



Private security industry in India: challenges and suggestion

Vinayak Revji Gandal

Assistant Professor and Head, Department of Commerce & Accountancy

K.M.C. College Khopoli, Tal: Khalapur Dist: Raigad- 410203

Abstract: The use of private security is not a new phenomenon in India. In traditional Indian society, many rich people in various communities often hired the services of private security guards in ensuring the securities of their lives & property. The private security industry plays an extremely important role in terms of its contribution to the GDP and also in the generation of employment opportunities. During the past few decades, it has emerged as the largest growing sector in the world economy, making an enormous contribution to output and employment. As per various estimates, the private security industry is presently growing at the rate of 25 to 30 percent per annum. In spite of rapid growth with growing responsibilities over the last few years, the security industry and security personnel's facing various challenges in terms of administration, deplorable condition of work, lack of training facilities, lack of quality man power, minimum use of technology, Duty hours and other things. In this background the present research paper tried to focus on the role and the challenges of private security industry in India. The paper also makes some suggestions to increase its future prospective as well as better & efficient performance.

Key Words: Challenges, Private Security Industry, Security Personnel.

INTRODUCTION:

The private security industry has assumed a more critical role in recent years. With the increasing growth of Indian economy over last two decades, the requirement of security arrangement of Industrial Complex, Offices, Banks, IT Parks and other public infrastructure has grown manifold. In order to meet these demands, the security industry has significantly scaled its operational capabilities to supplement government towards maintaining safety and security of citizens and their properties.

The private security service industry is one of the largest employers in India. "There are around 6 – 6.5 million private security personnel's employed across the country and this is expected to continue to grow in the future" .¹ As per broad conservative estimates, there are approximately 1 lakhs security and intelligence service agencies operating in various countries of the world. "In India the private security industry is growing at the rate of 25 – 30 percent per annum".²

According to Federation of Indian Chamber of Commerce and Industries (FICCI), private security industry is estimated to be worth INR 22,000 crore and is likely to cross INR 40,000 crores by 2015. "The industry growth could be attributed to the key drivers like growing urbanization and increasing insecurity, mushrooming of shopping malls and self contained townships, frequent terror attacks, shortage of police personnel's and last but not least security agencies itself being a profitable business".³



“The private security industry gained importance during World War I and World War II due to fear of espionage and sabotage. The government gave primary responsibilities to security personnel’s for protection of war goods, products, equipments etc”.⁴ According to FICCI, in 2006 it was reported that the industry was paying Rs. 10,000 crores to the exchequer by way of service tax, provident fund, contribution to employee insurance etc. The private security industry have become an important segment of the economy, by not only contributing to the government but by generating employment opportunities for urban and BPL youth.

Due to increasing growth of private security industry in India, the importance to regulate private security agencies also increased. The Indian government brought the Private Security Agencies Regulation Act, 2005 for regulating the operations of private security industries in India. According to Upadhyaya, “Most of the organizations using the services of private security having the attitude of total indifference towards the problems of private security personnel engaged in security industry in India”.⁵ so, it is very important to know the role of private security industry and the challenges faced by them.

OBJECTIVES OF THE STUDY:

The main objectives of this paper are:

- 1) To study the role of private security industry in India.
- 2) To study the challenges of private security industry in India.
- 3) To give suggestions for betterment of security industry in India.

RESEARCH METHODOLOGY:

The present research paper is based on secondary source of data and information has been collected from internet, websites, journals, reference books and various reports etc.

ROLE OF PRIVATE SECURITY INDUSTRY IN INDIA:

“A private security company is a registered civilian company that specializes in providing contract commercial services to domestic and foreign entities with the intent to protect personnel and humanitarian and industrial assets within the rule applicable under domestic law”.⁶ It offers wide range of services - from providing security to top businessmen, industrialist and celebrities, monitoring the movement of visitors at shopping malls, construction sites and other places. The security service industry appears to be highly fragmented with several small players offering niche service and large players offering portfolio offerings. G4S, SIS, Securitas India, ISS and TOPSGRUP are some large players in the security industry.

Key Players in India:

Company Name	Revenue INR Mn	EBITDA (%)	Revenue Growth (%)	No. Of Guards	Major Market	Presence			
						Manned	ESS	CIT	Other
G4S	16,569	4%	16%	1,43,000	Pan India	√	√	√	√



SIS	6,517	21%	29%	45,000	Pan India	√	√	√	√
TOPSGRUP	3,052	6%	2%	35,000	West	√	√	√	√
Checkmate	3,976	4%	13%	40,000	West	√		√	
Peregrine	NA	NA	NA	18,500	53 cities	√	√		
ISSSDB	3,896	9%	25%	26,000	South	√	√	√	√
Sentinels Security	431	9%	11%	NA	North	√	√		
Securitas	1,978	5%	32%	20,000	North, West & South	√		√	√
Brinks Arya	1,751	18%	22%	NA	West			√	
Writer Safeguard	1,751	2%	20%	NA	Pan India			√	√

Source: VCCEdge, Ministry of Corporate affairs, ICRA, Business press, Report dated August, 2013.

According to FICCI, the private security industry provides following security services:

1. Manned Guarding:

Manned guarding is the largest segment in the security service industry and pertains to provisions of manpower to secure premises and individuals. It also includes surveillance and protection of industrial, commercial and infrastructure facilities, goods and people, security checks and crowd management etc.

2. Cash Services:

It relates to provision of secured logistics for cash and other valuables from banks and other domestic entities. It is also the extension of manned guarding operations of number of private security service players. In other words, cash services are the services provided to banks for safe transit of cash in the banking network and to large corporate and retail customers for collection of cash and valuables.



3. Electronic Security Services:

Private security service industry typically provides electronic security services as add-on to their existing customers and are involved in installation, system integration monitoring, operation and maintenance in the customer's premises.

CHALLENGES OF PRIVATE SECURITY INDUSTRY IN INDIA:

Private security industry facing various challenges such as:

1. Lack of Quality Manpower:

Private security industry in India is mainly man guarded, so the industry requires considerable number of personnel's to sustain its growth. The supply of manpower to the industry is most often from rural and interior parts of India. They are barely literate and most often not trained to assume the role of security guard.

2. High Attrition Rate:

There is high attrition rate in private security industry mainly because of poor benefits, lack of compensation packages, lack of insurance policies, lack of understanding between public and private security and lack of development opportunities to grow.

3. Minimum use of Technology:

The private security industry has pre-dominantly become manpower intensive. Due to lack of availability of skilled manpower, most of the security agencies hire people to meet the basic demand of guarding and exists. Many private security industries stay away from use of technology for security development due to higher investment.

4. Ability to use Firearms:

Private security personnel's having firearms is always a requirement for safe transport of valuable items. But private security agencies cannot licensed firearms due to which they rely on those who have got license to carry firearms.

5. Working Time:

The provisions of labour law provide for Eight hours of duty per day as normal duty hours and also put a ceiling on the maximum overtime hours of work. In private security industry, security personnel's work more than 8 hours per day and even they don't have any specification about overtime working hours.



6. Issues relating to Leaves:

Most of the private security industries do not extend the benefits of various kinds of leaves to the security personnel's which are extended to government employees under centre and state scheme.

7. Talent Retention:

A security guard has a very small career progression path. A maximum level that he can attain with adequate training is that of a supervisor, with not much increase in the money that he earns. Besides, he works on an average for more than 12 hours a day. The agencies therefore have to not only provide good working conditions but also use fair employment practices to retain talent.

SUGGESTIONS:

Following are the some suggestions which will be helpful to overcome the challenges of security industry in India.

1. There is need to open recognized security academies for advanced security training for security personnel's.
2. There is need to set fixed policies related to insurance, compensation packages and minimum fixed wage rate.
3. The private security industry should produce skilled security personnel for handling new technology in security services.
4. There is need to re- look in to Private Security Agencies Regulation Act, 2005 and explore the possibility of issuing arm license to private security industry.

References:

1. Private Security service industry Securing future growth, *Federation of Indian Chambers of Commerce and Industry (FICCI)*, New Delhi retrieved from www.ficci.com on 16th April 2017.
2. Building Security Leadership, *Central Association of private Security Industry (CAPSI)*, New Delhi retrieved from www.capsi.in on 10th June 2017.
3. Federation of Indian Chambers of Commerce and Industry (FICCI), New Delhi retrieved from www.ficci.com on 17th June 2017.
4. Karen M. Hess (2009) *Introduction to Private Security*, Wadsworth: Belmont, USA p-13.
5. Upadhyaya Sanjay (2011): *International Journal of Management Sciences*, "Plight and Predicament of Security Guards Engaged by Private Security Agencies in India", *Vol.No.1, July 2011*, page. No: 1-10.
6. Reyan Smith (2008): *Ezine Articles, Business security, Private Security Company*, retrieved from www.ezinearticles.com on 10th august 2017