Human Resource and Skill Requirements in the Private Security Services

Executive Summary

N·S·D·C
National Skill Development Corporation

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The estimated market size of Private Security Services is expected to be in excess of INR 1,500 billion by 2022…

Key Growth Drivers

- Penetration of organized players in industry is expected to witness significant jump from current level of 35% to ~50% in the next five years with global players entering India through own operations and buyouts
- Cash Management Services has a higher degree of consolidation with the top 7-8 players accounting for about 75-80% of the market owing to high level security concerns associated with the operations in this segment
- Industry is witnessing significant technological advancements in the form of electronic surveillance creating a need for skills in the segment
- Considering the growing demand for security services, domestic firms are seeking capital to expand rapidly. And international firms are also considering entering the market. This is expected to further organise the market

India's Competitive Advantage

Competitive Wage Structure

With USD 125 (Minimum wages of Rs7500 per month) for trained guards in India, country has competitive advantage with regard to availability cheap labour

Availability of Human Resources

Over 85% of the population (aged 15 – 19), predominantly below the poverty line, had not progressed beyond higher secondary schooling resulting in limited avenues for employment

Policy Thrust on Skills

Schemes such as the STAR (Standard Training Assessment & Reward) Scheme, introduction of Modular Employable Skills (MES) Schemes are expected to train more number of individuals

Investments in the sector

Securitas AB

A Swedish Security major, recently paid over $15 million to acquire a 49 per cent stake in Walsons, India's fourth-largest national security services company

Tops group

Bought a 51 per cent stake in The Shield Guarding Company Ltd, a leading UK firm

Sources: KPMG in India analysis

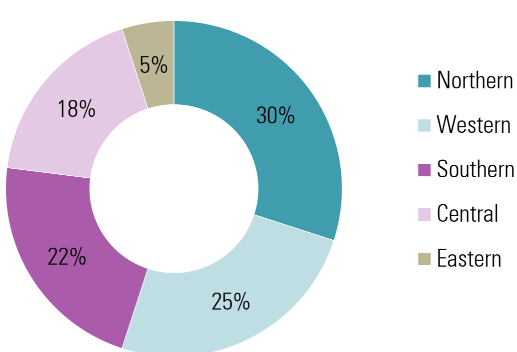
Demographic characteristics of workforce

Manpower is largely sourced from East and North East India…

Native of the Workforce	▪ Key regions from where manpower is sourced include Bihar, Uttar Pradesh, Jharkhand, Madhya Pradesh, Rajasthan and Assam ▪ Manpower largely comes from states/ regions that have either a large population of ex-servicemen, policemen and paramilitary personnel or a significant unemployed youth. ▪ The concentration in the identified geographies predominantly revolves around cities, towns and industrial hubs and varies depending on opportunities and remunerations.
Socio Economic Background	▪ Over 90 per cent of this work force constitutes security guards who are at the base of the pyramid with little to no relevant experience or expertise ▪ Most individuals come in search of employment to urban centres and resort to working as security guards as a last option.
Gender Distribution	▪ Current penetration levels of women guards are low ▪ The requirements of women guards are expected to increase at select points; however this increase is not expected be drastic
Youth Aspirations	▪ Low aspirations due to poor working conditions, extended working hours (no limit in unorganized segment) and lack of social security benefits ▪ Aspirations also depend on the job profile ▪ Orissa, Bihar, UP and Jharkhand have emerged as sourcing destinations owing to limited employment opportunities in those regions ▪ Aspiration for employment is high among youth from lower economic strata of the society with minimal education qualification
Changing workforce profile	▪ Increasingly employers are beginning to understand the need to have competitive and well trained security guards and are offering on the job and customised training programs ▪ With the surge of training providers, enabling schemes and industry initiatives the industry is moving in to a formal set up from a predominantly informal set up

Key Characteristics of Workforce

Geographical distribution of manpower



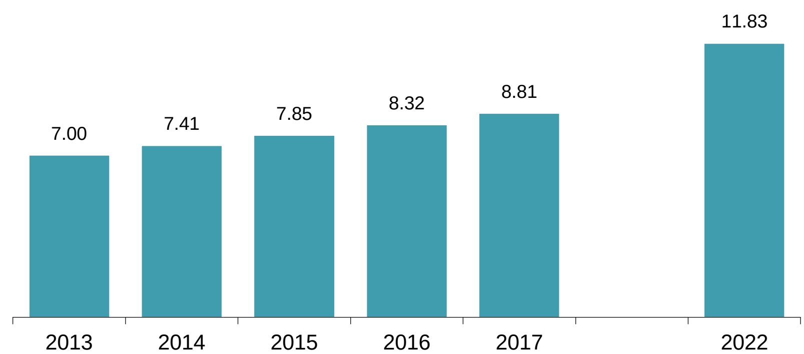
- Youth aspirations of working in this sector remain low
- Mobilization of workforce is focused on rural areas and slums in urban pockets
- Industry predominantly operates on migrated workforce from sourcing clusters which has posed serious threats due to poor background check mechanisms
- Minimum labour wage structure, subject to individual state jurisdictions, creates imbalances in wage levels

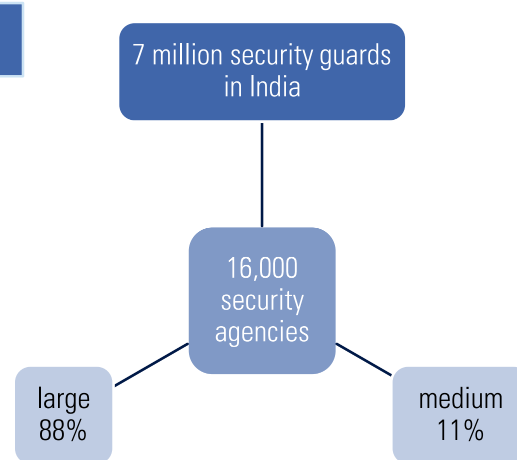
Sources: Industry Interactions; KPMG in India analysis

Incremental Human Resource Requirement (2013-22)

The sector currently employs over 7 million employees and is slated to employ more than 11.8 million employees by 2022

Human Resource Growth Trends in the Sector (in million)





Job Roles	Representative Skill Gaps
Unarmed Security Guard	Guards need more rigorous training on fitness, firefighting, english communication skills
CCTV Supervisor	Guards need more rigorous training on fitness, firefighting, english communication skills
Security Supervisor	Team management skills, medium-term vision and resource planning are key issues faced by the industry currently
Armed Security Guard	Proficiency in handling of firearms Awareness levels about safety in handling
Personal Security Officer	Proficiency in local languages of regions where the security guards are employed

41% guards are employed in the commercial sector followed by 39% in residential sector

Penetration of organized players in industry is expected to witness significant jump from current level of 35% to ~50% in the next five years with global players entering India through own operations and buyouts

70% of the residential demand will come from New Delhi NCR, Mumbai, Chennai, Bangalore, Kolkata, Pune, Chandigarh, Hyderabad, Mysore, Lucknow, Ahmadabad, Jaipur

Industrial demand is expected to come from Rajasthan, Gujarat, Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh

The private security services market is projected to grow to INR 1501 billion by 2022 from INR 360 billion in 2013. Some of the factors driving growth include

- Growing need for property, information, human security
- High rates of urbanization and economic liberalization have generated an increase in crime rate

While lack of premium attached to skills still remains a challenge in the sector, policy impetus is driving the focus on training

- Industry consultations suggest that supply is likely to grow at a CAGR of 10% over the next decade. In absolute numbers; approximately seventy lakh to one million individuals are added to the pool ever year.
- Of this only 20% is expected through organised supply (compliant with PSAR training requirements and those who are likely to stay from more than one year).
- Current attrition levels stand at 40% for untrained guards and 15% for trained guards. The numbers are likely to remain the same over the next decade. However, more number of guards are expected to be trained given the direction the industry is likely to take.

The introduction of the the Private Security Agencies (Regulation) Act, 2005 has led more private agencies to adopt in-house training practices . Kapston, G4S, Tops Group, Checkmate are few of such companies that are currently following in-house training practices.

Seventy lakh to one million individuals are added to the pool ever year

Of this only 20% is expected through organized supply

Training Providers for Security Guards
Laurus Edutech Life Skills Pvt Ltd
Terrier Security Services (India) Pvt. Ltd.
Eagle Hunter Solutions
Ranchi Security Private Limited
Scientific Security Management Services
Bhootpurv Sainik Kalyan Sangh
Globsyn Skills Development Ltd

Challenges associated with training institutes

Premium attached to skills and training

- Most players prefer training their workforce in-house and there is little or no premium attached to trained manpower given that many stick to minimum wages.

Standards in training

- Types of institutes/ training providers :
  - One that provides general training for the sector
  - In house training by leading industry players
- The training in the sector is unorganized and fragmented and there is no single body that gives accreditation..

Skill requirements in the industry

- Currently security guards are being sourced from a common pool of guards
- However skills required for guards at corporate offices vary significantly from those at malls or residential complexes

Select recommendations & implications

Recommendation	Implications
Increase supply of quality trainers for the industry	▪ Courses for trainers to be made more scientific and methodical with structured modules and clearly defined learning outcomes for the trainers
Initiate schemes to enable rural/ deep rural mobilisation	▪ Government to assist in facilitating deep rural/ rural mobilisation of candidates – Schemes such as Society for Employment Generation and Marketing Mission, AP Government have proven to be useful
Create awareness on a typical career path within the sector mapped to long term benefits	▪ The government must encourage security guards related courses as an option in popular ITI institutes so as to avoid isolation of the industry related courses ▪ Awareness needs to be created at deep rural areas on prospects and benefits of a career in the security guards sector
Training curriculum to be made industry specific.	▪ The SSC as a platform should function as the gateway of information exchange that will form the basis for all skill development initiatives ▪ Security automation and technology along with CCTV and other devices have become the order of the day - it will be important for guards to be adept at evolving technologies
Training curriculum needs to include skills to address needs of security guards ecosystem	▪ Training to include other skills to complement core role – manage reception area, manage EPABX systems, valet parking, soft skills etc.
Effective iimplementation of NOS based training and standard certification through SSSDC	▪ Scheme based training programs by central / state governments to mandate adherence to NOS standards & Training institutes to map and align existing courses to the SSSDC standards
Provide long term benefits to formalize the employment and to reduce attrition at various levels	▪ Design a clear career progression path mapping benefits to levels. Design long term employment benefit schemes for employees to ensure job continuity and reduce attrition ▪ Medical Insurance is the amongst the most desired benefits by the employees. If not for private insurance, employers should proactively support government insurance schemes covering life and health ▪ Concept of Paid Leave under Sick Leave category and personal leave is not very common in the unorganized sector
Have an industry standard for wages	It is important to have a salary structure such in alignment with the cost and evolved standards of living, especially, in urban India . Also, given that there are discrepancies in minimum wages across States; it is important to bring an industry standard for minimum wages

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- Use of robust proprietary tools and methodologies assuring quality delivery to our clients

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