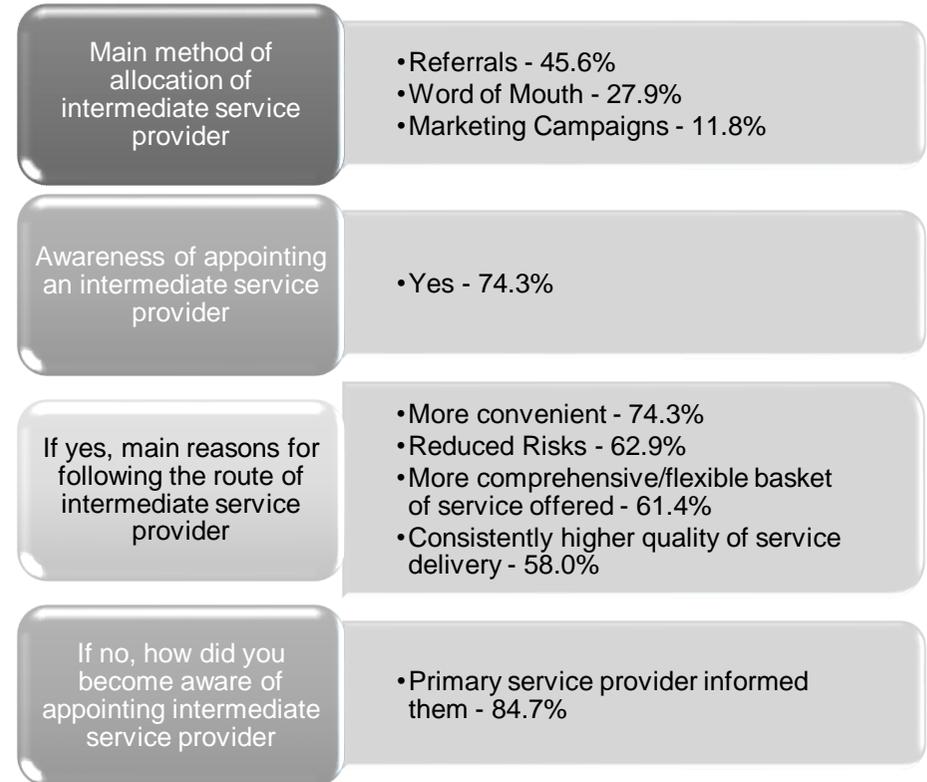


Diagram 3.3: Businesses that employed Cooperatives

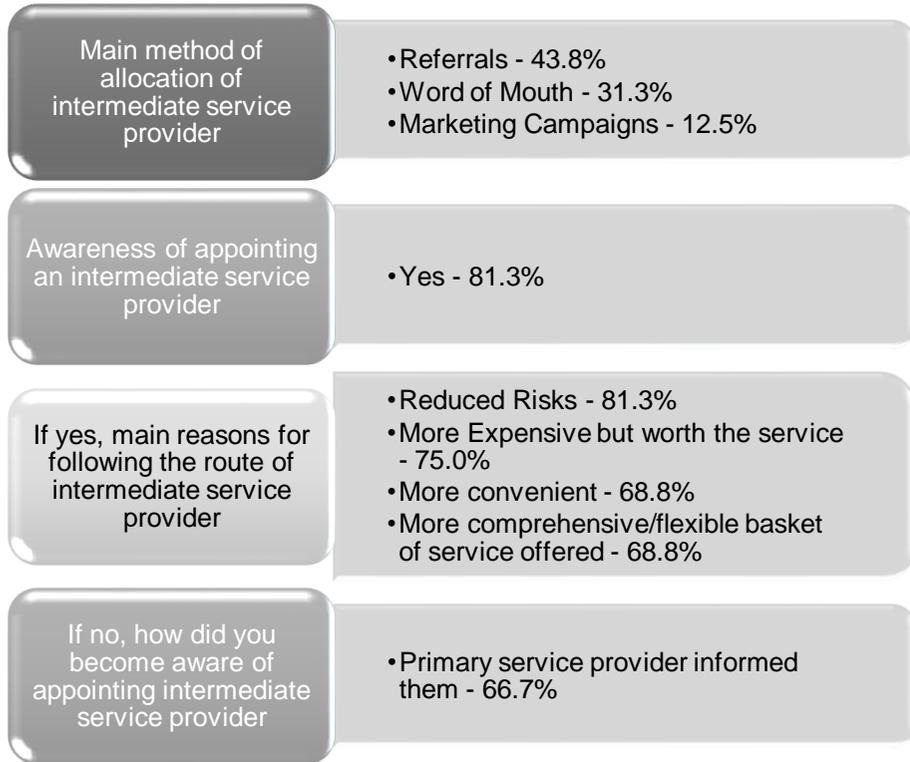


Diagram 3.4: Businesses that employed Labour Brokers

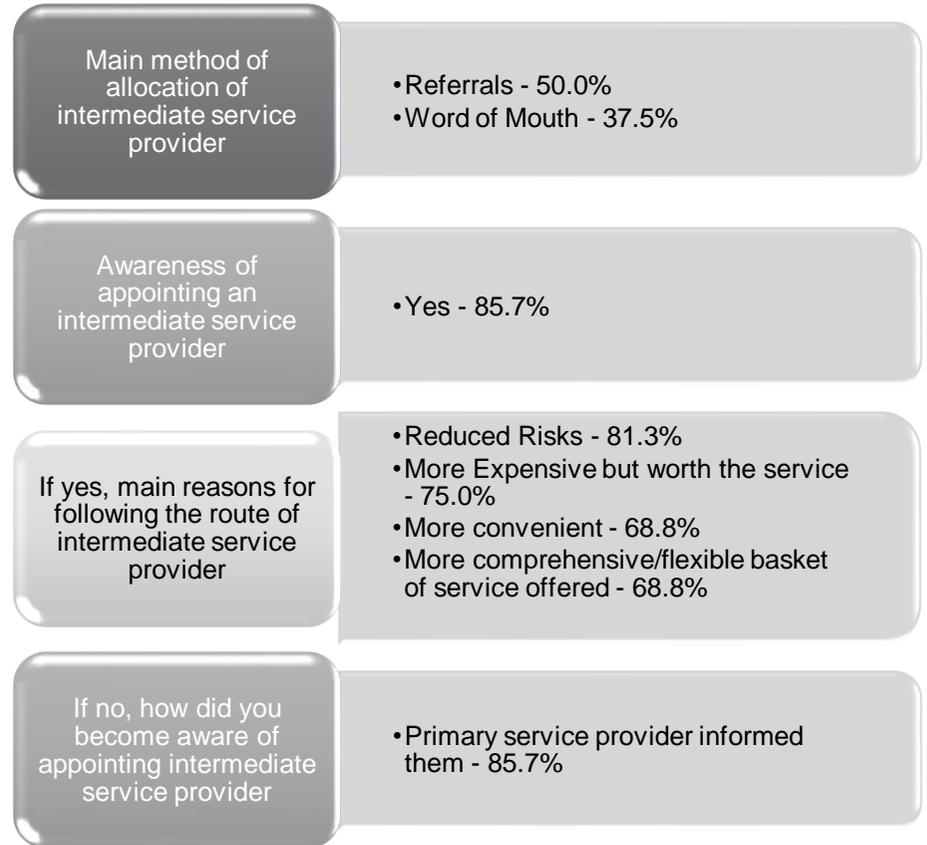
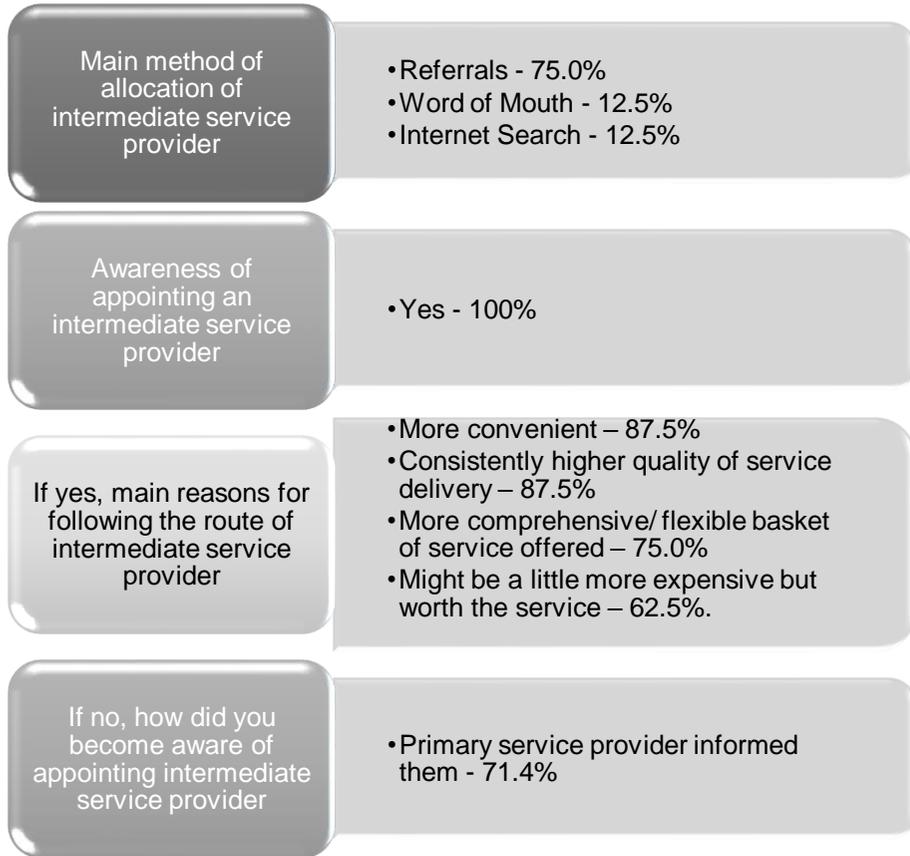


Diagram 3.5: Businesses that employed Learners



04

Obligations to you Clients?



OBLIGATION TO YOUR CLIENTS 4

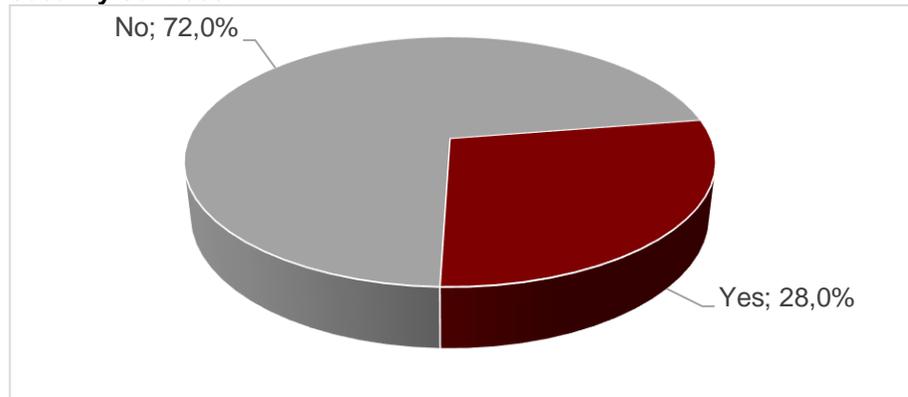
4.1 INTRODUCTION

This section reflects on the findings related to the obligations that businesses have towards their clients with reference to the security they make use of. Answers to the following questions are addressed:

- ✓ Are you obliged to inform your clients of how you secure your security services at your business premises?
- ✓ Further to the above, do you sign indemnity agreements with your clients?

4.2 ARE YOU OBLIGED TO INFORM YOUR CLIENTS OF HOW YOU SECURE YOUR SECURITY SERVICES AT YOUR BUSINESS PREMISES?

Figure 4.1: Are you obliged to inform your clients of how you secure your security services?

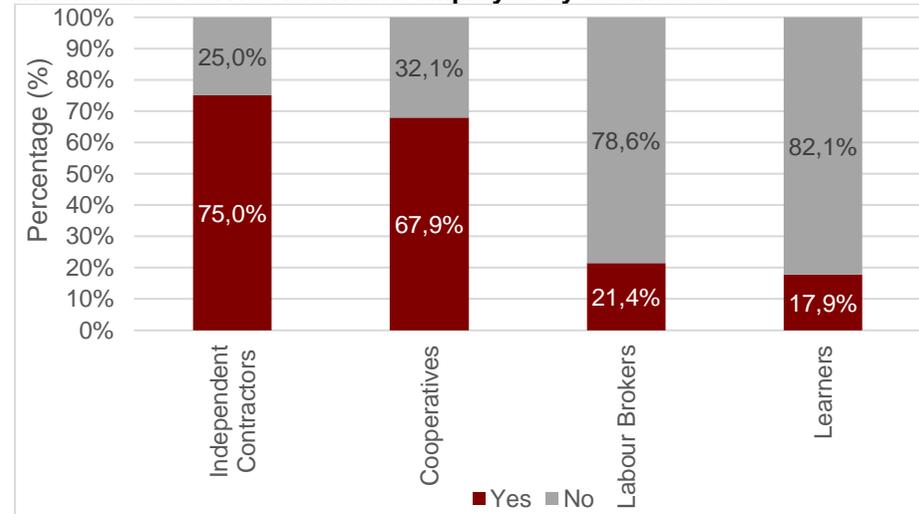


Source: Demacon PSIRA Survey, 2018

The larger segment of businesses (72.0%) were not obliged to inform their clients of how they secure their security services at their business premises, opposed to 28.0% indicating that they are.



Figure 4.2: Are you obliged to inform your clients of how you secure your security services at your business premises? Illustrated according to Intermediate Service Providers employed by businesses



Source: Demacon PSIRA Survey, 2018

In terms of the type of intermediate security service provider appointed by businesses, the following responses were provided on whether these businesses are obliged to inform their clients on how they secure security services at their business premises:

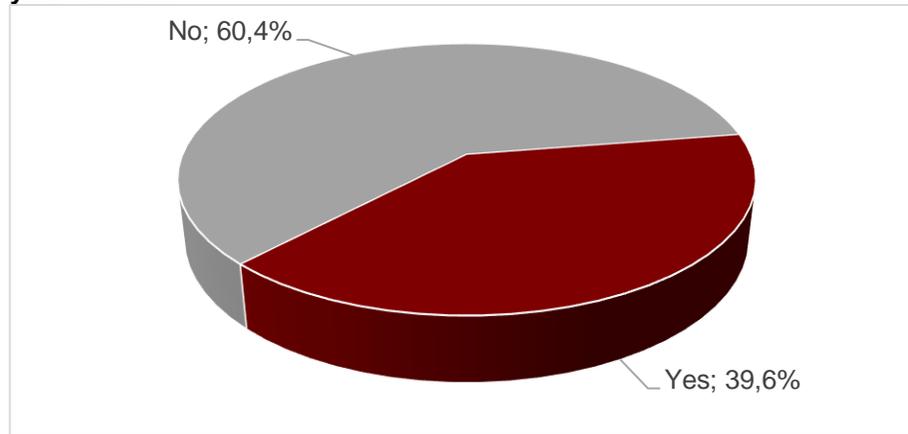
- ✓ Independent Contractors – 75.0% of businesses appointing independent contractors are obliged to inform their clients on how they secure security services at their business premises.
- ✓ Cooperatives – 67.9% of businesses appointing cooperatives are obliged to inform their clients on how they secure security services at their business premises.

- ✓ Labour Brokers – 21.4% of businesses appointing labour brokers are obliged to inform their clients on how they secure security services at their premises.
- ✓ Learners – 17.9% of businesses appointing learners are obliged to inform their clients on how they secure security services at their premises.

Evidently, businesses that employ independent contractors and cooperatives to undertake security services at their business premises are largely obliged to inform their clients on the manner of securing such services at the premises.

4.3 FURTHER TO THE ABOVE, DO YOU SIGN INDEMNITY AGREEMENTS WITH YOUR CLIENTS?

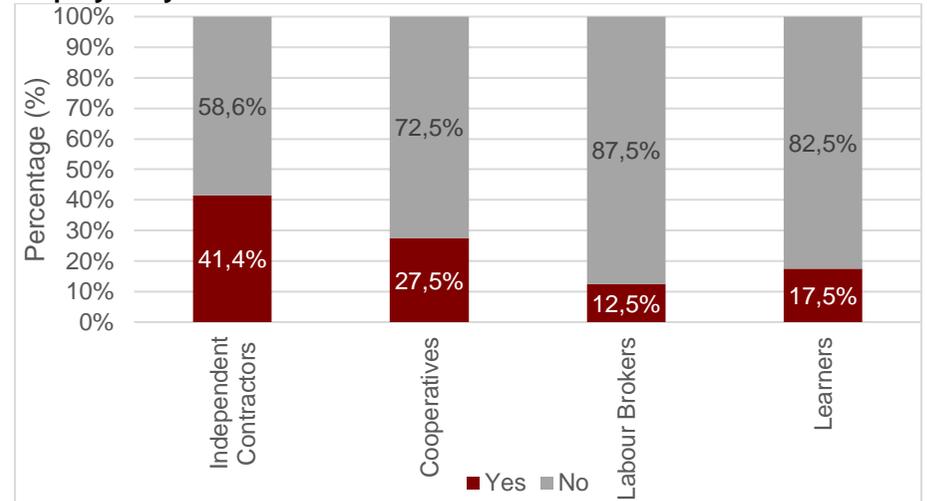
Figure 4.3: Further to the above, do you sign indemnity agreements with your clients?



Source: Demacon PSIRA Survey, 2018

Slightly more than 60% of businesses indicated that they do not have to sign indemnity agreements with their clients, compared to the 39.6% of businesses indicating that they must.

Figure 4.4: Further to the above, do you sign indemnity agreements with your clients? Illustrated according to Intermediate Service Providers employed by businesses



Source: Demacon PSIRA Survey, 2018

In terms of the type of intermediate security service provider employed by businesses, the following responses were provided on whether they must sign indemnity agreements with their clients:

- ✓ Independent Contractors – 41.4% of businesses appointing independent contractors indicated that they must sign indemnity agreements with their clients.
- ✓ Cooperatives – 27.5% of businesses appointing cooperatives must sign indemnity agreements with their clients.
- ✓ Labour Brokers – 12.5% of businesses appointing labour brokers must sign indemnity agreements with their clients.
- ✓ Learners – 17.5% of businesses appointing learners must sign indemnity agreements with their clients.

4.4 SYNTHESIS

The section provided an overview of businesses obligations towards their clients.

Diagram 4.1: Business Obligations towards their Clients

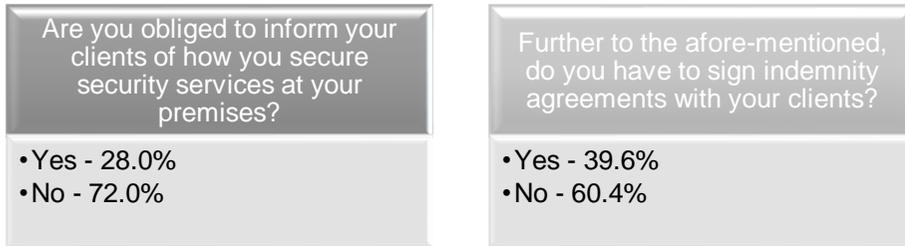
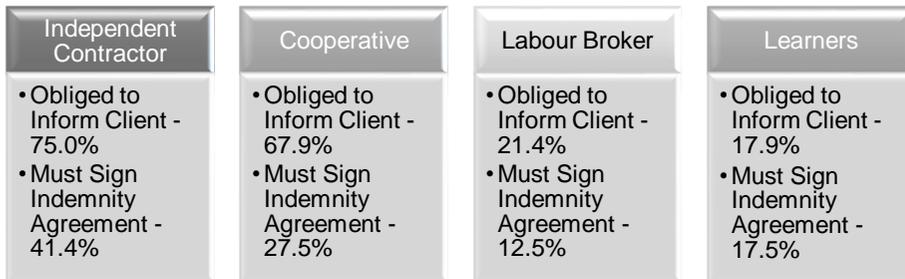


Diagram 4.2: Business Obligations towards their Clients – According to the type of Intermediate Security Service Provider Appointed



05

Reliability of Intermediary Service Providers



RELIABILITY OF INTERMEDIARY SERVICE PROVIDERS 5

5.1 INTRODUCTION

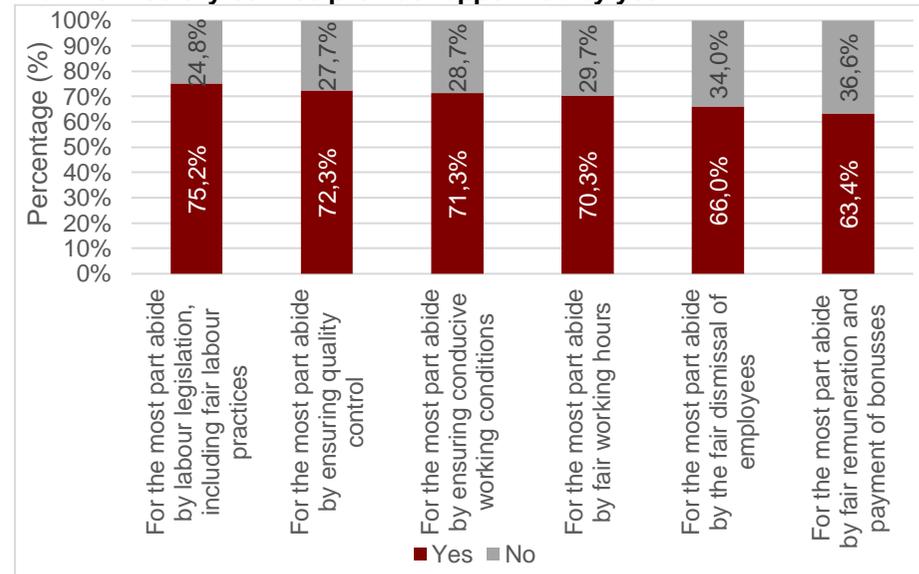
This section reflects on the findings related to the reliability of intermediary service providers appointed by the partaking businesses.

5.2 WHICH OF THE FOLLOWING HOLDS TRUE RELATING TO THE ACTIVITIES OF THE INTERMEDIARY SERVICE PROVIDER APPOINTED BY YOU?

Businesses indicated that the following holds true relating to the activities of the intermediary service provider appointed by them:

- ✓ For the most part abide by labour legislation, including fair labour practices – 75.2%
- ✓ For the most part abide by ensuring quality control – 72.3%
- ✓ For the most part abide by ensuring conducive working conditions – 71.3%
- ✓ For the most part abide by fair working hours – 70.3%
- ✓ For the most part abide by the fair dismissal of employees – 66.0%
- ✓ For the most part abide by fair remuneration and payment of bonuses – 63.4%.

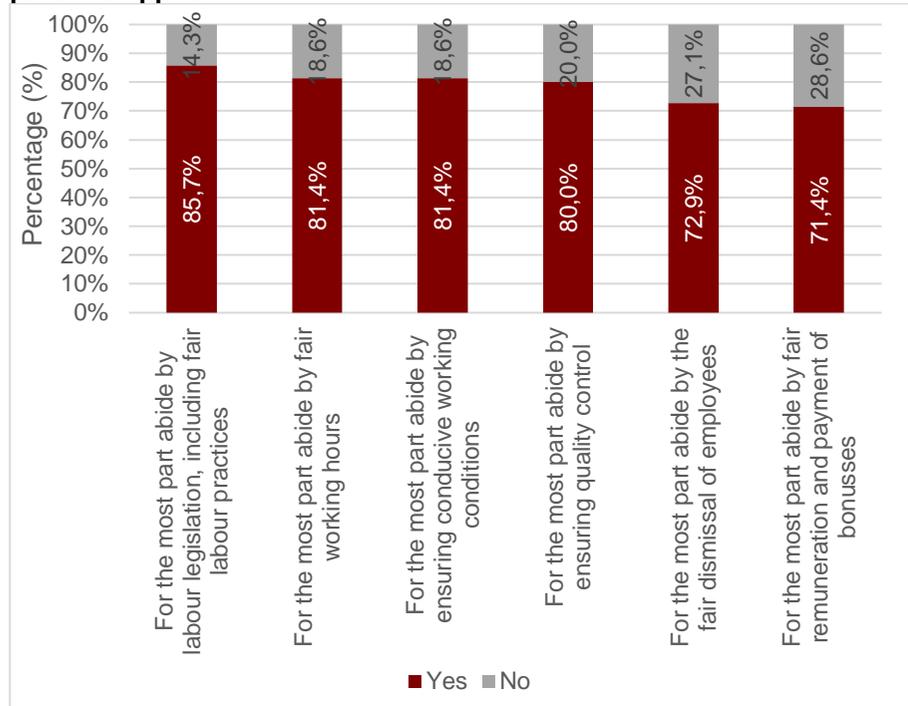
Figure 5.1: Which of the following holds true relating to the activities of the intermediary service provider appointed by you?



Source: Demacon PSIRA Survey, 2018

Businesses that appointed independent contractors indicated the following responses to the question, as illustrated in Figure 5.2.

Figure 5.2: Businesses that appointed Independent Contractors, indicated the following holds true relating to the activities of the service provider appointed



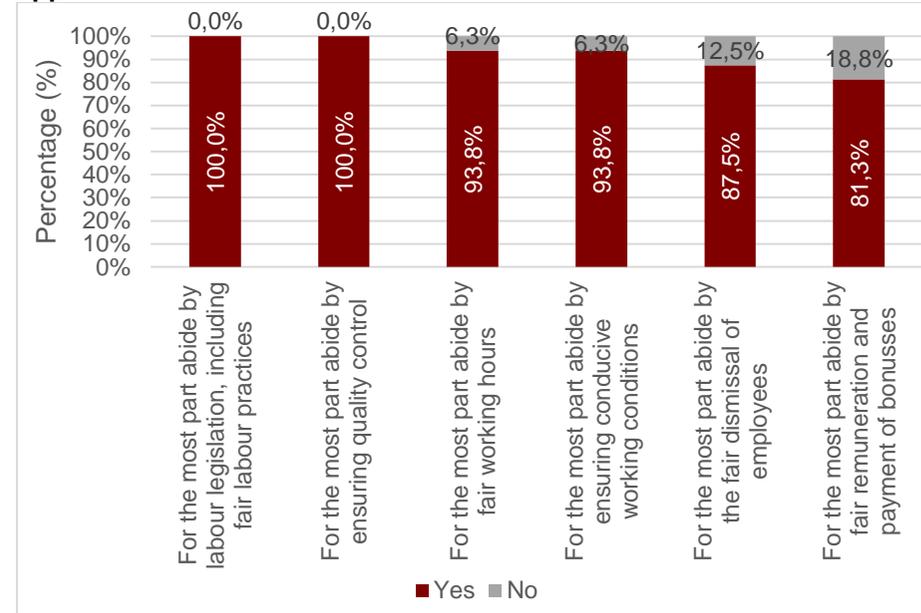
Source: Demacon PSIRA Survey, 2018

Businesses reflected the following in terms of the activities of the Independent Contractors employed to provide security services to them:

- ✓ For the most part they abide by labour legislation, including fair labour practices – 85.7%
- ✓ For the most part they abide by fair working hours – 81.4%
- ✓ For the most part they abide by conducive working conditions – 81.4%
- ✓ For the most part they abide by ensuring quality control – 80.0%
- ✓ For the most part they abide by fair remuneration and payment of bonuses – 71.4%.

Businesses that appointed cooperatives indicated the following responses to the question, as illustrated in Figure 5.3.

Figure 5.3: Businesses that appointed Cooperatives, indicated the following holds true relating to the activities of the service provider appointed



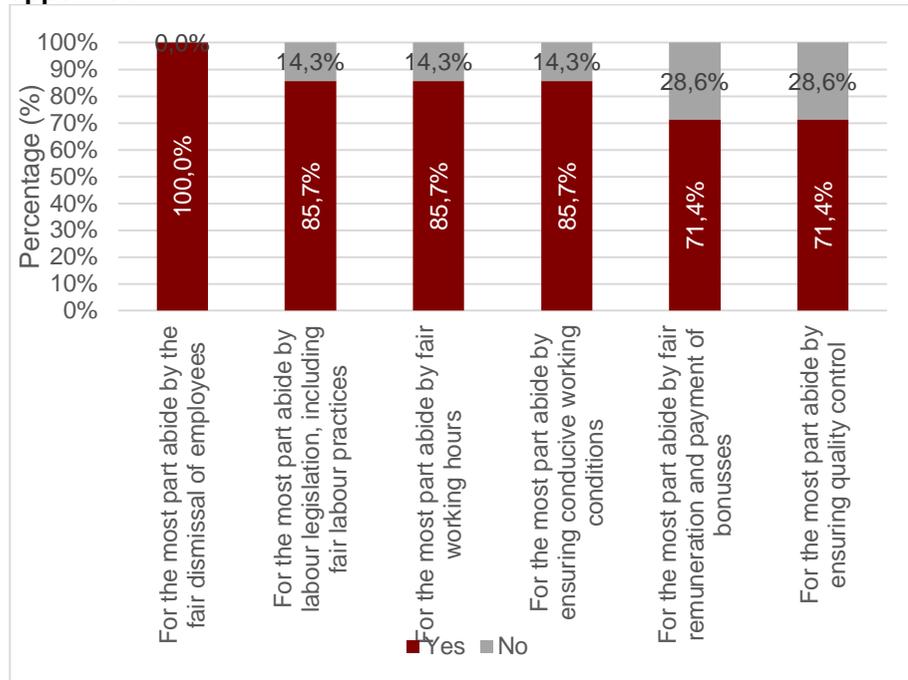
Source: Demacon PSIRA Survey, 2018

Businesses reflected the following in terms of the activities of the Cooperatives employed to provide security services to them:

- ✓ For the most part they abide by labour legislation, including fair labour practices – 100.0%
- ✓ For the most part they abide by ensuring quality control – 100.0%
- ✓ For the most part they abide by fair working hours – 93.8%
- ✓ For the most part they abide by conducive working conditions – 93.8%
- ✓ For the most part they abide by the fair dismissal of employees – 87.5%.

Businesses that appointed labour brokers indicated the following responses to the question, as illustrated in Figure 5.4.

Figure 5.4: Businesses that appointed Labour Brokers, indicated the following holds true relating to the activities of the service provider appointed



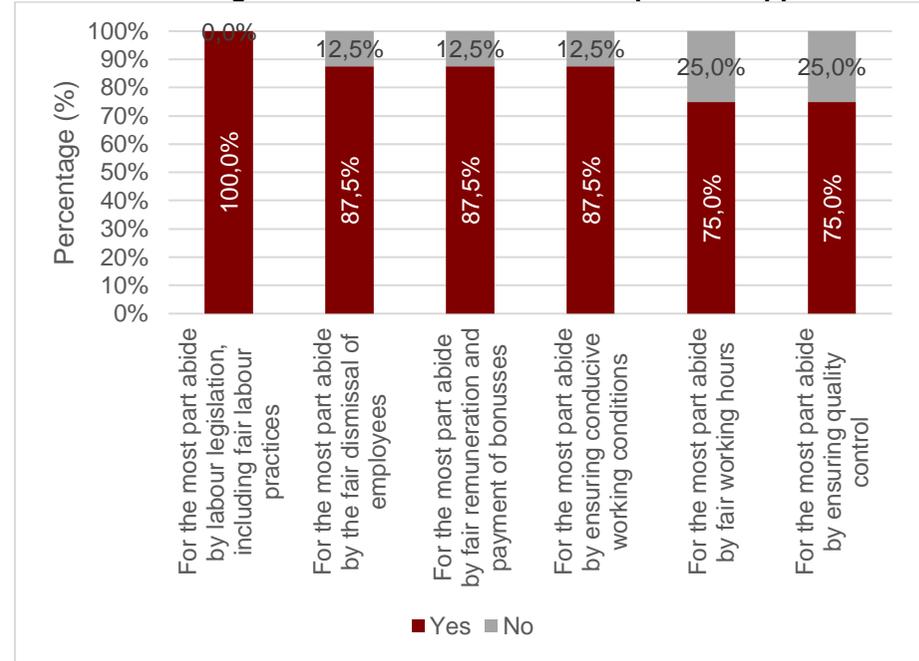
Source: Demacon PSIRA Survey, 2018

Businesses reflected the following in terms of the activities of the labour brokers employed to provide security services to them:

- ✓ For the most part they abide by the fair dismissal of employees – 100.0%.
- ✓ For the most part they abide by labour legislation, including fair labour practices – 85.7%
- ✓ For the most part they abide by fair working hours – 85.7%
- ✓ For the most part they abide by conducive working conditions – 85.7%
- ✓ For the most part they abide by fair remuneration and payment of bonuses – 71.4%.

Businesses that appointed learners indicated the following responses to the question, as illustrated in Figure 5.5.

Figure 5.5: Businesses that appointed Learners indicated the following holds true relating to the activities of the service provider appointed



Source: Demacon PSIRA Survey, 2018

Businesses reflected the following in terms of the activities of the learners employed to provide security services to them:

- ✓ For the most part they abide by labour legislation, including fair labour practices – 100.0%
- ✓ For the most part they abide by the fair dismissal of employees – 87.5%.
- ✓ For the most part they abide by fair remuneration and payment of bonuses – 87.5%.
- ✓ For the most part they abide by conducive working conditions – 87.5%
- ✓ For the most part they abide by fair working hours – 75.0%.

5.3 SYNTHESIS

The section highlighted the reliability of the intermediary service providers from the perspectives of the businesses that appoint them.

Diagram 5.1: Intermediary Service Providers in the Most part Abide by:

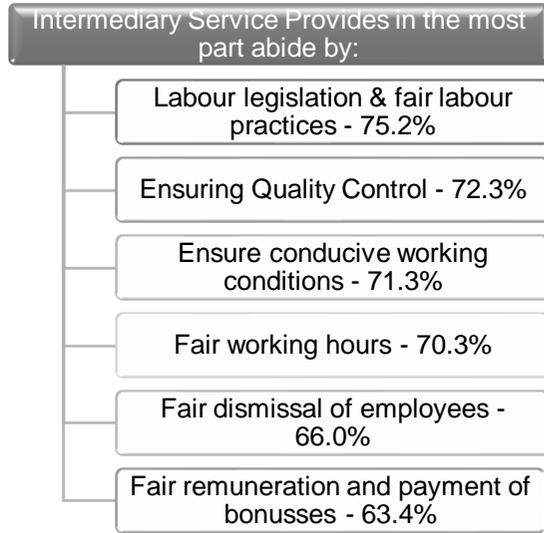
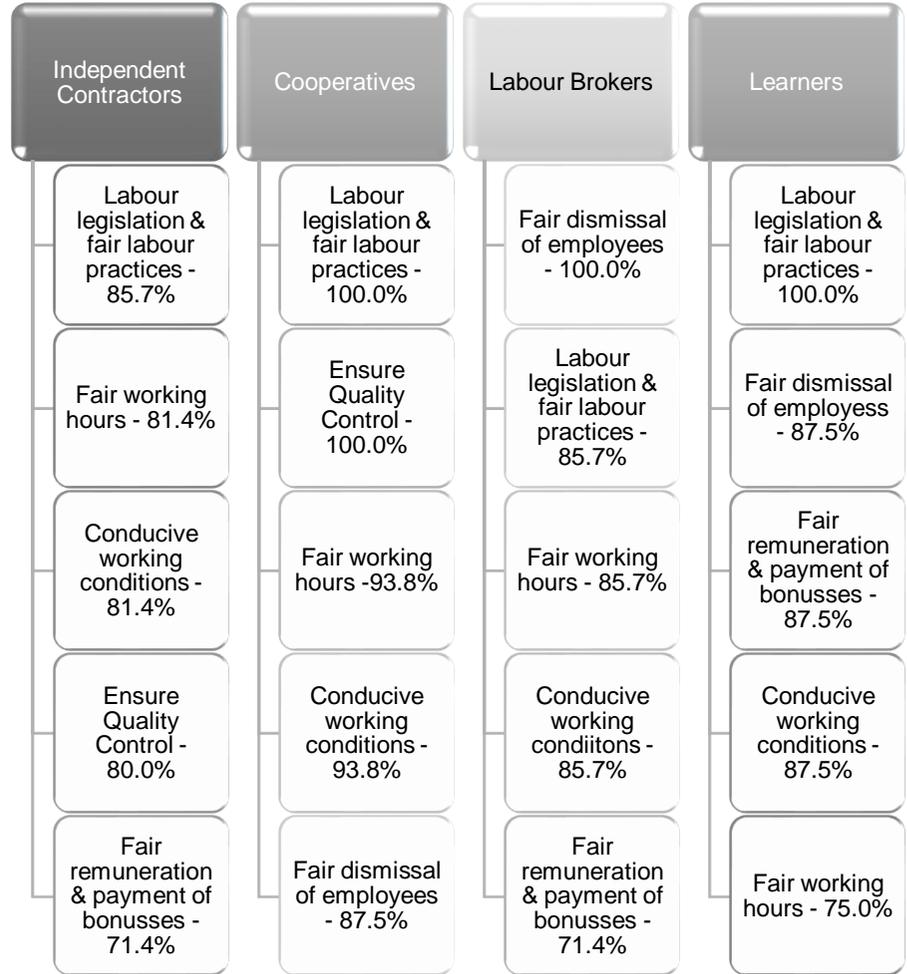


Diagram 5.2: Intermediary Service Providers according to businesses that appoint them in the most part abide by:



06

Oversight and Involvement Related to Security Personnel on Site



OVERSIGHT AND INVOLVEMENT RELATED TO SECURITY PERSONNEL ON SITE

6

6.1 INTRODUCTION

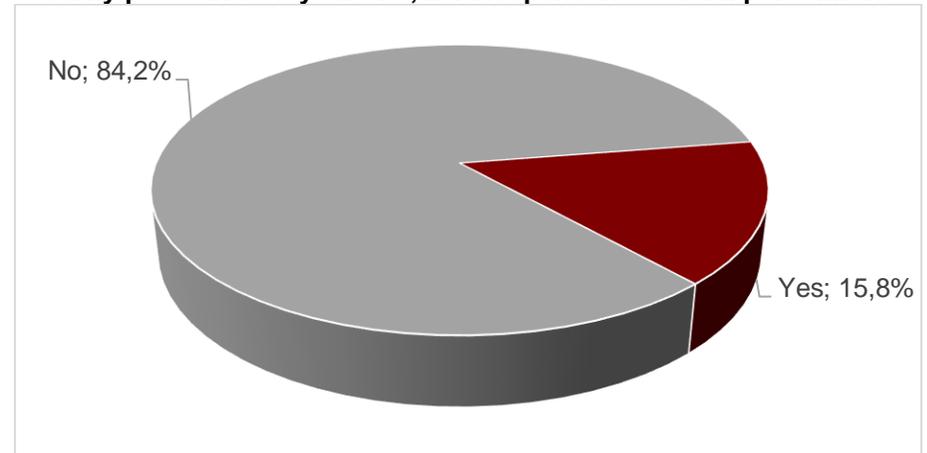
This section reflects on the findings related to the oversight and involvement of respondents in the activities of security personnel on site:

- ✓ Do you in any way oversee the fair remuneration of the private security personnel on your site?
- ✓ Do you indirectly oversee the conditions of work of the private security personnel on your site?
- ✓ In the case where private security personnel on your site are independent contractors are you able to verify if the conditions of work are accepted on a voluntary or non-voluntary basis?
- ✓ In the case where private security personnel on your site represents learners undergoing learnership programmes are you able to verify if this condition of work is accepted on a voluntary or non-voluntary basis?

6.2 DO YOU IN ANY WAY OVERSEE THE FAIR REMUNERATION OF THE PRIVATE SECURITY PERSONNEL ON YOUR SITE?

A small segment of less than 16% of respondents indicated that they to an extent oversee the fair remuneration of security personnel on their business site, compared to the 84.2% of businesses that don't.

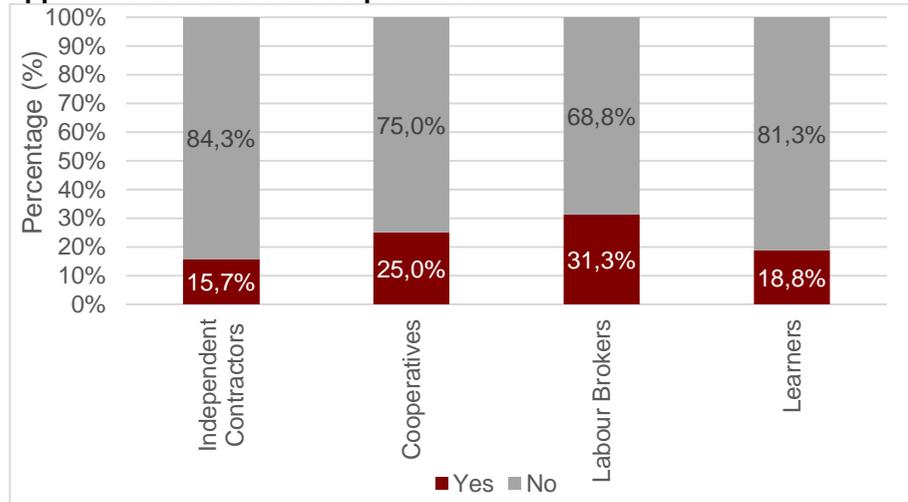
Figure 6.1: Do you in any way oversee the fair remuneration of the private security personnel on your site, i.e. independent sectoral personnel?



Source: Demacon PSIRA Survey, 2018

Businesses according to the type of intermediary security service provider appointed reflected the following answers on whether they oversee the fair remuneration of private security personnel on their sites.

Figure 6.2: Business Response in terms of Intermediary Service Provider appointed at their business premises



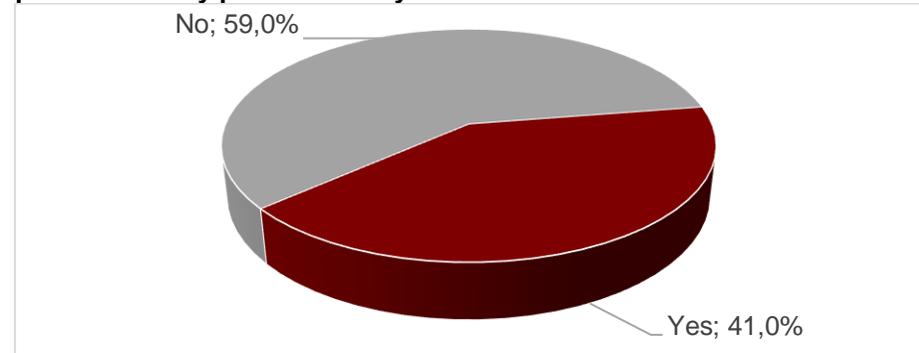
Source: Demacon PSIRA Survey, 2018

The following responses were provided:

- ✓ Independent Contractors: 15.7% of businesses appointing independent contractors do in some way oversee the fair remuneration of security personnel on their business premises.
- ✓ Cooperatives: 25.0% of businesses appointing cooperatives do in some way oversee the fair remuneration of security personnel on their business premises.
- ✓ Labour brokers: 31.3% of businesses appointing labour brokers do in some way oversee the fair remuneration of security personnel on their business premises.
- ✓ Learners: 18.8% of businesses that make use of learners for security purposes, in some way oversee the fair remuneration of security personnel on their premises.

6.3 DO YOU IN ANY WAY OVERSEE THE CONDITIONS OF WORK OF THE PRIVATE SECURITY PERSONNEL ON YOUR SITE?

Figure 6.3: Do you in any way oversee the conditions of work of the private security personnel on your site?



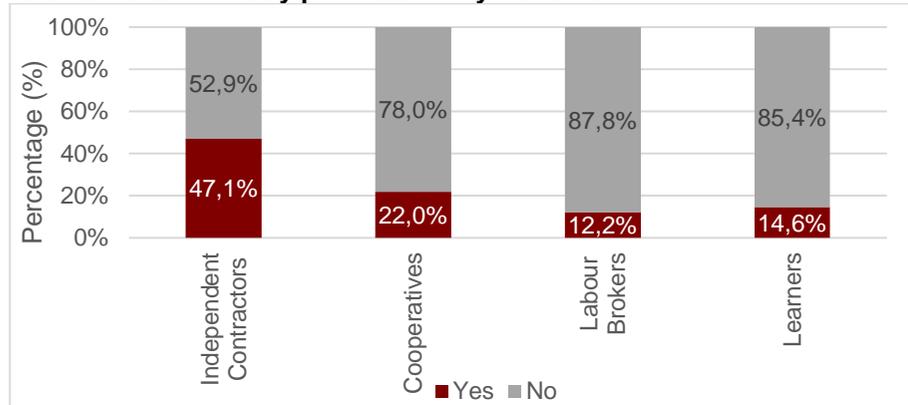
Source: Demacon PSIRA Survey, 2018

Just more than 40% of business respondents indicated that they to some extent oversee the conditions of work of the private security personnel on their sites, compared to the nearly 60% of businesses that don't.

With reference to the question if businesses oversee the conditions of work of the private security personnel on their site, the following responses were provided:

- ✓ Independent Contractors – businesses that appoint independent contractors indicated that 47.1% in some way oversee the conditions of work of the private security personnel appointed on their site.
- ✓ Cooperatives – businesses that appoint cooperatives indicated that 22.0% in some way oversee the conditions of work of the private security personnel.
- ✓ Labour Brokers – businesses that appoint labour brokers indicated that a mere 12.2% to some extent oversee the working conditions of the private security personnel.
- ✓ Learners – businesses that make use of learners for security services indicated that 14.6% of them to some extent oversee the conditions of work of the private security personnel on their business premises.

Figure 6.4: Business response according to the type of intermediary service provider appointed – Do you in any way oversee the conditions of work of the security personnel on your site?

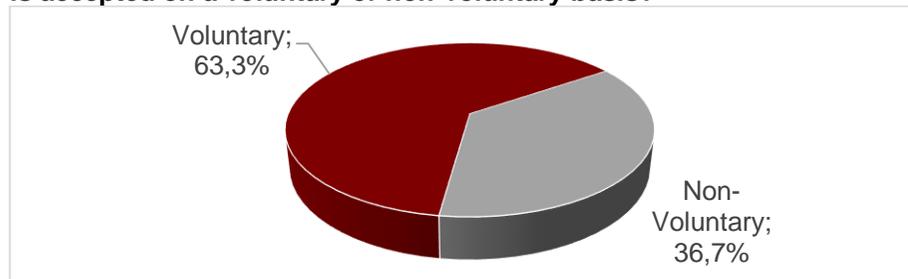


Source: Demacon PSIRA Survey, 2018

6.4 IN THE CASE OF INDEPENDENT CONTRACTORS ARE YOU ABLE TO VERIFY IF THE CONDITIONS OF WORK IS ACCEPTED ON A VOLUNTARY OR NON-VOLUNTARY BASIS?

Nearly 63% of responding businesses that make use of independent contractors for security services could establish that the conditions of work are accepted on a voluntary basis, compared to nearly 37% of businesses indicating that the conditions of work are accepted on a non-voluntary basis.

Figure 6.5: In the case where private security personnel on your site are independent contractors are you able to verify if the conditions of work is accepted on a voluntary or non-voluntary basis?



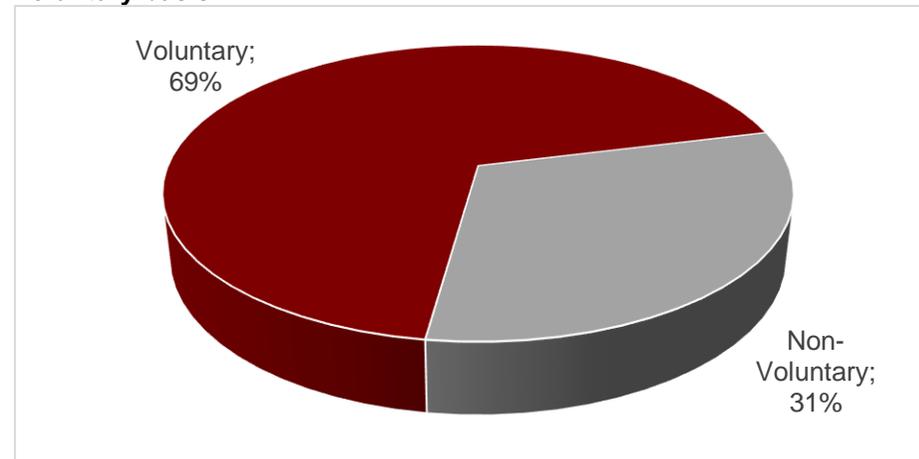
Source: Demacon PSIRA Survey, 2018



6.5 IN THE CASE WHERE PRIVATE SECURITY PERSONNEL ON YOUR SITE REPRESENTS LEARNERS UNDERGOING LEARNERSHIP-PROGRAMMES ARE YOU ABLE TO VERIFY IF THIS CONDITION OF WORK IS ACCEPTED ON A VOLUNTARY OR INVOLUNTARY BASIS?

In the case where private security personnel on their business sites represented learners undergoing learnership-programmes it could be established that almost 69% of learners accepted their conditions of work on a voluntary basis, compared to 31.1% of learners not accepting conditions of work on a voluntary basis.

Figure 6.6: In the case where private security personnel on your site represents learners undergoing learnership-programmes are you able to verify if the conditions of work is accepted on a voluntary on non-voluntary basis?



Source: Demacon PSIRA Survey, 2018

6.6 SYNTHESIS

This section reflected on the oversight and involvement of businesses in the activities of private security personnel on their business premises.

Diagram 6.1: Do you in any way oversee the fair remuneration of private security personnel on your site?

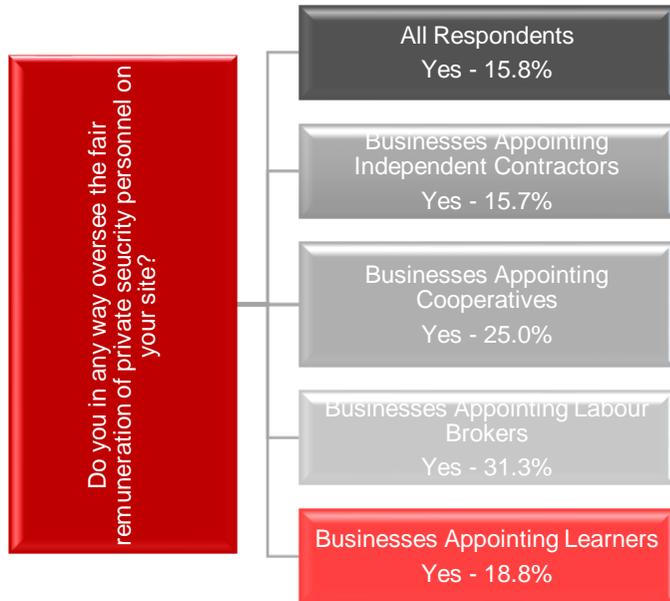
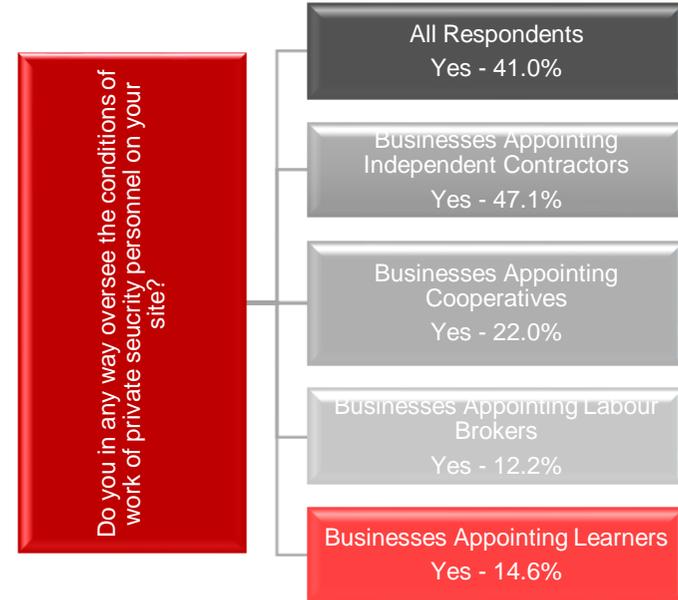


Diagram 6.2: Do you in any way oversee the conditions of work of private security personnel on your site?



07

Concluding Remarks



CONCLUDING REMARKS

7

7.1 INTRODUCTION

This section provides concluding remarks on the subject under investigation - attaining a better understanding of the utilisation of intermediary security providers.

Four types of intermediary security providers were identified by the client:

- ✓ Independent Contractors
- ✓ Labour Brokers
- ✓ Co-operatives
- ✓ Security Learnerships.

7.2 GENERAL REMARKS

Business Background

Largest survey participation was from businesses that shared the following main characteristics:

- ✓ Largest segment represented private businesses.
- ✓ Surveys were completed across all the provinces.
- ✓ Surveys were predominantly completed by senior employees, business owners and business managers.
- ✓ Businesses that participated was distributed across a wide spectrum of industries, with emphasis on business services, tourism and hospitality, retail/ shopping, financial services, manufacturing and construction.
- ✓ Sizes of business varied largely between micro (up to 5 employees) and large enterprises (200+ employees).
- ✓ Age of businesses reflected established and stable companies active in the market for 6 years+.
- ✓ Businesses are largely located in urban town settings, spread across single to up to 5 business premises.

Appointment of Intermediate Service Providers

Most businesses indicated the following in terms of appointing intermediate security service providers:

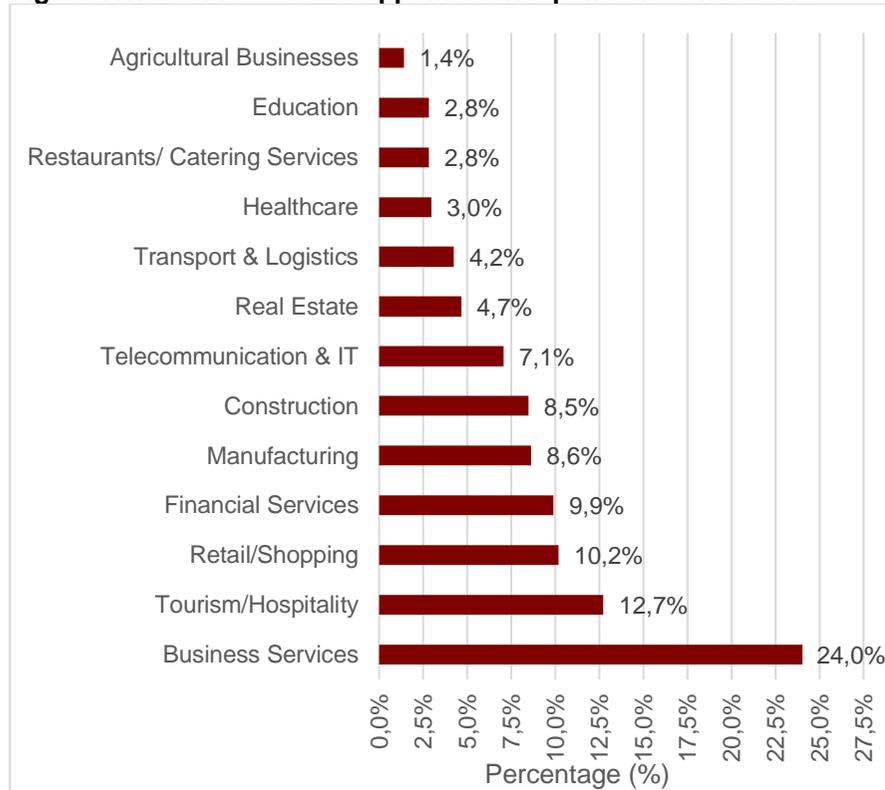
- ✓ It is important to know how security personnel on their premises were sourced.
- ✓ The larger segment of businesses has appointed independent contractors to provide security services at their premises, to a lesser extent cooperatives, labour brokers and learnership programmes.
- ✓ Main method of allocating these service providers included referrals, word of mouth and marketing campaigns.
- ✓ Nearly two thirds of businesses were aware that they contracted intermediary service providers. They chose this route due to the higher levels of convenience, more comprehensive basket of services offered, reduced risks and consistently higher quality of service delivery.
- ✓ The segment of businesses that were not aware that they appointed intermediary service providers, were informed by the primary service provider of the sub-contracted agents.
- ✓ A moderate segment of businesses has the obligation to inform their clients on how private security services are sourced, compared to a higher segment of businesses who are obliged to sign indemnity forms with their clients.
- ✓ According to partaking businesses the intermediary service providers in the most part abide by labour legislation and fair labour practices, ensuring quality control, ensure conducive working environment and fair working hours.
- ✓ A very small segment of businesses oversees the fair remuneration of private personnel on their business premises.
- ✓ A larger segment of businesses oversees conducive working environments for the private security personnel on their premises.

7.3 BUSINESSES THAT MAKE USE OF INDEPENDENT CONTRACTORS

Business Background

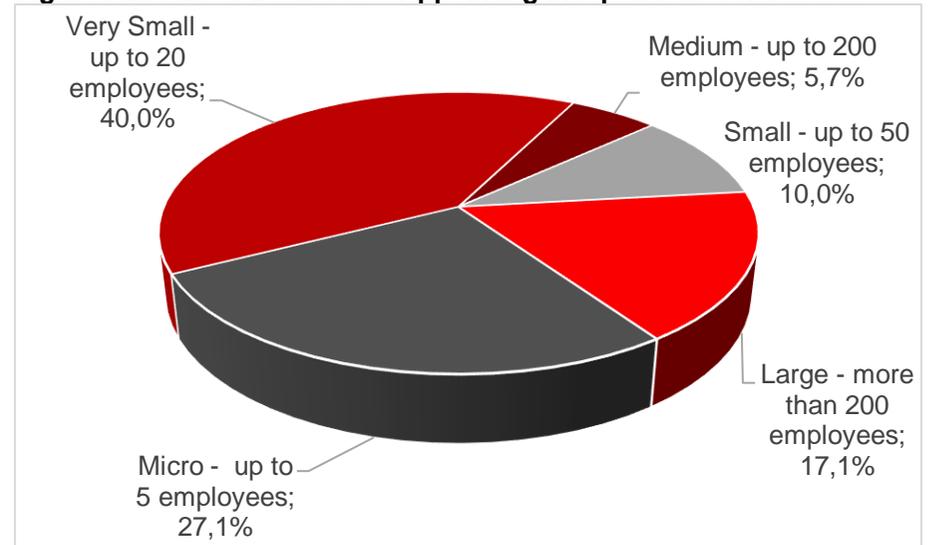
Businesses that make use of independent contractors largely shared the following characteristics:

Figure 7.1: Businesses that appointed Independent Contractors



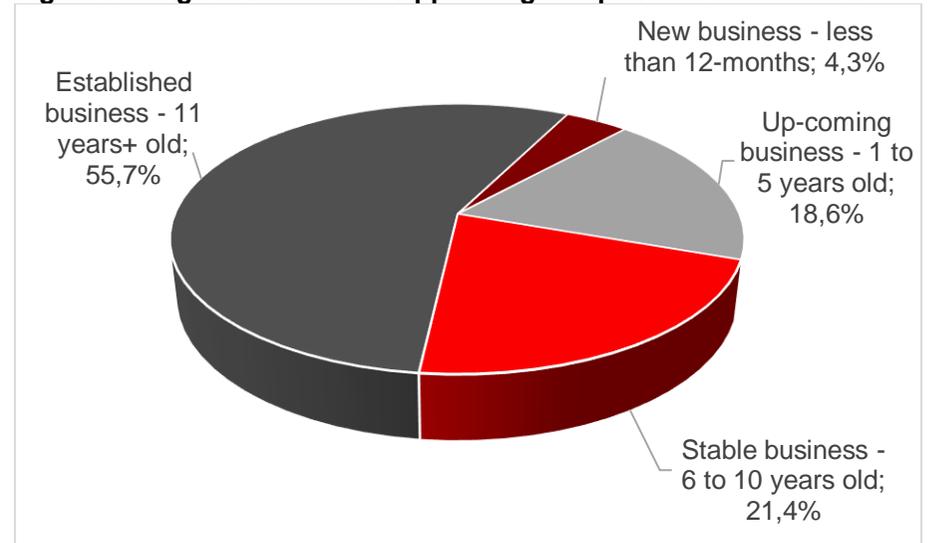
Source: Demacon PSIRA Survey, 2018

Figure 7.2: Size of Business – Appointing Independent Contractors



Source: Demacon PSIRA Survey, 2018

Figure 7.3: Age of Business – Appointing Independent Contractors



Source: Demacon PSIRA Survey, 2018

Diagram 7.1: Findings related to the appointment of Independent Contractors

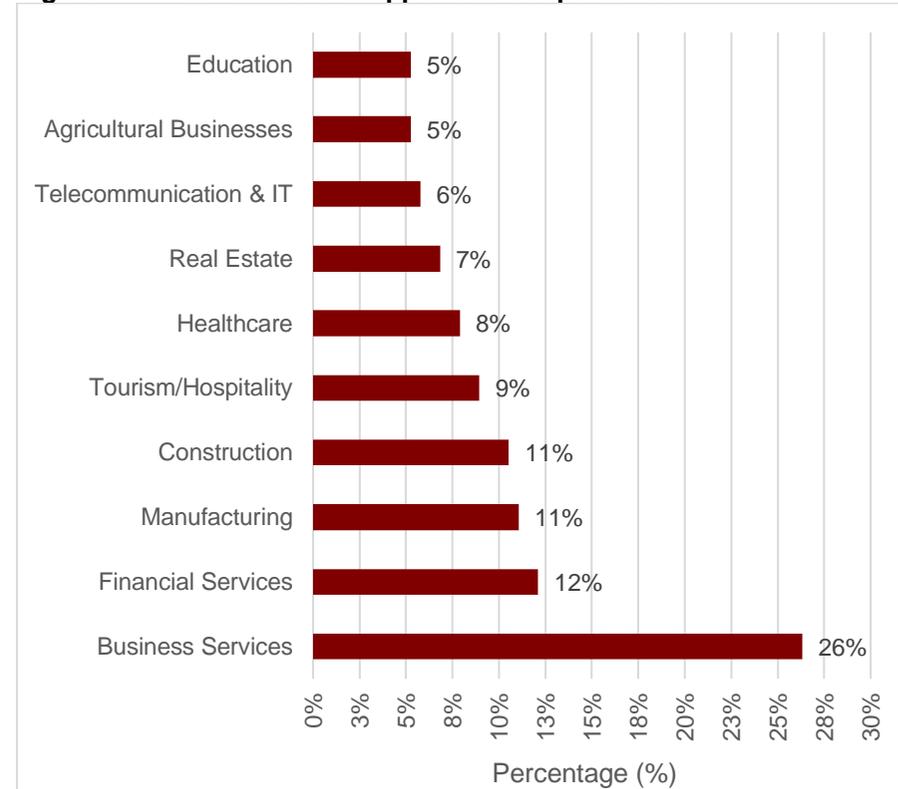
Main method of allocation of intermediate service provider	<ul style="list-style-type: none"> • Referrals - 45.6% • Word of Mouth - 27.9% • Marketing Campaigns - 11.8%
Awareness of appointing an intermediate service provider	<ul style="list-style-type: none"> • Yes - 78.8% • No - 21.2%
If yes, main reasons for following the route of intermediate service provider	<ul style="list-style-type: none"> • More convenient - 74.3% • Reduced Risks - 62.9% • More comprehensive/flexible basket of service offered - 61.4% • Consistently higher quality of service delivery - 58.0%
If no, how did you become aware of appointing intermediate service provider	<ul style="list-style-type: none"> • Primary service provider informed them - 84.7%
Are you obliged to inform your clients of how you secure your security services at your business location?	<ul style="list-style-type: none"> • Yes - 75.0%
Do you have to sign indemnity agreements with your clients?	<ul style="list-style-type: none"> • Yes - 41.4%
Which of the following holds true relating to the activities of the independent contractor	<ul style="list-style-type: none"> • Labour legislation & fair labour practices - 85.7% • Fair working hours - 81.4% • Conducive working conditions - 81.4% • Ensure quality control - 80.0%
Do you in any way oversee the fair remuneration of private security personnel on your site?	<ul style="list-style-type: none"> • Yes - 15.7%
Do you in any way oversee the conditions of work of private security personnel on your site?	<ul style="list-style-type: none"> • Yes - 47.1%
Conditions of work accepted on what basis?	<ul style="list-style-type: none"> • Voluntarily - 63.3%

7.4 BUSINESSES THAT MAKE USE OF COOPERATIVES

Business Background

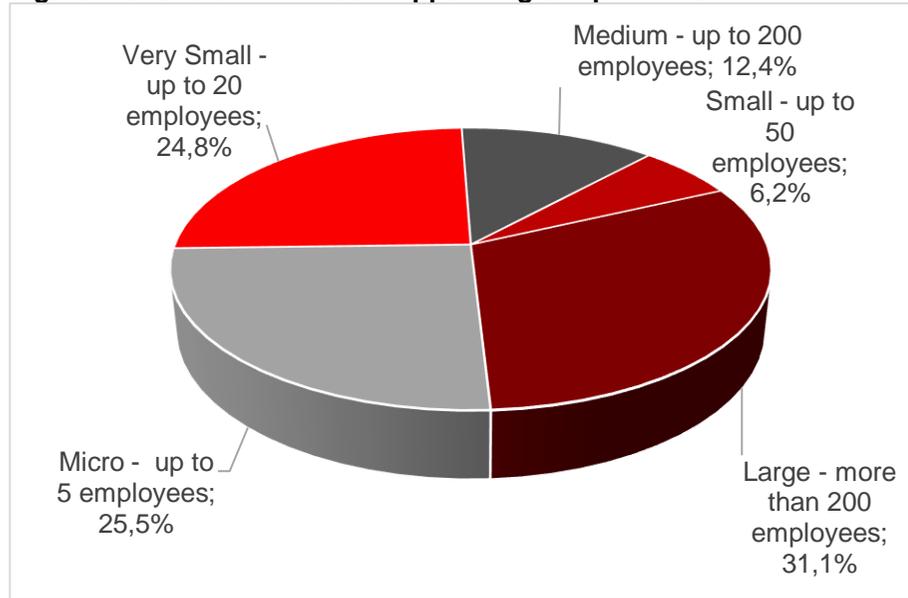
Businesses that make use of cooperatives largely shared the following characteristics:

Figure 7.4: Businesses that appointed Cooperatives



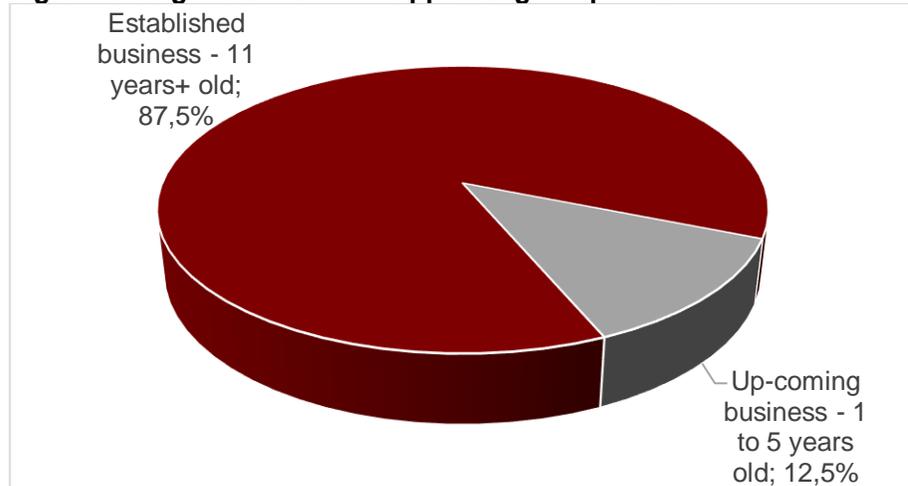
Source: Demacon PSIRA Survey, 2018

Figure 7.5: Size of Business – Appointing Cooperatives



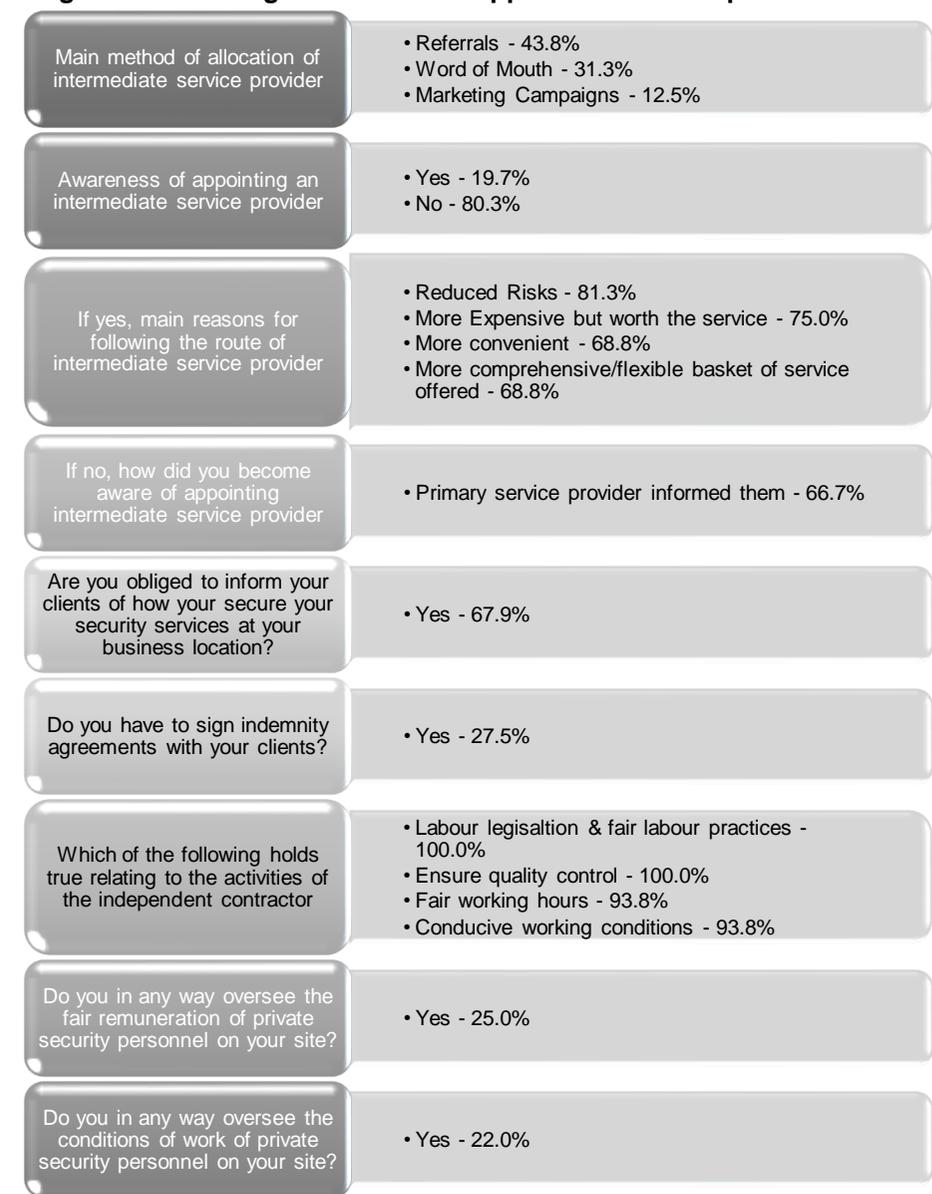
Source: Demacon PSIRA Survey, 2018

Figure 7.6: Age of Business – Appointing Cooperatives



Source: Demacon PSIRA Survey, 2018

Diagram 7.2: Findings related to the appointment of Cooperatives

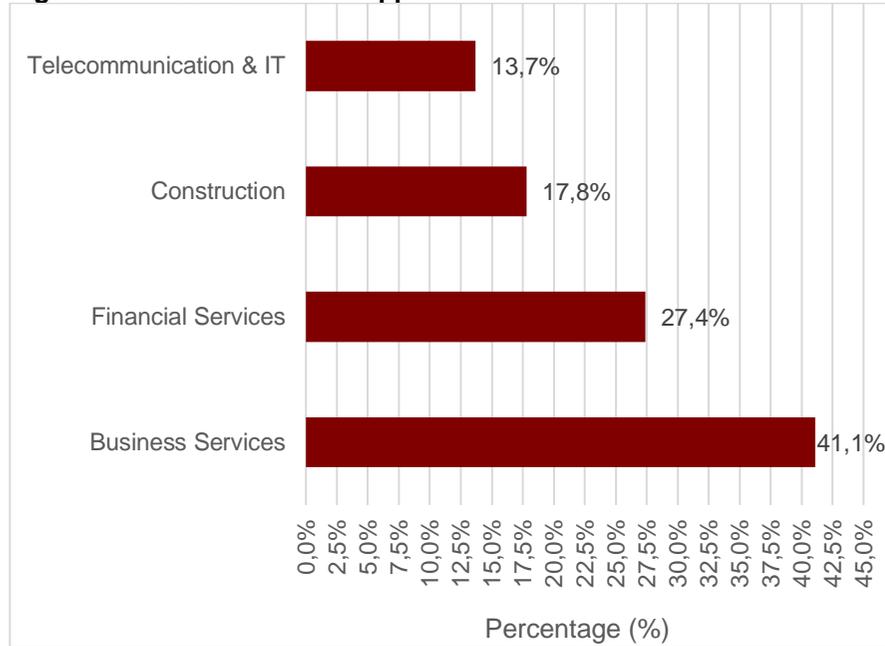


7.5 BUSINESSES THAT MAKE USE OF LABOUR BROKERS

Business Background

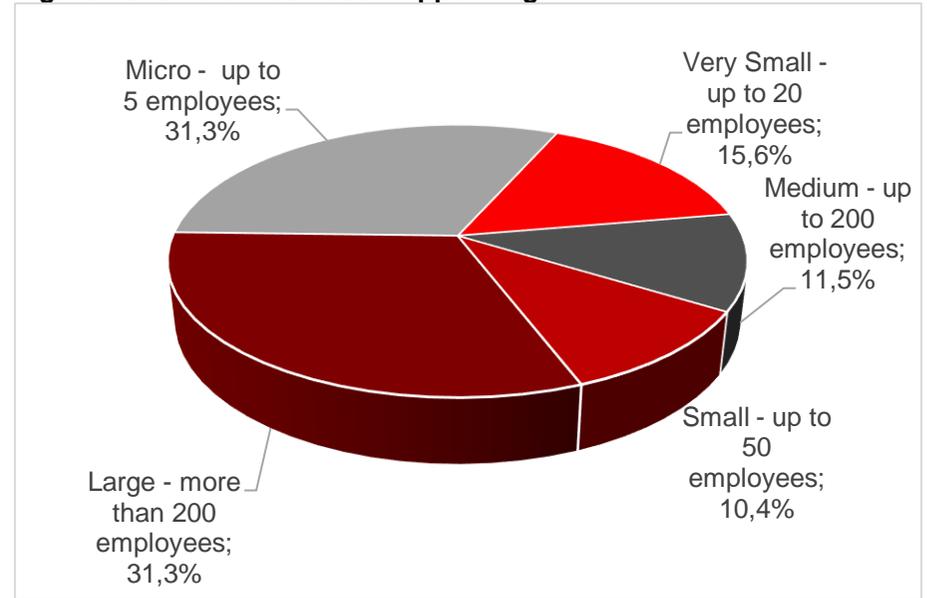
Businesses that make use of labour brokers largely shared the following characteristics:

Figure 7.7: Businesses that appointed labour brokers



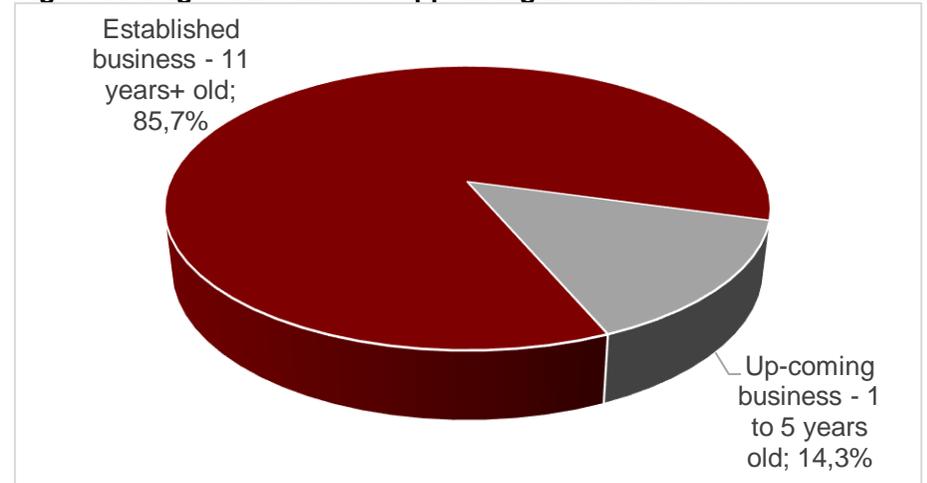
Source: Demacon PSIRA Survey, 2018

Figure 7.8: Size of Business – Appointing Labour Brokers



Source: Demacon PSIRA Survey, 2018

Figure 7.9: Age of Business – Appointing Labour Brokers



Source: Demacon PSIRA Survey, 2018

Diagram 7.3: Findings related to the appointment of Labour Brokers

Main method of allocation of intermediate service provider	<ul style="list-style-type: none"> • Referrals - 50.0% • Word of Mouth - 37.5%
Awareness of appointing an intermediate service provider	<ul style="list-style-type: none"> • Yes - 9.2% • No - 90.8%
If yes, main reasons for following the route of intermediate service provider	<ul style="list-style-type: none"> • Reduced Risks - 81.3% • More Expensive but worth the service - 75.0% • More convenient - 68.8% • More comprehensive/flexible basket of service offered - 68.8%
If no, how did you become aware of appointing intermediate service provider	<ul style="list-style-type: none"> • Primary service provider informed them - 85.7%
Are you obliged to inform your clients of how you secure your security services at your business location?	<ul style="list-style-type: none"> • Yes - 21.4%
Do you have to sign indemnity agreements with your clients?	<ul style="list-style-type: none"> • Yes - 12.5%
Which of the following holds true relating to the activities of the independent contractor	<ul style="list-style-type: none"> • Fair dismissal of employees - 100.0% • Labour legislation & fair labour practices - 85.7% • Fair working hours - 85.7% • Conducive working conditions - 85.7%
Do you in any way oversee the fair remuneration of private security personnel on your site?	<ul style="list-style-type: none"> • Yes - 31.3%
Do you in any way oversee the conditions of work of private security personnel on your site?	<ul style="list-style-type: none"> • Yes - 12.2%

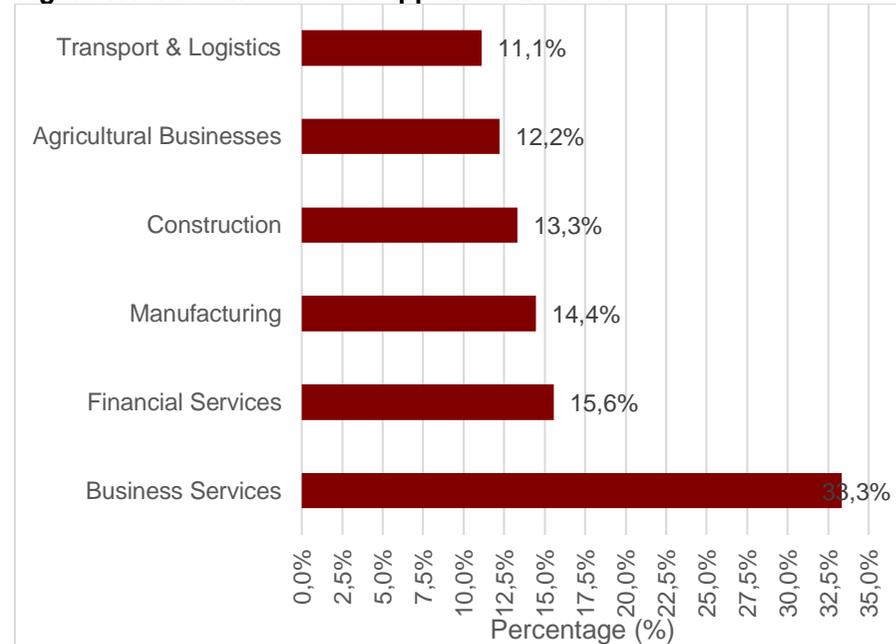


7.6 BUSINESSES THAT MAKE USE OF SECURITY LEARNERSHIPS

Business Background

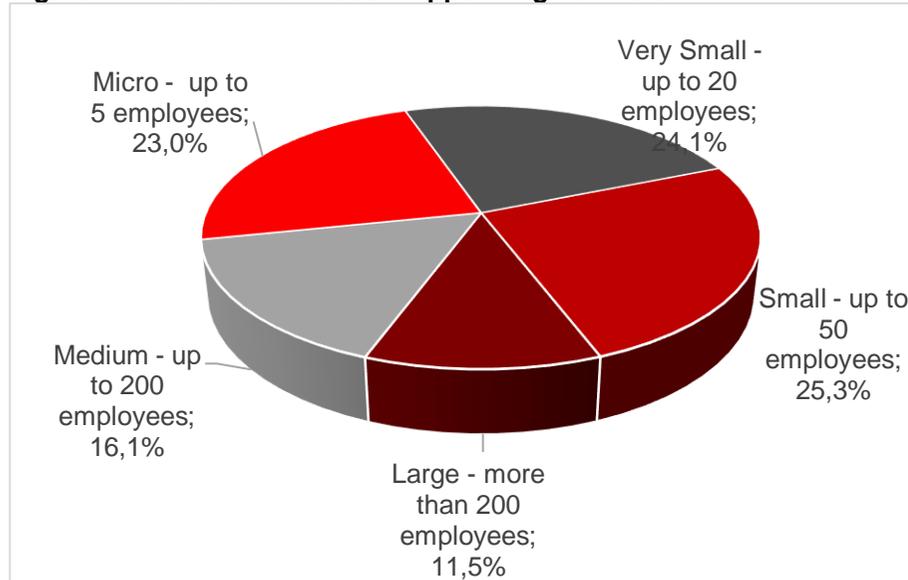
Businesses that make use of learners largely shared the following characteristics:

Figure 7.10: Businesses that appointed Learners



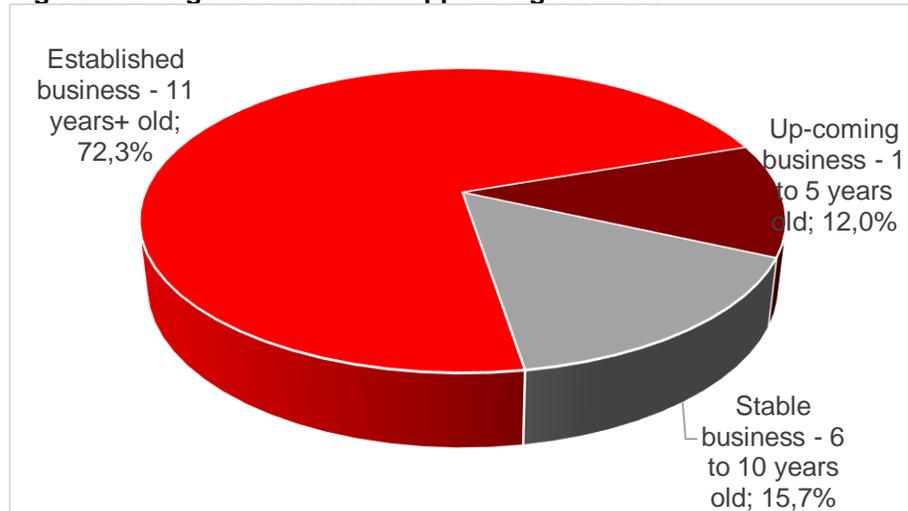
Source: Demacon PSIRA Survey, 2018

Figure 7.11: Size of Business – Appointing Learners



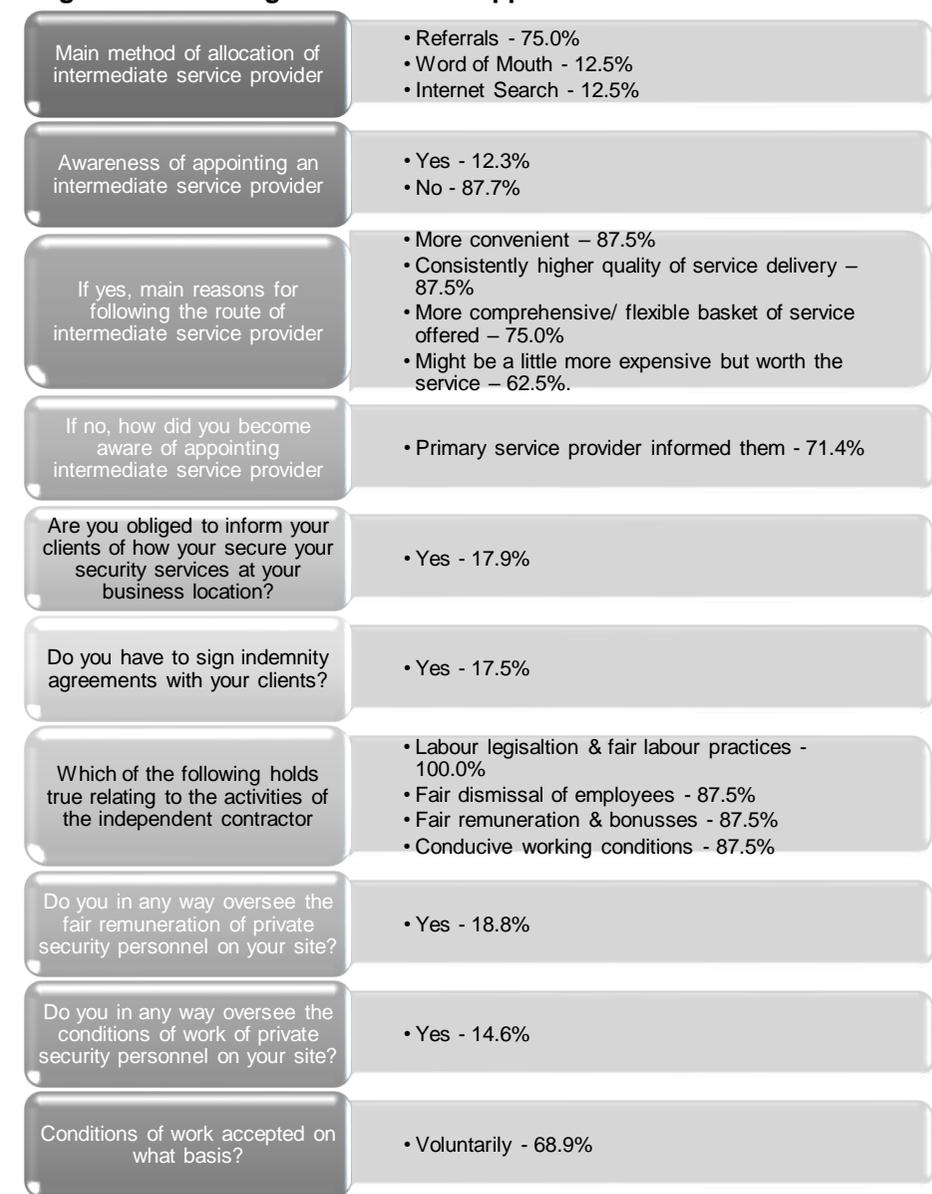
Source: Demacon PSIRA Survey, 2018

Figure 7.12: Age of Business – Appointing Learners



Source: Demacon PSIRA Survey, 2018

Diagram 7.4: Findings related to the appointment of Learners



7.7 CONCLUSION

Given the different types of intermediary security service providers, the following is evident:

- ✓ Referrals and Word of Mouth represents the main method of service provider allocation.
- ✓ Highest levels of awareness that the security provider appointed represented an intermediary service provider was recorded under businesses appointing independent contractors.
- ✓ Lowest levels of awareness were reflected by businesses appointing labour brokers and learners.
- ✓ Collective reasons for going the route of appointing intermediary service providers include:
 - It is more convenient, e.g. only one person to deal with
 - Reduced risks
 - More comprehensive/ flexible basket of service offered
 - Might be a little more expensive but worth the service.
- ✓ Businesses appointing independent contractors and cooperatives largely must inform clients of how they secure their security services at their premises, of which a large segment also must sign indemnity forms.
- ✓ The follow activities of the intermediary service providers appointed by businesses scored the lowest:
- ✓ Independent Contractors and Cooperatives – fair remuneration and bonuses, as well as, fair dismissal of employees.
- ✓ Labour brokers – ensuring quality control and fair remuneration and bonuses.
- ✓ Learners – ensuring quality control and fair working hours.
- ✓ A relative segment of companies making use of cooperative and labour brokers to provide security services are involved in overseeing fair remuneration of private security personnel on their business premises.
- ✓ A relative segment of companies making use of independent contractors and cooperatives for security services are involved in the overseeing of conducive working conditions for private security personnel on their premises.