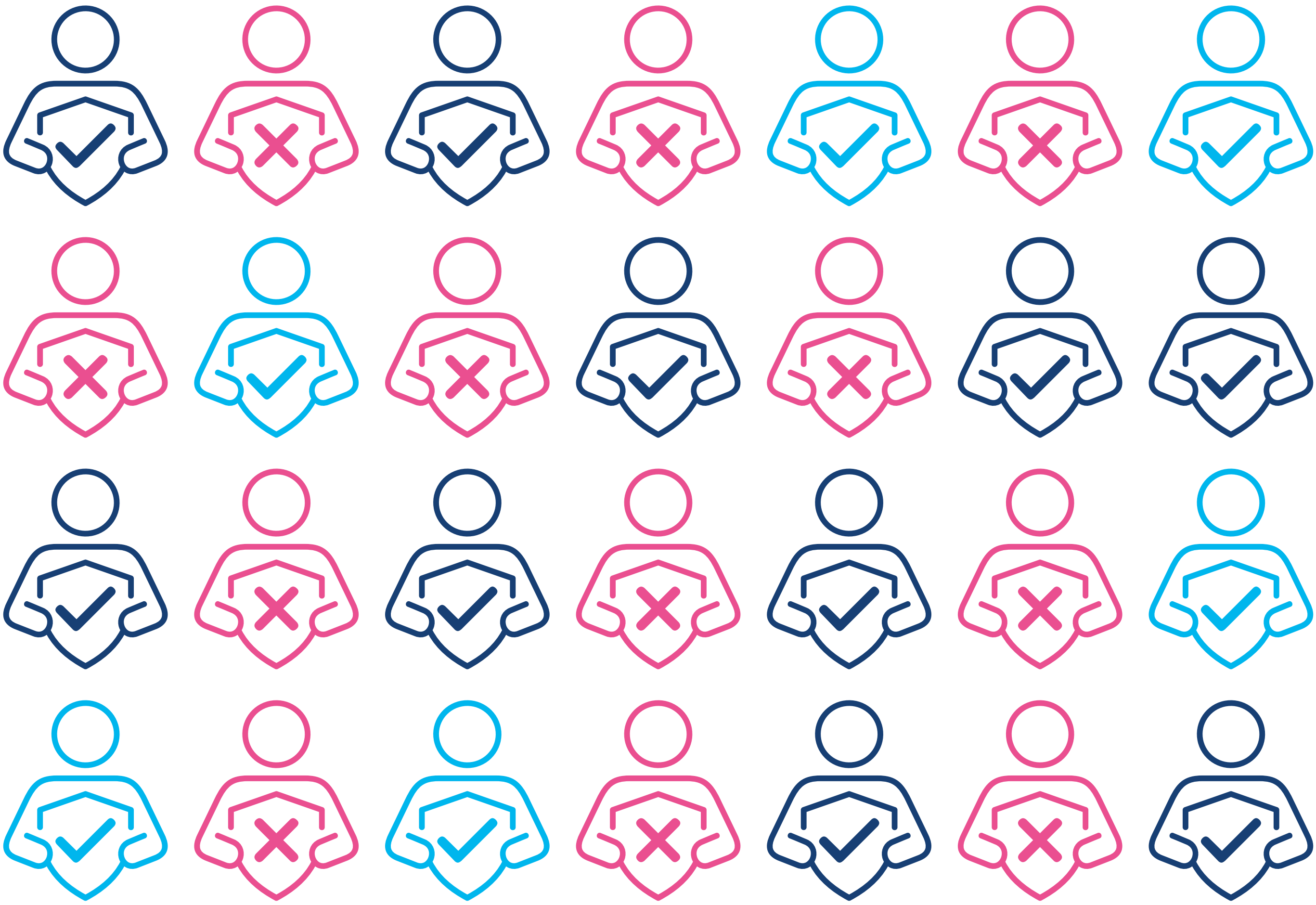
INTEL: Skills Intelligence for the Private Security Services

The State of Labour and Skills Shortages in the European Private Security Services: A Study



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Introduction

This report on labour and skills shortages in private security services in the European Union (EU) Member States presents findings from desk research and an EU-wide stakeholder survey undertaken in 2021/2022.

It is a deliverable of the EU-funded Social Partner Project "INTEL: Skills Intelligence for the Private Security Services", led by the EU Sectoral Social Partners for the Private Security Services, the Confederation of European Security Services (CoESS) and UNI Europa.

This research analysed publicly available data on current and future labour and skills shortages in the sector. These figures were enriched with data collected through an ad hoc online survey among social partners, private security companies and buyers of private security services in the EU Member States.

The main aim of this research is to provide the Sectoral Social Partners, both at EU and national level, with the first EU-wide data in the matter and thereby a better understanding of the situation of labour and skills shortages in the industry, respective drivers of change, and how to better anticipate and manage this trend now and in the future. The research further reflects on the private security services market in the EU Member States and the anticipated shift in demand.

The main research questions addressed in the research report are:

What is the current workforce composition in the private security services and state of the market?

What is the current and future extent of labour and skills shortages in the European private security services?

How are these shortages perceived by social partners and companies across the EU Member States?

What are the labour and skills challenges of private security companies in practice?

What will be the main trends in market demand and how will they impact skills requirements and needs for re-/upskilling?

What are social partners and companies doing to tackle the challenge of labour and skills shortages?

What are the main barriers in this regard and the solutions to better anticipate and manage labour and skills shortages?

This research report provides insights based on the general statistics of the industry, data from Eurostat and open-source data on labour and skills from various stakeholders at the European and national levels. In parallel, national associations and memberships of both CoESS and UNI Europa, private security companies, and buyers of security services across Europe have been requested to provide their input and feedback through online survey questionnaires.

The surveys helped to fill a significant data gap. It is important to recognise that data on skills and labour are generally not publicly available across all EU Member States.

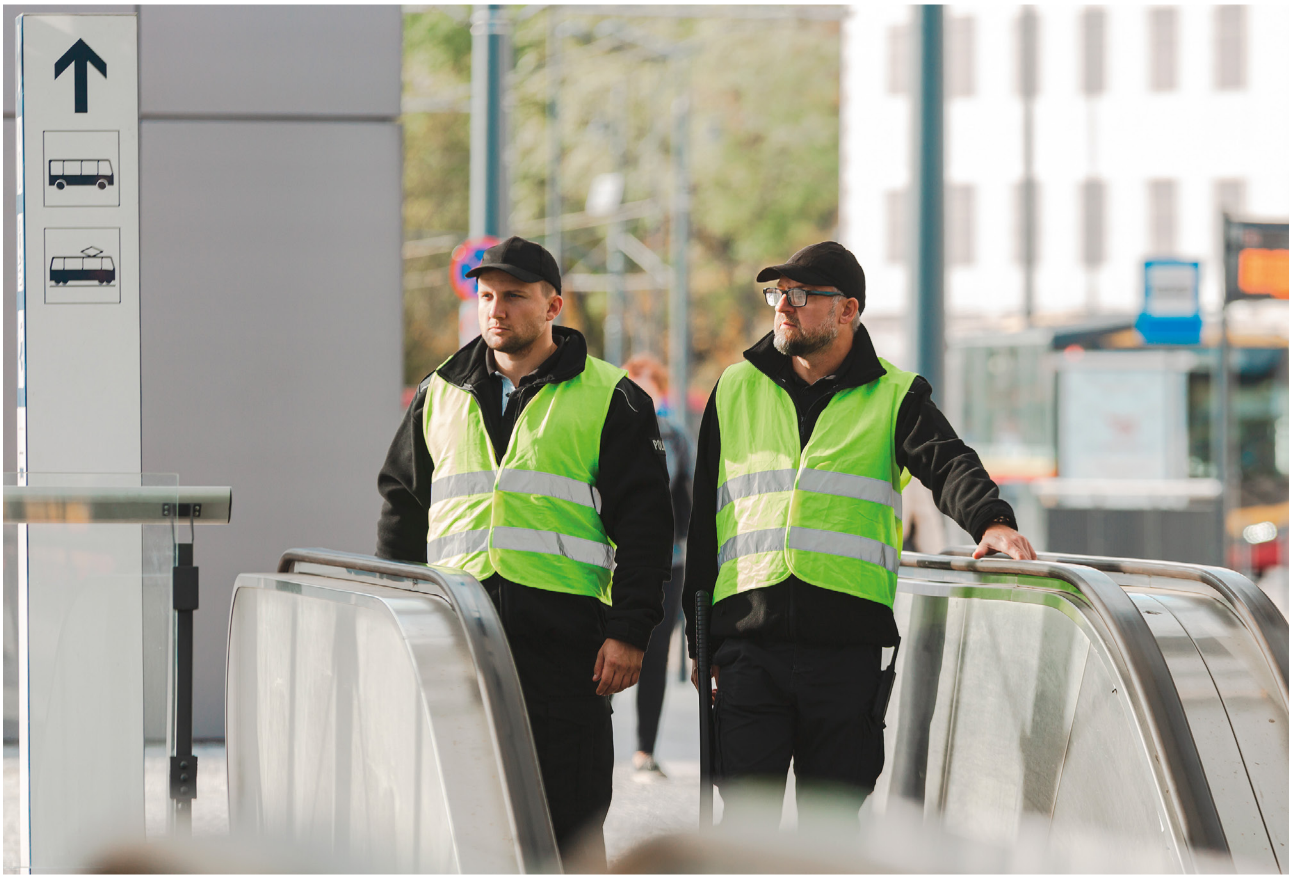
As the map shows on the following page the surveys can be considered representative, with responses from the majority of EU regions, including:

Western Europe
Germany, Austria, France, Belgium, Netherlands, Luxembourg, Ireland.

Nordics and Scandinavia
Denmark, Finland, Sweden.

Eastern Europe
Baltic countries, Poland, Hungary, Czechia, Slovakia, Romania, Bulgaria.

Southern and South Eastern Europe
Italy, Spain, Portugal, Greece, Malta, Croatia.



Map of countries covered in this study, by companies and/or organisations who replied the INTEL project survey, 2021

We received responses from 38 private security companies operating in Austria, Belgium, Bulgaria, Croatia, Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Lithuania, Malta, the Netherlands, Poland, Portugal, Romania, Spain and Sweden.

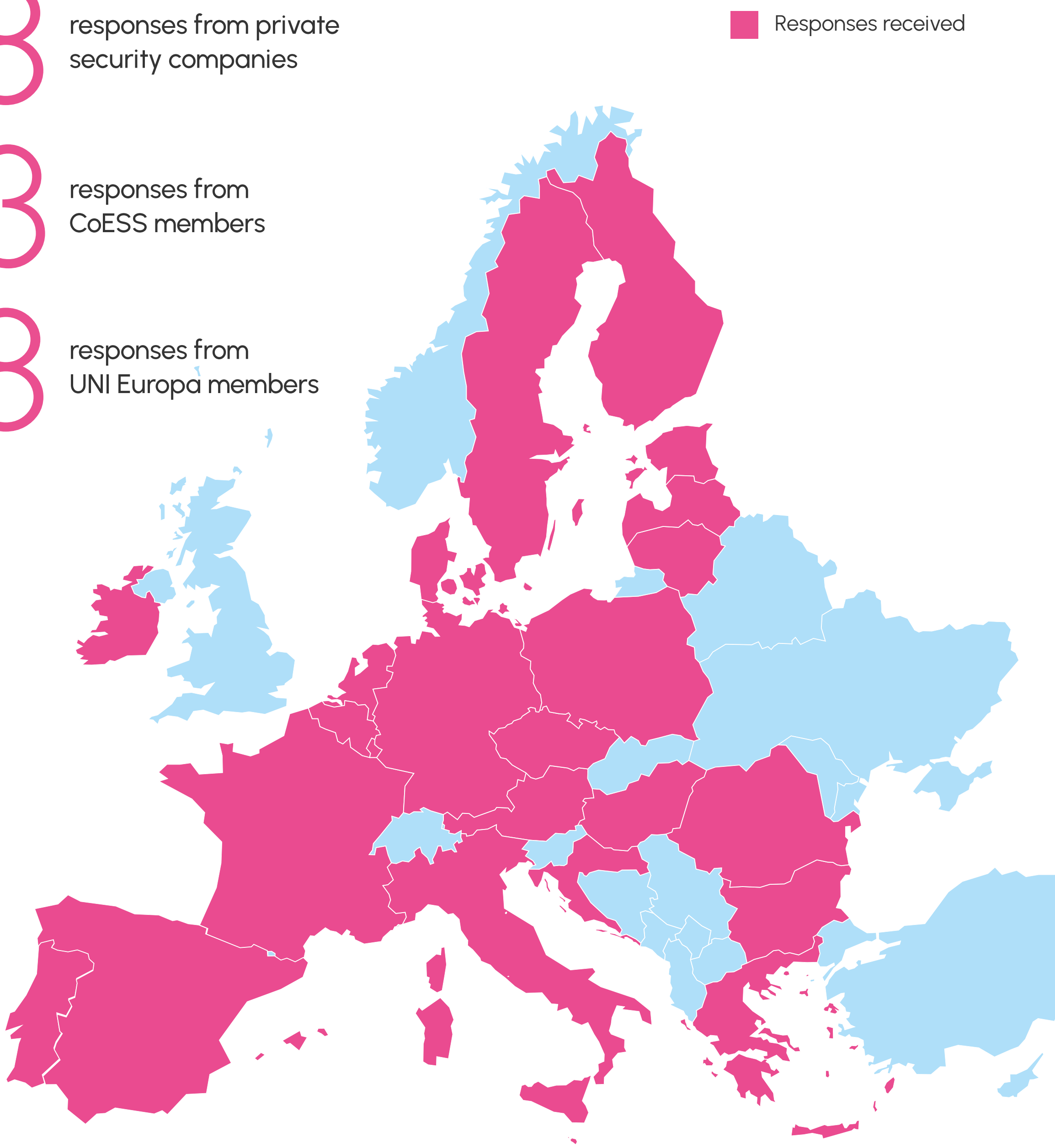
We received responses from 23 CoESS members and 18 UNI Europa members, in addition to national data provided by other representatives in countries covered neither by CoESS nor UNI Europa memberships. Input has been recorded from the following countries: Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Spain, and Sweden.

We have received inputs from 12 major clients of private security companies across a few EU countries, such as Austria, Belgium, Croatia, Estonia, Finland, France, Spain, and Sweden.

38 responses from private security companies

23 responses from CoESS members

18 responses from UNI Europa members



The report is structured as follows.

- Chapter 1 provides an overview of the key characteristics of the workers and companies in the private security industry and an analysis of the effects of the COVID-19 pandemic.
- Chapter 2 explores the current skills and labour needs.
- Chapter 3 focuses on the future skills and labour challenges in the industry.
- Chapter 4 provides an analysis of the main strategies adopted in the industry to respond to current and future skills challenges and best practices.

The last section of the report offers the main conclusions of this study.

Note on the main terms used in the report

In statistical terms, the private security industry is defined following the NACE (the statistical classification of economic activities in the EU), 80 codes: 80.1 (Private security activities), 80.2 (Security systems service activities) and 80.3 (investigation activities).

Skills and competencies:

- Competences refer to the ability to use knowledge, skills and personal, social and/or methodological abilities in work situations, and to apply learning outcomes adequately in a defined context (education, work, personal or professional development). It is not limited to cognitive elements (involving the use of theory, concepts or tacit knowledge); it also encompasses functional aspects (including technical skills), interpersonal attributes (e.g., social or organisational skills) and ethical values.
- Skills are the ability to apply knowledge and use know-how to complete tasks and solve problems.

Source: Cedefop (2014). Terminology of European education and training policy: a selection of 130 terms. 2nd ed. Luxembourg: Publications Office (includes official translations into EU official languages).

Skills and labour shortages:

- Labour shortages arise when the demand for workers in an occupation exceeds the supply of workers, for that occupation, who are willing to work at the prevailing wage rate and working conditions in a particular place and point in time.
- Skills shortages emerge when the skills demanded by employers differ from those offered by workers, and employers are unable to recruit staff with the required skills.

Source: Eurofound (July 2021), Tackling labour shortages in the EU Member States, Publication Office of the European Union, Luxembourg.

Labour and skills shortages are recognised as a key priority by sectoral social partners and companies

92%

of companies report increasing difficulties to find workers in the past 1-5 years

48%

of companies struggle to respond to market demand due to labour shortages

70%

of sectoral social partners consider future skills shortages significant and likely to persist

68%

of companies expect that labour and skills shortages will present a serious issue for their future development in the next five years

Skills shortages:

- IT and digital
- Language and intercultural
- People management

Business segments with highest expected increase in market demand:

- Remote surveillance
- Event security
- Other traditional guarding

83%

of sectoral social partners identify low-cost focused procurement practices as a barrier to address labour and skills shortages

Executive summary

The European private security services industry is facing diverse drivers of change impacting workers and businesses, on both the demand and supply sides. These drivers of change have already been assessed in detail in the previous EU-funded Social Partner Project of the Confederation of European Security Services (CoESS) and UNI Europa, vide "Anticipating, Preparing, and Managing Employment Change in the Private Security Industry".

Between 2010 and 2019, the private security industry grew significantly in terms of the number of workers, further diversification of services, and the upscaling of the technical and professional expertise provided.

This is largely due to changes on the demand side:

- Similar to the majority of the business ecosystems, the private security industry is encountering opportunities and challenges resulting from **technological developments**. Clients increasingly demand the integration of new, more complex technologies in the more traditional security services.
- Further, security services are confronted with **demands for new missions** – both from public and private clients. This ranges from the protection of public spaces and Critical Infrastructure to the management of the COVID-19 pandemic, and comes with an increasing responsibility for the efficient and uninterrupted functioning of society and economies.

Data gathered for this report suggest that the COVID-19 pandemic has impacted, and in some aspects, accelerated these developments. However, its long-term impact needs to be monitored.

- Private security companies and workers have adapted very quickly to the demand for new services and become trusted partners of public and private clients, in a major and unprecedented health emergency.
- At the same time, and despite the private security industry's role in managing the public health situation, the COVID-19 pandemic negatively affected the entire industry, with certain (traditional) business segments suffering more than others (which often accompanies the deployment of new technologies).
- The impact on the number of the workforce, companies and turnover, therefore, needs to be monitored. Some national data suggest that a decline in turnover and workforce size can be witnessed.

From the supply side, the current sector workforce has a set of characteristics that poses specific challenges. Most workers in the industry are middle-aged, with an older workforce, particularly in Eastern Europe. Further, the majority of workers in the industry are male. Lack of gender diversity is therefore a challenge to be addressed.

Consequent to these developments, the private security industry has been experiencing over the past years both a general shortage of labour and a shortage of specific skills in its current workforce. This can be confirmed by the results of this study:

Labour and skills shortages are recognised as a **key priority** by all the key stakeholders in the industry's employer organisations (65%), trade unions (61%) and companies (71%).

76% of the companies report facing **increasing difficulties in recruiting people** with specific skills relevant to meeting market demand, in the past 1-5 years.

Roughly 48% of the companies **struggle to respond to market demand** due to skills shortages.

60% of the private security companies surveyed by this study expected labour and skills shortages and mismatches to **increase in the next five years**.

Critically, 68% of companies expect that labour and skills shortages and mismatches will present a **serious issue for the future development of their companies** in the next five years.

Almost 70% of the sectoral trade unions and employer organisations consider **future skills shortages significant and likely to persist**, causing a substantial negative business impact.

This study shows that specific skills shortages amongst the sectoral workers relate to IT and digital technology skills, language and intercultural awareness skills, and to some extent, transversal skills such as communication and people management.

The positions most difficult to fill are traditional security officers and technically qualified people with language and IT skills. Available evidence shows an expected trend towards the future need for medium and highly-qualified workers in the industry. In particular, the views of companies and clients converge, both indicating an increased market demand in the future for highly skilled staff, including complex IT areas like integrated remote video surveillance, cybersecurity and data analytics. Soft skills are also expected in the future, headed by people management skills.

However, further research is required to understand the precise nature of the specific skills shortages. In the survey conducted as part of this study, the lack of skills intelligence was identified by roughly 2/3 of the respondents as a barrier to responding to skills and labour shortages in the sector – highlighting the relevance of this EU-funded project.

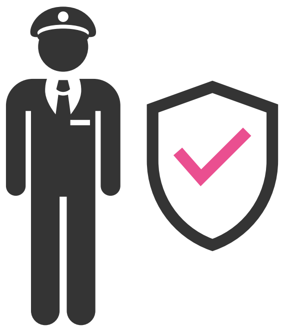
Responses of the sectoral employer organisations and trade unions to the survey highlight other important barriers to addressing labour and skills shortages in the private security services:

- Low-cost focused procurement (83%)
- Lack of attractiveness of the sector (66%)
- Lack of public interest and support (61%)
- Inadequate regulation (depending on the country)

These barriers prompt recommendations for national sectoral social partners in the private security services to find solutions to the challenge of labour and skills shortages, notably joint activities to:

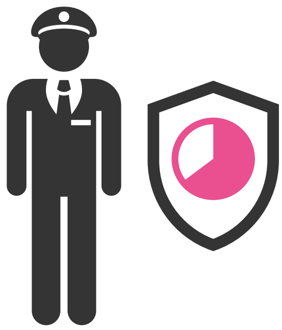
- **Promote** value-based procurement practices and better regulation of the industry that fosters quality and fights unfair competition, in collaboration with public authorities;
- **Endorse** the attractiveness and diversity of the industry, including initiatives that foster inclusion and promotion of different worker groups such as women, LGBTQI+, disadvantaged younger and elder people, persons with disabilities, etc.;
- **Engage** with public authorities to actively address labour and skills shortages, for example with public employment services and stakeholders in the national training framework;
- **Strengthen** vocational education and training (VET) frameworks in the industry through the establishment of sectoral training centres which offer re-skilling and upskilling pathways;
- **Establish** national frameworks for gathering skills intelligence and data on the composition of the workforce, as well as workplace practices.

Best practices for joint social partner activities implementing these recommendations exist in many EU Member States and are featured in this report, as also a dedicated Best Practice Report which will be published by the end of 2022.



70%

of sectoral trade unions and employer organisations consider future skills shortages significant and likely to persist



2/3

of respondents to the survey identified the lack of skills intelligence as a barrier to responding to skills and labour shortages in the sector

1 Facts and figures

1. Facts and figures

This section presents an overview of the workforce composition in the private security industry in terms of the number of workers, their age and gender, and key statistics on the state of the market. A preliminary assessment of the effects of the COVID-19 pandemic on private security services is also provided. The data covers only EU Member States.

1.1 Workers in the private security services

Most recent estimates from CoESS indicate that the private security industry in Europe employed approximately 1.88 million (active) security officers in 2020, of which around 1.33 million were employed within the EU. These estimates are derived from information provided directly by CoESS' national associations - hence assembled following a different methodology than those coming from Eurostat.[1]

This study uses Eurostat data only in order to allow an analysis on the basis of the same data set and may, in some countries, be different from nationally collected data.

According to Eurostat, there were 1.23 million employees in the private security industry in the EU in 2019.[2] Out of those employed in the broader security and investigation activities industry (NACE 80), 88% were employed in the private security activities (80.1), followed by security systems service activities (10%, NACE 80.2).

In 2019, the industry was the largest in Germany, France, Spain, Poland and Romania. These five countries together represent the majority (63%) of all private security employees in the EU in 2019.

Between 2015 and 2019, the number of private security workers in the EU increased by 5% (from 1.16 million to 1.23 million). At the country level, the number of employees in the industry increased in 16 out of 26 EU countries, for which 2015 and 2019 Eurostat data are available at the time of this study (for all countries but Luxembourg).

Most workers in the industry are middle-aged, with an older workforce particularly prevalent in the Eastern Europe region.

1. The Eurostat "Labour Force Survey" is undertaken by National Statistical Institutes using a standard questionnaire at the household level, and is based on a representative sample of private households. CoESS' members mostly use data directly provided by their members.
2. See: Eurofound, 2019, Representativeness of the European social partner organisations: Private security sector, Definitions and methodology, pg. 5. which, as per Eurofound's definition, is comprised of private security activities (NACE 80.1) and security systems service activities (NACE 80.2) and Investigation activities (NACE 80.3).

As shown in **Figure 1**, in 2020, workers aged 25 to 49 accounted for more than half (55%) of the employed in the industry[3] in 26 EU countries for which 2020 data are available (all but Luxembourg) - the percentage being as high as 72% in **Greece**, followed by **Portugal** (70%) and **France** (69%).

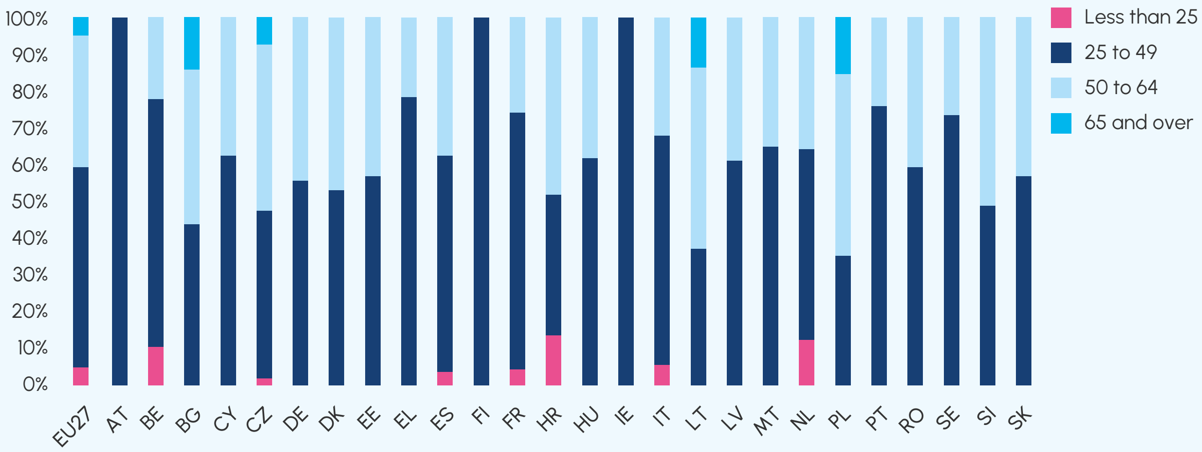
The largest share of young workers in the industry (aged below 25) is reported in **Croatia** (13%), **the Netherlands** (11%) and **Belgium** (10%).

The share of older private security workers is comparatively higher in Eastern Europe. Whilst private security workers aged 50-64 across the EU-26 represent 35% of all industry workers, their share is the largest in **Poland** (49%), **Lithuania** (48%), **Slovenia** and **Croatia** (46% each). The countries with the highest proportion of workers in the industry aged 65 and above are also in Eastern Europe - **Poland** (15%), **Bulgaria** (14%) and **Lithuania** (13%).

This indicates that demographic change may have a greater impact on the private security industry in the Eastern European region.

Figure 1

Security and investigation activities employment in the EU: Breakdown by age group (2020)



Source: Eurostat, 2020, [lfsa_egan22d]. Note: There are no data on Luxembourg.

Most workers in the industry are male. According to CoESS members reporting information on the gender composition of the private security workforce, in 2018, women constituted 15% of the workforce in the private security industry.[4] This share is comparable to the 2020 Eurostat data for the security and investigation activities (NACE 80). In 2020, one in six security and investigation workers in the EU was female. In six EU countries, the share of female workers in the industry was below the EU average (17%), as low as 6% in Bulgaria, 10% in Romania and 11% in Portugal. The largest share of female workers in the industry is recorded in Cyprus (37%), Estonia (33%) and Czechia (31%).

3. Except Luxembourg, for which Eurostat data are not available.
4. Ecorys, 2018, Anticipating, Preparing and Managing Employment Change in the Private Security Industry.

Although data is not available widely, it appears that non-EU workers play a relatively minor role in the private security industry. This can be explained by national regulation, which in many countries allows only EU citizens to be hired in the security services.

Data on the use of part-time and fixed-term contracts in the industry is not available to draw an informed trend analysis. However, it appears that where national data is available, the large majority of employees has full-time positions.[5,6] The use of fixed-term contracts seems to differ among the countries.[7,8]

1.2 Employers in the private security services

According to Eurostat, in 2019, the number of private security companies in the EU was 44,016. Over half of them were located in four Member States - France, Germany, the Netherlands and Hungary.[9]

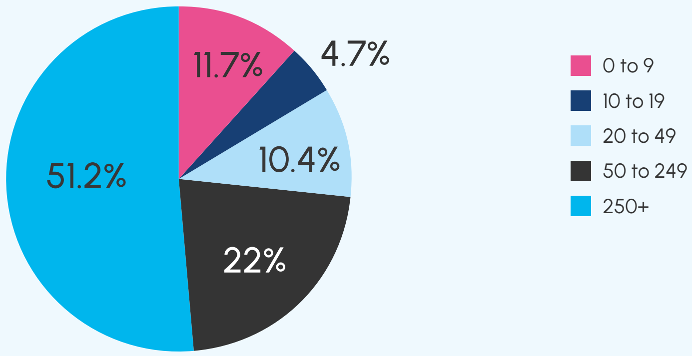
Compared to 2010, the number of private security companies in the EU increased by 10%.

In 2019, most of the private security companies in the EU (98%) were SMEs. However, they employed less than half (42%) of the European private security workforce.

In contrast, large private security companies (with 250+ employees) comprised 2% of the private security companies in the EU, but employed 51.2% of the sectoral workforce (Figure 2).

Figure 2

Proportion of persons employed in private security companies of different sizes in the EU, 2019



Source: Eurostat, Structural Business Statistics, 2019.
Notes: The data refer to 79% of the EU sectoral workforce due to the non-availability of Eurostat data relating to 2019 and earlier mainly for Chechia, Ireland and Luxemburg. Due to similar non-availability of 2019 Eurostat data for Malta, Slovenia and Slovakia, earlier data were used instead - for Malta: 2018 data (for the category 250+), 2017 data (for categories 10 to 19, 20 to 49, 50 to 249); for Slovenia: 2015 data (for the category 10 to 19), 2016 data (for categories 20 to 49 and 50 to 249), and 2017 data (for the category 250+); for Slovakia: 2018 data (for categories 50 to 249 and 10 to 19).

5. https://www.veiligheidsbranche.nl/branchescan-2020-beveiligingsbranche-krijgt-zware-klappen/
6. https://ges-securite-privee.org/wp-content/uploads/2020/12/Observatoire-des-me%CC%81tiers-de-la-se%CC%81curite%CC%81-prive%CC%81e-_Enquete-de-branche-pre%CC%81vention-Securite-2020-donne%CC%81es-2019.pdf
7. https://ges-securite-privee.org/wp-content/uploads/2020/12/Observatoire-des-me%CC%81tiers-de-la-se%CC%81curite%CC%81-prive%CC%81e-_Enquete-de-branche-pre%CC%81vention-Securite-2020-donne%CC%81es-2019.pdf
8. https://www.aproser.es/web/wp-content/uploads/2019/09/EL-SECTOR-DE-LA-SEGURIDAD-PRIVADA-EN-ESPA%C3%91A-Datos-2018_baja-Res.pdf
9. Eurostat, Structural Business Statistics, 2019 [sbs_sc_lb_se_r2].

Between 2015 and 2019, the total private security industry turnover in 25 EU countries (no data for Malta and Luxembourg) increased by 24%, from € 38.3 billion in 2015 to € 47.4 billion in 2019. The industry experienced an increase in turnover before 2020, both in the short and medium terms, across most Member States. Compared to 2015, in 2019, the turnover in the industry increased in all 25 EU countries except Latvia (-10%).

National-level data available from several large private security markets indicate a concentration of business activities amongst large companies, as reported from Germany, Finland and Italy:

Germany:

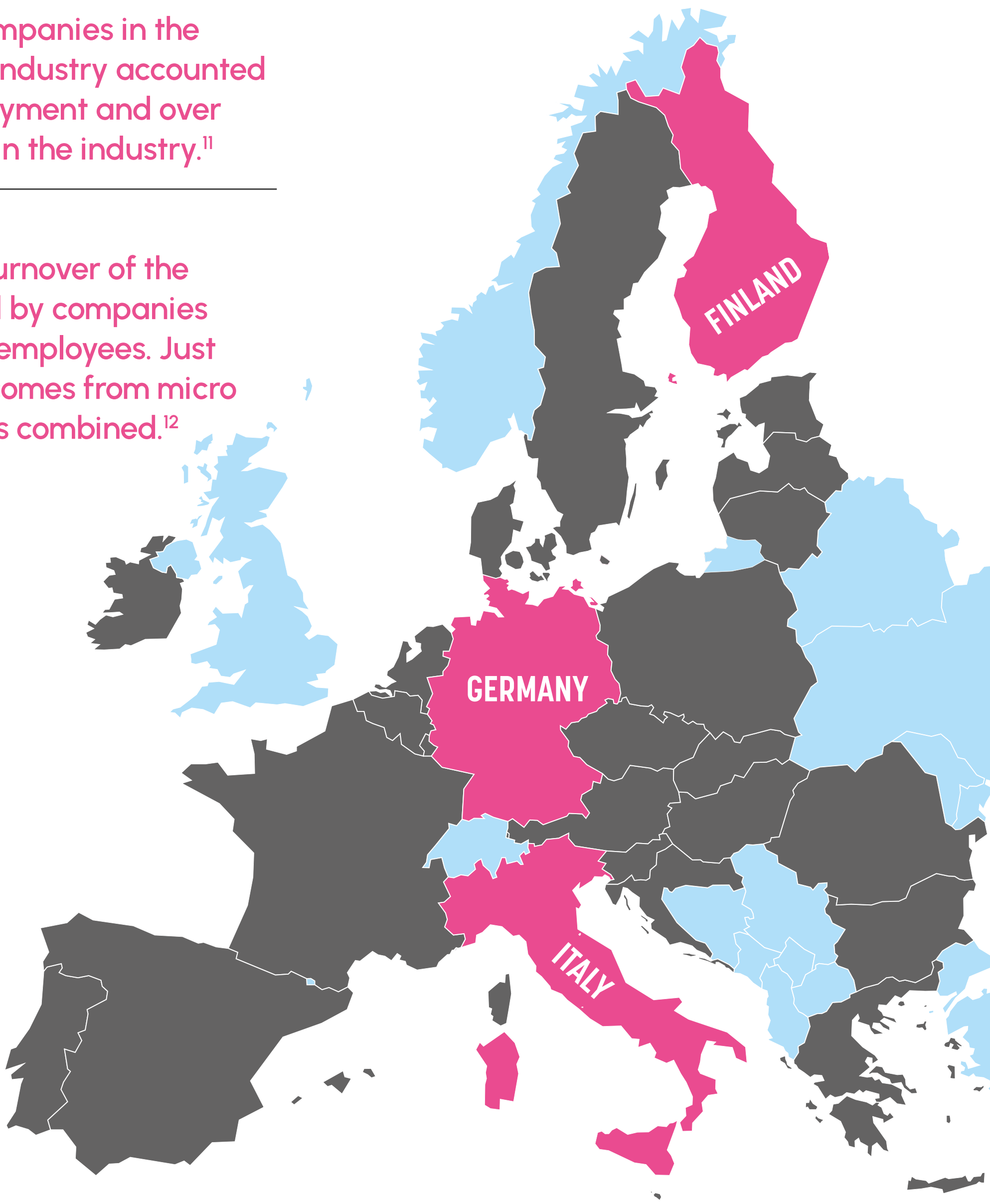
The 42 largest companies generated a cumulative turnover of € 4.2 billion in Germany in 2020.[10]

Finland:

The eight largest companies in the security and safety industry accounted for 66% of the employment and over 50% of the turnover in the industry.[11]

Italy:

More than half the turnover of the industry is produced by companies with more than 250 employees. Just 17% of the turnover comes from micro and small businesses combined.[12]



10. https://www.luenendonk.de/aktuelles/presseinformationen/fuehrende-sicherheitsunternehmen-wachsen-2020-um-7-prozent/
https://www.bdsw.de/die-branche/zahlen-daten-fakten
11. https://intermin.fi/en/police/private-security-sector
https://www.palta.fi/wp-content/uploads/2021/02/Osaamistarpeet-koronan-jalkeen_raportti_Palta_3.2.2021.pdf
12. https://www.federsicurezza.it/download.aspx?file=/public/pubblicazioni/RAPPORTOCENSISFEDERSICUREZZA2021.pdf

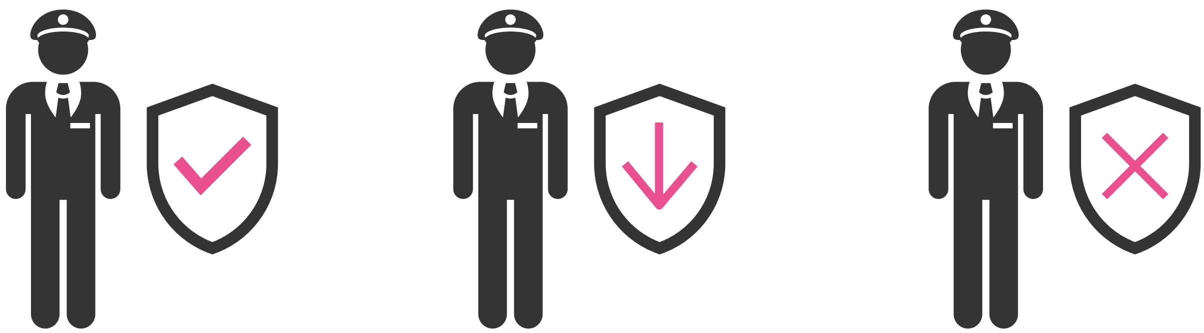
1.3 Effects of the COVID-19 pandemic

Despite the private security industry's essential role in managing the public health situation across the EU, the pandemic negatively affected the entire sector, with certain business segments suffering more than others.[13]

Many CoESS national associations reported in 2020 that new service demands do not compensate for the collapse of entire business segments due to the pandemic. This was confirmed by the 2021 INTEL project survey. During the 1.5 years since the beginning of the COVID-19 pandemic, 43% of the respondents in the 2021 survey did not observe an overall decline in business activities, while 35% reported a decline in business activities such as guarding and maintenance of security systems, cash management services, aviation security services, manned security services in the tourism industry, event security, retail security and transport security. The remaining 22% of the respondents could not answer whether or not there has been an overall decline of business activities in the industry due to the pandemic.

Survey respondents also reported that due to the COVID-19 pandemic, new business activities had emerged. As indicated by around 80% of the INTEL project survey of private security companies, new pandemic-related security business activities included monitoring and limiting the number of persons indoors, measuring people's temperature when entering facilities, monitoring the obligation to wear masks, identifying persons when entering risky facilities, guarding of vaccination services, and checking QR-codes necessary for accessing some public places. In the context of the pandemic, many countries and the European Commission also recognised private security as an essential service. Around 22% of the respondents reported that the new business activities taking place in public spaces, medical institutions, shopping centres, state administration bodies, retail security and healthcare security required up-/reskilling of private security workers.

Responses from private security companies



43%

of respondents in the 2021 survey did not observe an overall decline in business activities

35%

reported a decline in business activities such as guarding and maintenance of security systems, cash management services, aviation and manned security services in the tourism, event, retail and transport industries

22%

reported could not answer whether or not there has been an overall decline of business activities in the industry due to the pandemic

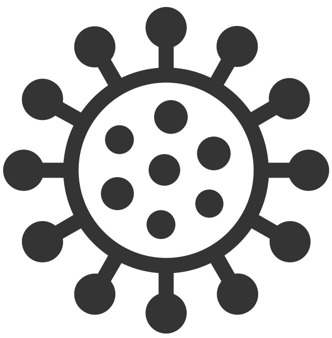
13. CoESS, 2020, *The New Normal 2.0: Private Security and COVID-19 in Europe: A Strategic Review and Foresight*, White Paper.

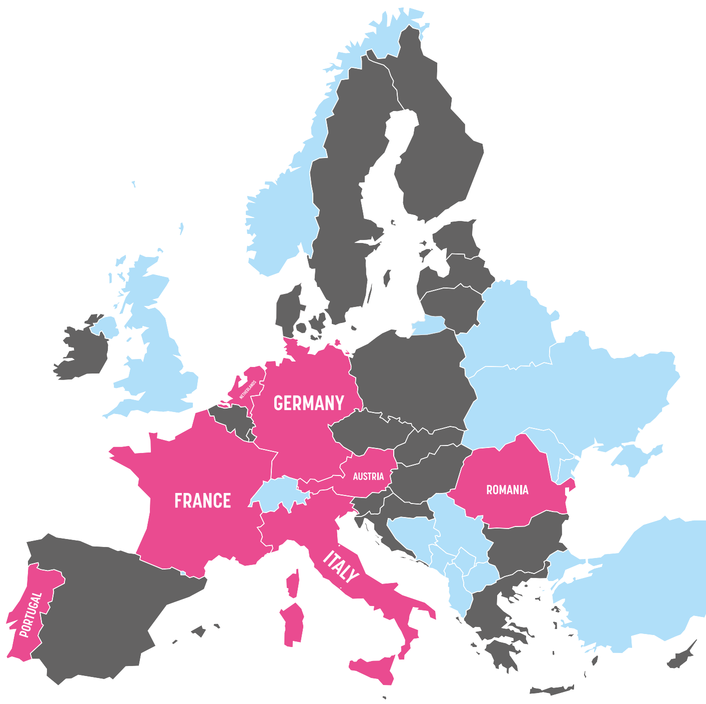
The overall negative impact of the pandemic on the industry activity and the number of employees is evidenced by data at national level, with decreases reported in France, Germany, and Romania (which are amongst the top 5 countries employing nearly half of the industry's workforce):

- In 2020, the turnover of the industry in **France** declined by 6%, while employment remained stable, with a slight increase (0.5%).[14]
- **In Germany**, the additional pandemic-spurred orders in the industry were offset by the turnover decline in the event and transport security business, inter alia.[15] However, the overall turnover in the industry grew in 2020, from € 8.81 billion to € 9.21 billion in 2020. In contrast, the number of employees declined during the pandemic, from 266,234 in 2019 to 262,085 in 2020.
- **In Romania**, the number of security officers dropped by around 10% in 2020.[16]

Negative pandemic impacts were also reported in other countries with smaller private security workforces, such as Austria, the Netherlands, Italy and Portugal:

- **In Austria**, some market segments almost disappeared completely due to the COVID-19 pandemic (i.e., event security, airport security), or slumped significantly, although pandemic-related security jobs could compensate for the turnover decline that the industry suffered in 2020.[17]
- **In the Netherlands**, the turnover dropped by 12% in 2020, leading to a 9% decline in the number of private security officers.[18]
- **In Italy** and **Portugal**, private security companies reported a decrease in their revenue in 2020 due to the pandemic crisis. The lower revenue did not affect employment in the industry. In Italy, while in Portugal, it led to lay-offs, affecting over 1,000 employees.[19] In Portugal, growth in production costs and salary increases in 2019 and 2020 led to a decrease in companies' turnover in the security market.





14. https://ges-securite-privee.org/le-secteur/chiffres-et-activites
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15. https://www.luenendonk.de/maerkte/
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16. https://www.politiaromana.ro/ro/structura-politiei-romane/unitati-centrale/directia-de-ordine-publica/serviciul-sisteme-de-securitate-private/registre-nationale
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https://www.securitymagazine.pt/2020/12/09/seguranca-privada-na-frente-da-linha/

1.4 Conclusions: Identified European trends

In the last ten years, the entire industry has grown significantly in the number of workers and companies, as well as turnover.

The workforce composition may however pose particular challenges in addressing labour shortages and skills requirements. Most workers in the industry are middle-aged, with an older workforce particularly prevalent in the Eastern Europe region. Further, the large majority of workers in the industry is male.

Data suggests the importance of large companies (with +250 employees) on the market overall. While most of the private security companies in the EU (98%) are SMEs, they employ less than half (42%) of the European private security workforce.

Despite the private security industry's role in managing the public health situation, the COVID-19 pandemic negatively affected it in its entirety - with certain business segments suffering more than others.

Further research is needed to obtain a more comprehensive statistical picture of the industry, as publicly available sources in most countries do not contain a range of statistics, such as the educational attainment levels of the industry workforce, or the employment status of workers (fixed-term, unlimited), gross salary development, the ratio of new hires to retirement, volumes of (open/unfilled) vacancies, and the seniority of workers. More intelligence might be required in this regard, although in some countries, useful statistics exist such as in France.[20]

20. https://ges-securite-privee.org/wp-content/uploads/2020/12/Observatoire-des-me%CC%81tiers-de-la-se%CC%81curite%CC%81-prive%CC%81e-_Enquete-de-branche-pre%CC%81vention-Securite-2020-donne%CC%81es-2019.pdf

2 Current labour and skills shortages in the industry

2. Current labour and skills shortages in the industry

This section presents an overview of the nature of the current shortages of labour and specific skills, reasons therefore and their impact on the private security industry.

2.1 The nature of current labour and skills shortages

Over the last few years, the private security industry has been experiencing both a general shortage of labour and specific skills in its current workforce.

2.1.1 General labour shortages

A general labour shortage has been recognised by CoESS and UNI Europa in a Joint Statement in 2020.[21] The extent of the general labour shortage experienced is also exemplified by national level assessments and data available in **Germany**, **Finland**, and **France**.

21. CoESS and UNI Europa (2020, January 30): Joint Statement on the Skills Agenda for Europe (https://coess.org/newsroom.php?page=position-papers).

Evidence from countries:
General labour shortage

In Germany, the lack of staff is a major challenge for security companies, who see an increased need for action in terms of personnel. The number of unfilled positions remained essentially unchanged between January 2020 and December 2021, at around 11,000 or around 4% of the 260,000 industry positions.[22] Particularly, qualified personnel will be in demand in the future. In the national study undertaken by market analysis company Lünendonk, service providers expressed a tension in the market for private security services between the demand for well-trained staff and the willingness of buyers of security services to pay for trained workers, and hence for higher quality services. The huge demand for security services and the turnover for 2020 were expected to increase the personnel requirement by at least 7.3 % of the workforce.[23]

In Finland, a 2020 survey undertaken by the employers' organisation PALTA showed 38% of industry companies having problems in recruiting competent staff. Amongst growing companies in the industry, this rose to 58%.[24] Amongst such companies with recruitment difficulties, the top reason mentioned by 60% of them was the lack of jobseekers with the necessary skills, followed by the lack of jobseekers in general (28%).

In France, two-thirds of the companies in the industry in 2019 had difficulties recruiting staff at the local and/or national levels.[25] The top three reasons identified by the majority of industry companies with recruitment problems related to the working conditions (reported by 64% of companies), remuneration not matching the expectations (36%), and the number of staff available with the right qualifications (24%). Five per cent of the French security enterprises had recruitment problems due to lack of applications and another 5% due to the lack of motivation of the candidates.

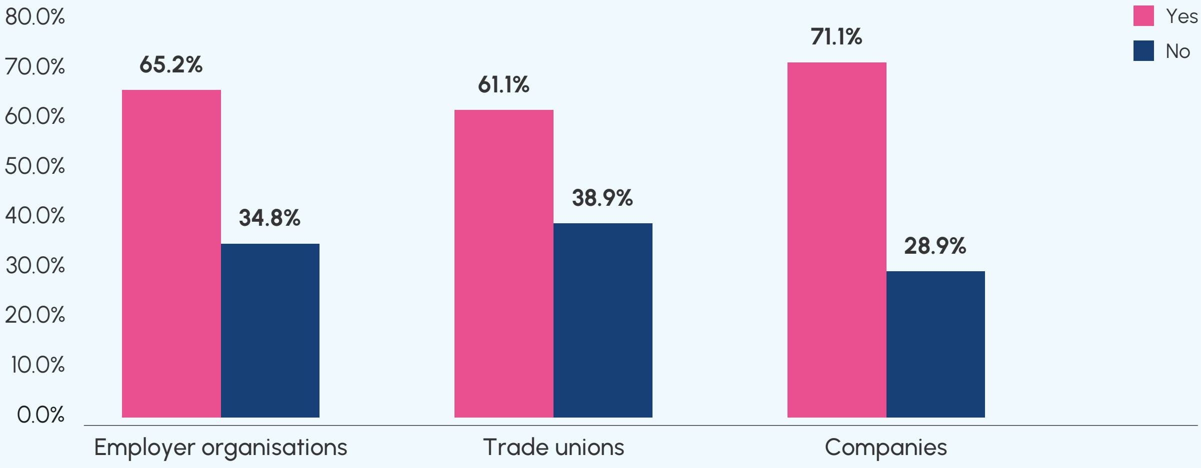
22. Statistiksatz_BDSW_BDGW_BDLS_19_01_2022.pdf
23. Lünendonk-Studie 2021: Sicherheitsdienstleister in Deutschland – Lünendonk & Hossenfelder GmbH (luenendonk.de)
24. https://www.palta.fi/wp-content/uploads/2020/12/Palvelualojen-osaajabarometri_28.2.2020.pdf
25. Microsoft PowerPoint - Observatoire des mÃ©tiers de la sÃ©curitÃ© privÃ©e _Enquete de branche prevention Securite (2020 donnÃ©es 2019).pptx(ges-securite-privee.org)

This assessment is also confirmed by the 2021 INTEL project survey results, which exemplify the large extent of labour and skills shortages.

As per the survey results, labour and skills shortages are recognised as a key priority by all the key stakeholders in the sector - employer organisations, trade unions and companies (see Figure 3).

Figure 3

Labour and skills shortages are a current key priority for all industry stakeholders



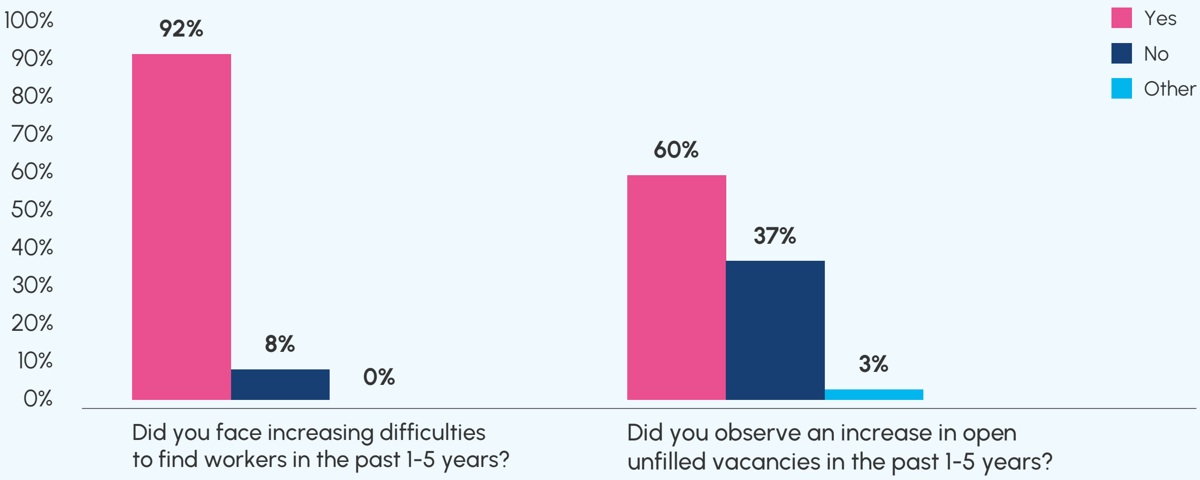
Are labour and skills shortages a priority for your organisation currently?

Source: INTEL project survey, 2021: response from 23 employer organisations, 18 trade unions and 38 companies.

In practice, 92% of companies reported increasing difficulties to find workers in the past 1-5 years and 60% an increase in the unfilled open positions (see Figure 4). Meanwhile, 64.5% of the companies have witnessed a decline in applications for open positions.

Figure 4

The large extent of labour and skills shortages reported by security companies



Source: INTEL project survey, 2021. N=38.

Importantly, as will be shown in **section 3.1**, this current shortage is expected to translate into continuing skills shortages in the future.

In particular, the INTEL project survey shows that 68% of the security companies expect labour and skills shortages/mismatches to present a serious issue for their future development in the next 5 years.

In contrast to the significant labour shortages identified by companies, such shortages are not yet on the radar of the buyers of private security services surveyed in the INTEL project in 2021. According to the data from the survey questionnaire responses, the majority, or 75% of the buyer respondents, have not faced increasing difficulties in finding private security services that match and respond to their specific demands, in the past five years.

The majority of such buyers mainly purchase traditional guarding services, event security services and remote surveillance and monitoring.

2.1.2. Specific skills shortages

Evidence consistently points to the main specific skills shortages in the industry relating to IT and digital technology skills, language and intercultural awareness skills and, to some extent, transversal skills such as communication and people management.

In the EU-funded Social Partner Project "Anticipating, Preparing and Managing Employment Change in the Private Security Services", led by CoESS and UNI Europa in 2018-2019, the European Sectoral Social Partners already identified a range of current core skills needed in the industry. Based on extensive research, they pointed to the need to adapt to new skills needs, including technological demand and soft skills.[26]

As per the more recent INTEL project survey results, skills responding to the changes in the digitalisation and integration of new technologies in traditional services affecting the industry (see section 2.2) are amongst the top current and future priorities. Due to this mega trend, workers may be required to shift from traditional guarding missions to tasks that include the deployment of new technologies, which can be more complex and demanding.

At the same time, the INTEL project survey results confirm that training in soft skills is also important, e.g. communications, cultural sensitivity, and people skills. Other areas to consider would include intercultural training, which would involve training in language skills and cultural awareness.

Similarly, data at the national level points to the increasing importance and need for further upskilling and addressing the current skills needs in the industry.

26. The CoESS report 'Anticipating employment change', CoESS - Projects and Standards - Anticipating Employment Change

Evidence from countries:
The need for further upskilling

In Germany, a recent study recommended private security companies to invest in the training and qualification of employees because modern security technology complements staff in many areas. The interviewed companies are optimistic that the industry image will continue to improve.[27]

In Italy, more than 42% of enterprises plan to implement training in new areas.[28] The top areas relate to the current requirements in the context of the COVID-19 pandemic such as checking body temperature and controlling the access to public spaces, both of which require not only digital skills but also soft skills such as the ability to operate in crisis contexts.

In Finland, the core skills identified as lacking are: using new digital tools, including virtual management and supervision, as well as soft skills of communication and facilitation.[29] Some companies mention a lack of digital skills, sales and networking skills, and IT skills. Lately, the growth in the industry has been concentrated more in value-added service activities, helped by the digitalisation of operations. Consequently, the top five skills areas currently most valued by the majority of companies all relate to soft skills, like the ability to learn, customer orientation, adaptability, social skills and problem-solving.[30]

In Romania,[31] the COVID-19 pandemic accelerated digitalisation and the implementation of new technologies in the industry. Thus, the trend of increasing demand for digitally apt security personnel experienced for several years seems to have accelerated since 2020. In 2020, there was a significant increase of 12% (935 new jobs) in technical staff in the security industry over the previous year. Undoubtedly, this increase can be attributed to an increased demand for security systems.

In Portugal, there is a lack of training in conflict management, administrative techniques and other more direct training for security officers.[32]

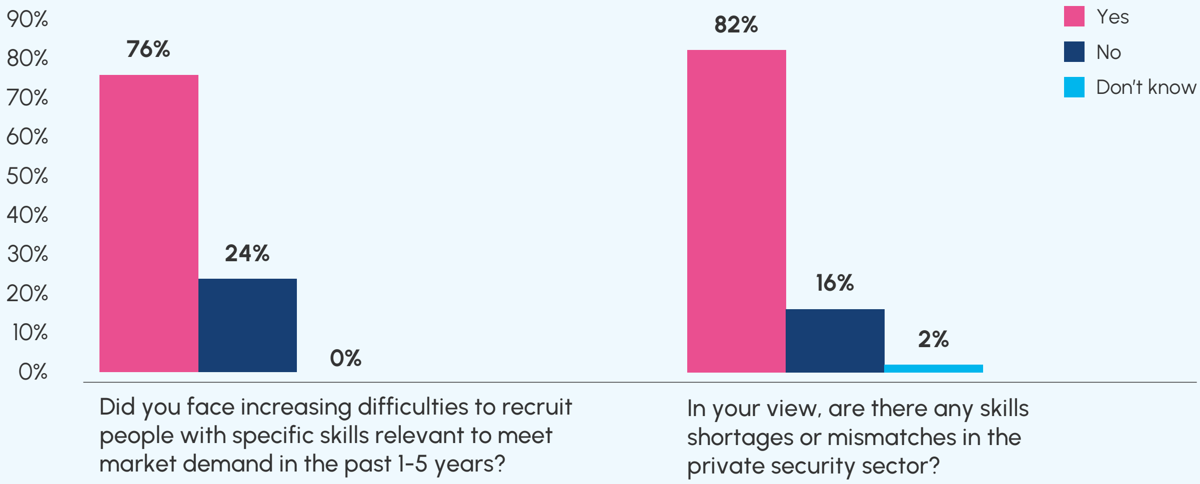
Such specific skills shortages were echoed by the majority of private security companies surveyed in the INTEL project survey in 2021.

Most of the participating companies reported increasing difficulties in recruiting suitably qualified workers and identifying specific skills shortages (IT and language skills, predominantly) (**see Figures 5-8**). A significant majority of the respondents indicated that they had faced increasing difficulties in recruiting a workforce with specific skills to meet the market demand in the past 1 to 5 years. The large majority of the respondents also witnessed skills shortages or mismatches in the private security industry.

27. https://www.bdsw.de/die-branche/zahlen-daten-fakten
28. https://www.vigilanzaprivataonline.com/
29. https://intermin.fi/en/police/private-security-sector
https://www.palta.fi/wp-content/uploads/2021/02/Osaamistarpeet-koronan-jalkeen_raportti_Palta_3.2.2021.pdf
30. https://www.palta.fi/wp-content/uploads/2020/12/Palvelualojen-osaajabarometri_28.2.2020.pdf
31. https://www.agerpres.ro/ots/2021/06/02/securitatea-privata-in-timp-de-pandemie-statistici-2020-evolutii-si-tendinte--644019
32. https://www.securitymagazine.pt/2020/12/09/seguranca-privada-na-frente-da-linha/

Figure 5

Security companies have difficulties in finding specific skills and report skills shortages, 2021

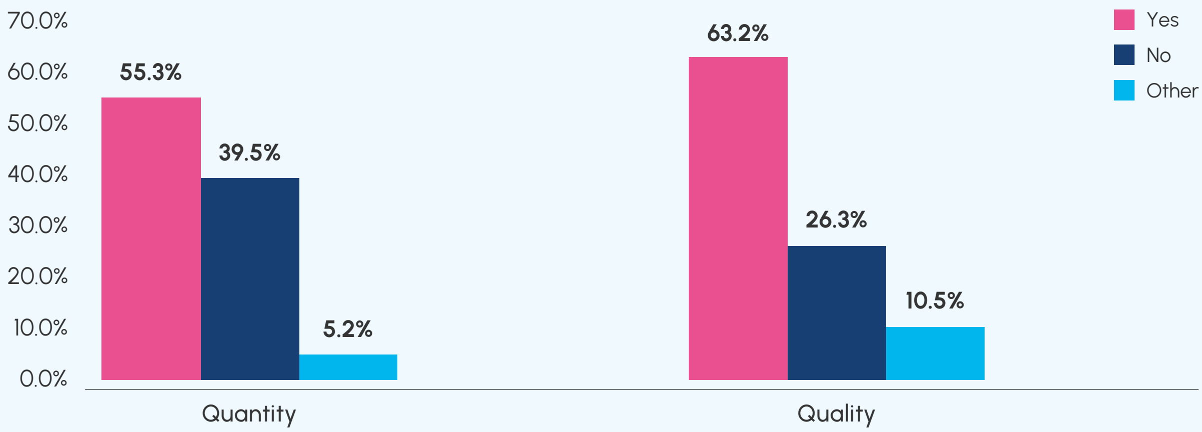


Source: INTEL project survey, 2021. N=38.

Further, the quality of applications has become a major challenge for the companies surveyed (see Figure 6). Of the respondents, 63% observed a decrease in the quality of applications for open positions in the past 1 to 5 years - which reflects the barriers mentioned by survey respondents to tackle the challenge of labour and skills shortages, such as lack of attractivity of the sector but also inadequateness of national training frameworks to deliver important skills (see following chapters).

Figure 6

Problems with the quality and quantity of applicants: views of private security companies



With applications, do you see a decrease of their quantity and quality?

Source: INTEL project survey, 2021. N=38.

The security companies participating in the survey have identified a set of the most frequent specific skills shortages, which we have classified into the categories of job-specific/technical and transversal skills[33] (see summary in Table 1).

Table 1

Specific skills shortages reported by companies

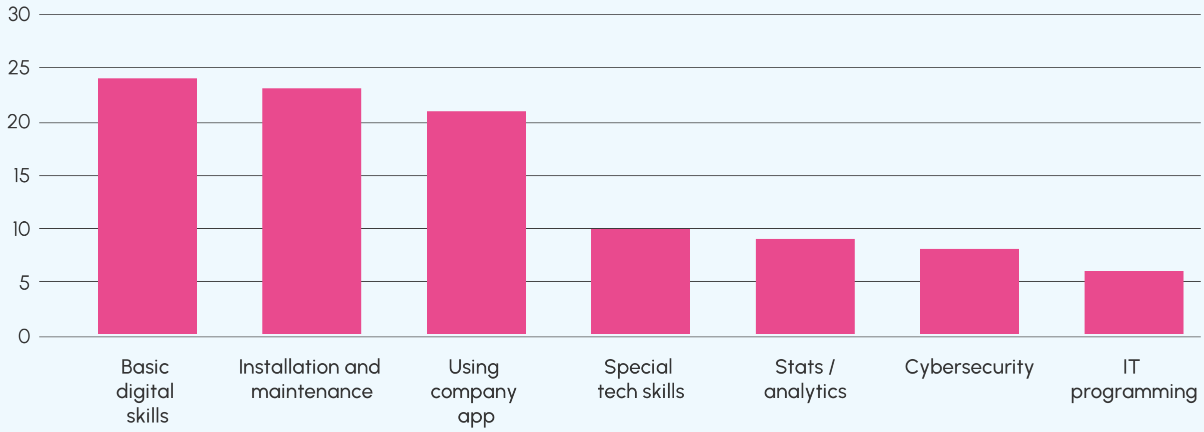
Type	Specific skills shortages
Job-specific / technical	Digital skills Language skills Intercultural awareness
Transversal	Communication skills Leadership skills Security work mindset

Source: INTEL project survey of security companies, 2021.

The respondents thereby identified an increased need for digital technology and language skills. The hardest skills to find were skills that are usually seen as soft skills: people management and languages. Basic digital skills, installation and maintenance, and ethical skills are also widely mentioned. Many companies also reported that they found it hard to find candidates with the right work mindset for a job in the security business which demands high levels of commitment and reliability.

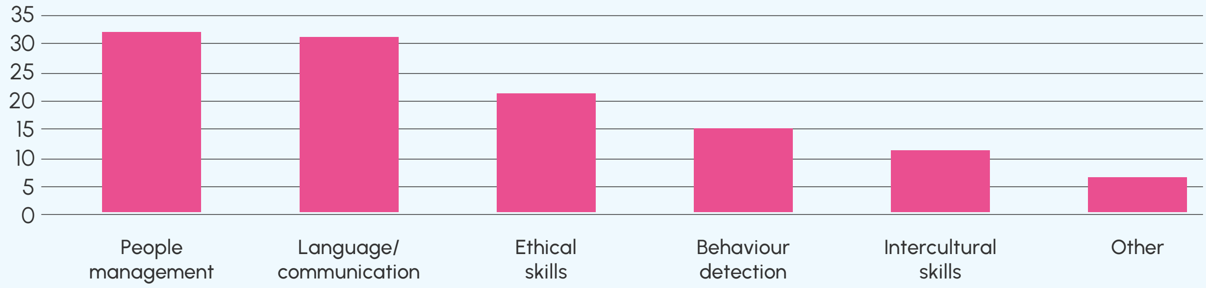
Figure 7 & 8

Specific skills that security companies seek are system installation, basic IT skills, people-management and communication skills



Which IT skills are the most important when hiring or re-upskilling staff?
Source: INTEL project survey, 2021. N=38. Multiple choices are possible.

33. Following the skills framework considered also in the European Agenda for Skills, see European Skills Agenda - Employment, Social Affairs & Inclusion - European Commission (europa.eu).



Which soft skills are the most important when hiring or re-upskilling staff?
Source: INTEL project survey, 2021. N=38. Multiple choices are possible.

When identifying specific occupations, companies reported that the most difficult to recruit are traditional security officers and technically qualified people with language and IT skills. Security system technicians, receptionists, aviation security experts and fire brigade personnel are also hard to recruit.

This lack of specific skills was also echoed by the employer organisations responding to the INTEL project survey. They agreed on the need to attract new profiles to the industry, including applicants with more specialised IT skills but also, importantly, soft skills. Therefore, the re- and upskilling of workers is also a top priority for the future.

2.2. Perceived drivers of change in labour and skills requirements

Skills requirements and resulting shortages in the industry are caused by a complex interplay of factors, which can be classified as relating to the supply and demand side (see Table 2). The key reasons are analysed below.

Table 2
Key reasons for the skills shortages in the industry

Supply	Ageing workforce and demographic change Short-comings in national education systems
Demand	Technological change Growth of new services Decline in other service segments

Source: Own elaboration.

The ageing workforce is a key supply-side factor leading to labour and skills shortages in the industry, as already shown in Chapter 1. Many central and eastern European countries, including the Baltics, have high proportions of older employees in the workforce. They may face growing employment pressures caused by the need to replace older employees as they retire from the workforce.[34] In contrast, younger age groups typically account for a higher proportion of the workforce in the northwest of continental Europe (including Scandinavia).

The ageing workforce in the industry means that adaptations are needed to ensure that older workers develop the skills required to maintain active participation in the industry.[35] This is a particularly significant challenge for older workers, especially as the main skills required in the industry are digital and language skills (see section 2.1) - skills many older workers struggle to learn at an advanced age.[36] In contrast, younger workers, currently lacking in the industry, tend to bring a certain level of digital skills required at workplaces.

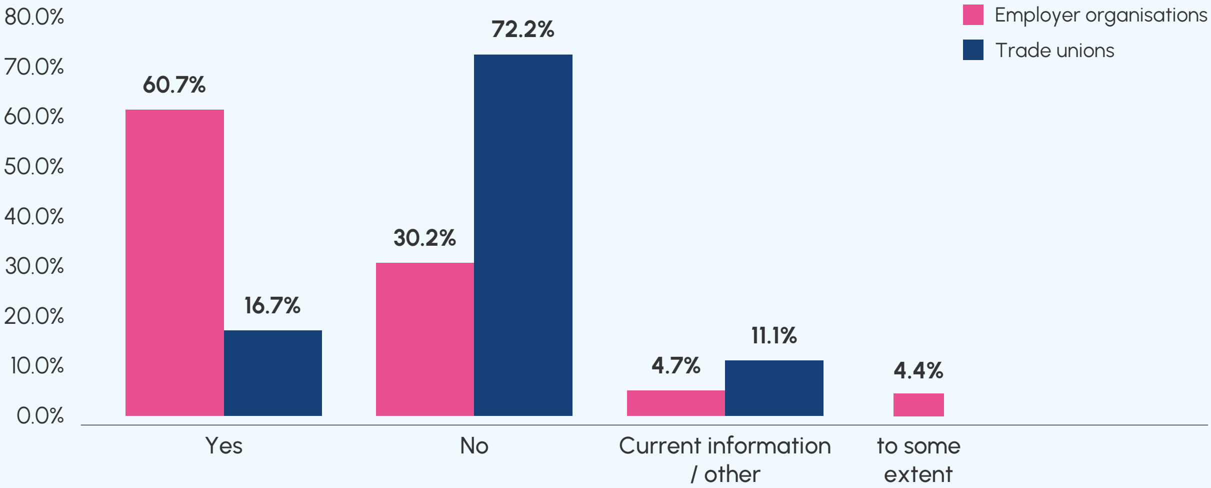
34. Ecorys, 2018, Anticipating, Preparing and Managing Employment Change in the Private Security Industry.
35. The CoESS report 'Anticipating employment change', CoESS - Projects and Standards - Anticipating Employment Change.
36. See Eurofound (2021), The digital age: Implications of automation, digitisation and platforms for work and employment, Challenges and prospects in the EU series, Publications Office of the European Union, Luxembourg.

Social partners further claim that current national education systems are not fully equipping young people with skills required In the security services - from basic skills to soft skills and specialised STEM[37] skills. According to CoESS and UNI Europa, in many countries, the provision of skills to young people is not sufficiently connected with the labour market needs in the industry, leading to skills shortages and mismatches. This concerns not only highly skilled workers, as companies also have great difficulty hiring staff with basic skills requirements.[38]

This lack of satisfaction with the current education and training system outcomes is echoed in the views in the INTEL project survey, especially from the trade unions. As shown below, over 70% of the unions indicated that the existing formal qualifications do not adequately reflect the current job profiles and tasks of security officers. Though this view was less prevalent amongst the employer organisations, still over a third of them considered the current qualifications inadequate.

Figure 9

Adequacy of current formal qualifications: views of trade unions and employer organisations



Do the existing, formal qualifications adequately reflect current job profiles and tasks of security officers in your country?
Source: INTEL project survey, 2021. trade unions - 18 responses; employer organisations - 23 responses.

Amongst the demand-side drivers of change, digitalisation and technological advances, as well as the widening of the scope of services provided and new client segments are perceived to be key by the social partners. This creates demand for new types of skills and workers. Digitalisation, in particular, is changing the nature of the work delivered by security officers. In a 2021 position paper, CoESS indicates that the integration of new technologies such as artificial intelligence (AI) and drones into security solutions is expected to lead to an additional push for change in customer demand and new tasks for security services.[39]

The growing employment and turnover in private security have been accompanied by a widening of the scope of services provided.[40] Traditionally, the industry provided manned guarding and mobile patrol services, along with the transport of valuables (cash-in-transit). In the past decade, there has been an expansion in the range of services provided by private security companies - from the protection of public spaces to Critical Infrastructure Protection.[41] Examples include concierge and reception services, special event security, risk analysis, security consulting, security training, employee/background screening, alarm and video system monitoring (and response), security system integration and cybersecurity. This expansion in tasks and services requires new skills from workers to meet these new service needs of customers.[42]

37. Science, Technology, Engineering and Math.
38. CoESS and UNI Europa (2020): Joint Statement on the Skills Agenda for Europe (https://coess.org/newsroom.php?page=position-papers).
39. https://www.coess.org/newsroom.php?news=Drones-and-AI-CoESS-accompanies-new-EU-initiatives.
40. Ecorys, 2018, *Anticipating, Preparing and Managing Employment Change in the Private Security Industry.*
41. Button, M. and Stiernstedt, P. (2017), 'The evolution of security industry regulation in the European Union', International Journal of Comparative and Applied Criminal Justice, Vol. 41, No. 4, pp. 245–257.
42. The CoESS report 'Anticipating employment change', CoESS - Projects and Standards - Anticipating Employment Change.

Such a complex interplay of drivers of change causing labour and skills shortages is echoed also in the views of companies expressed in the INTEL project survey in 2021.

According to 70% of the responses, new demand due to digitalisation is one of the main drivers of skills shortages or mismatches. Moreover, according to 63% of the respondents, demographic change has also heavily impacted the industry, while 40% of the respondents identified that new demand due to developments in public security (increase in crime, terrorism, societal movements, etc.) have affected the industry as drivers of skills shortages or mismatches. 33% of the respondents feel that the new demands due to COVID-19 have been a driver of skills shortages or mismatches.

2.3. Impact of labour and skills shortages

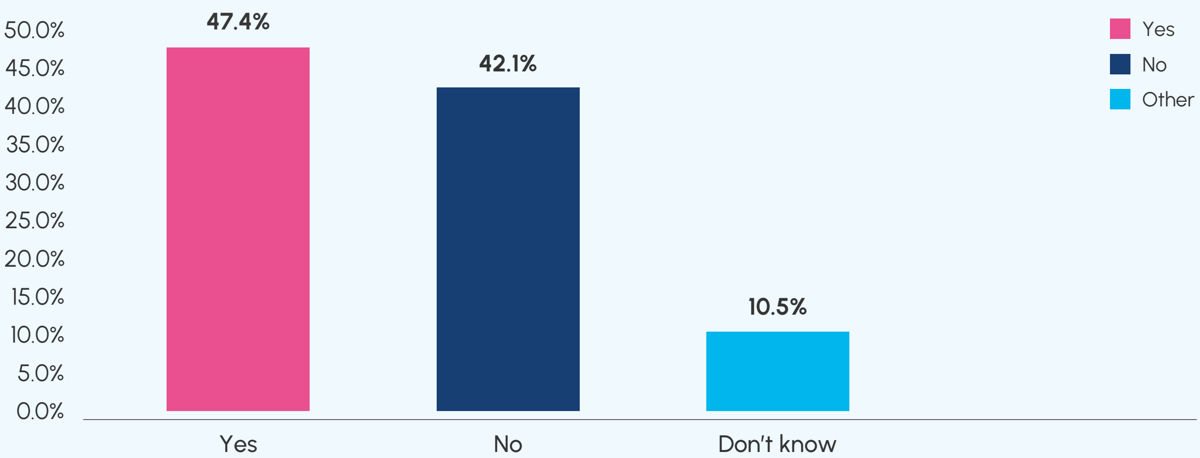
The impact of labour and skills shortages in the industry is considered to be negative, affecting the ability of companies to meet market demand and to provide the required security services. Many companies see this as a serious threat to business development. Indeed, the European social partners pointed out in 2020 that the employment situation in the private security industry was becoming increasingly problematic due to the persisting shortage of workers and the lack of skills[43] - with an important impact on public security overall.[44]

In their responses to the INTEL project survey, private security companies highlight that skills shortages have already negatively affected their ability to meet the current market demand. Amongst the respondents from security companies, 42% can respond to the market demand with their current workforce (see Figure 10). In contrast, a larger proportion, of 47%, cannot respond to the current market demand with the current workforce. Those belonging to the latter category indicate that the demand is higher than the company can meet because of a limited workforce.

Importantly, as demonstrated in section 3.1, this is also likely to have a significant impact in the future, as 68% of the companies see the development of future skills shortages as a threat to business development in the next 5 years (see Figure 12).

Figure 10

Security companies struggle to respond to current demand



Can you respond to the market demand with your current workforce?

Source: INTEL project survey, 2021. N=38.

43. CoESS and UNI Europa (2020): Joint Statement on the Skills Agenda for Europe (https://coess.org/newsroom.php?page=position-papers).

44. Ecorys, 2018, *Anticipating, Preparing and Managing Employment Change in the Private Security Industry*.

2.4 Conclusions

Over the last few years, the private security industry has been experiencing both a general shortage of labour and a shortage of specific skills in its current workforce.

Most security companies report significant difficulties in recruitment. This is evidenced by a decrease in applications to open positions, an increase in unfilled positions, and a decrease in the quality of applications received. The lack of staff is a major challenge for the companies, as it has a significant negative impact on their ability to respond to the current market demand. It is seen as a serious challenge to business development. Labour and skills shortages in the sector are recognised as a key priority by all key stakeholders in employer organisations, trade unions and companies. This is based on the recognition that quality staff is fundamental to meeting client requirements and ensuring better and competitive services.

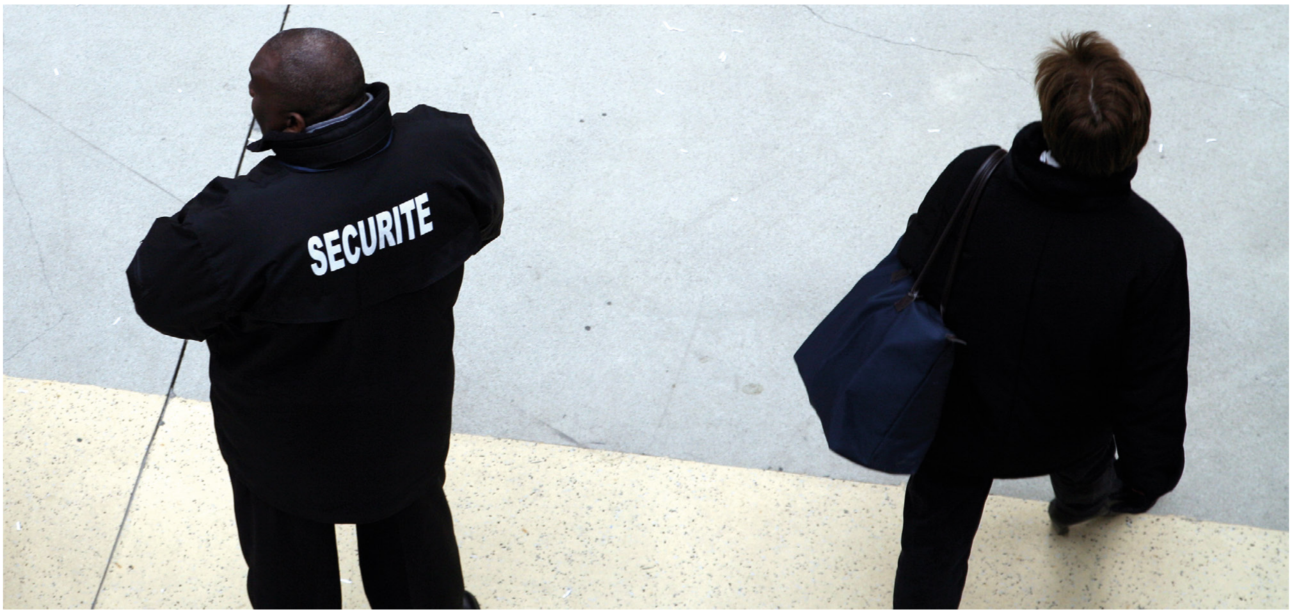
Specific skills shortages amongst the industry workers relate to IT and digital technology skills, language and intercultural awareness skills and, to some extent, transversal skills such as communication and people management. Positions most difficult to fill are traditional security officers and technically qualified personnel with language and IT skills. Further research is required to understand the precise nature of specific skills shortages. The existing national level observatories in the industry do not systematically capture the current demand for skills.

Further, the INTEL project survey results showed that companies also needed to better understand their specific needs in terms of skills shortages. When asked to identify the skills needs in open-ended questions, company responses were less clear (vis-à-vis close-ended questions). This could be enhanced by developing a best practice system to train company management and HR leads to detect and predict current and future skills needs and shortages, as well as public employment services providing better skills intelligence and job orientation specific to the industry dynamics (see also section 4.1.2).

Skills requirements and resulting shortages in the industry are caused by a complex interplay of factors – both on the supply and demand side.

Principal amongst the supply factors are the ageing of the workforce, difficulties to attract young workers and short-comings in education and training systems to prepare the new entrants for the sector.

Concerning the demand factors affecting skills shortages in the industry, digitalisation and technological advances experienced in the industry are the keys, along with widening the scope of services provided and new client segments, thus creating demand for new types of skills and workers.



3 Future expected change in skills and labour demand

3. Future expected change in skills and labour demand

This section analyses the evidence available on the future demand and challenges in skills and labour requirements in the private security industry.

3.1. The extent of future skills challenges

The skills demand and related challenges are expected to persist in the private security industry for the foreseeable future.

This has been already recognised by the European social partners in the industry in 2018, who acknowledged that the lack of skilled labour would become even more critical in the future, given the increasing market demand.[45] This future shortage is significantly conditioned by the current and recent trends given that, for many years, the private security industry has been chronically suffering from the lack of skilled labour against increasing market demand. It can be expected that such challenges will become even more critical, once the COVID-19 crisis is over.

These concerns about persisting future labour and skills shortages are echoed in the INTEL project survey undertaken in 2021. Indeed, the majority of the industry's stakeholders consider the shortages significant and likely to persist (see Figures 11,12).

Regarding the expected future labour and skills shortages, nearly 70% of both employer organisation and trade union respondents identified future labour and skills shortages as one of their top 3 organisational priorities. Other responses stated that future labour and skills shortages could become their top priorities depending on the trajectory of growth, and they are planning to cover them as part of the sectoral social dialogue.

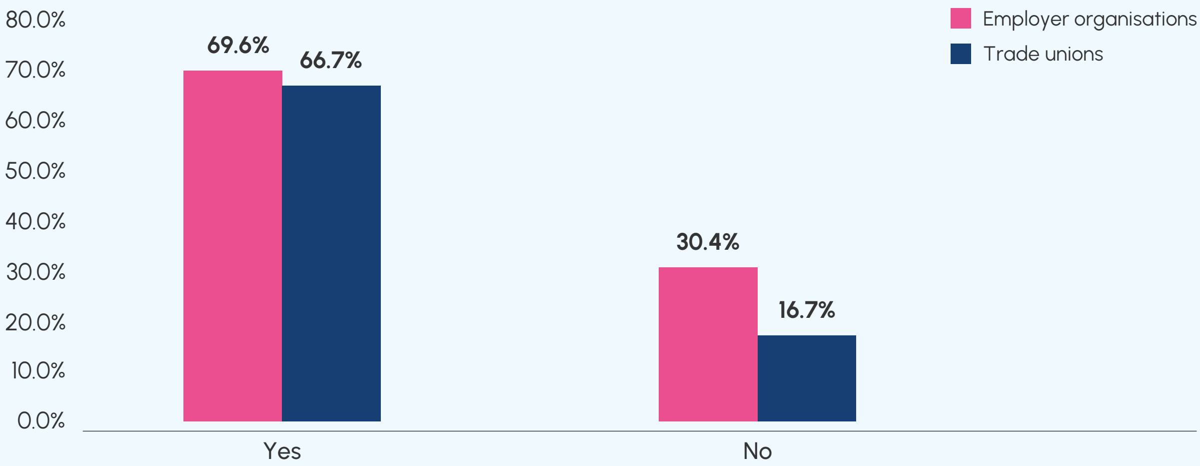
Eight of the trade union respondents elaborated on why future labour and skills shortages are one of their top 3 priorities and claim that the upskilling of employees in the industry should remain key to the industry. Concrete actions underway have also been identified by the trade unions. The unions in France are currently participating in elaborating a new job classification that will enable them to enhance the value of skills and better remunerate employees in the industry - with a framework in place in 2023, if an agreement is reached. The social partners in Spain are trying to establish a system for the recognition of vocational training for access to the industry to improve qualification of staff.

Employer organisation respondents pointed out that the industry has already witnessed a large number of security officers leaving the sector in search for other working opportunities. Employer organisations respondents believe that, in the future, this situation can only intensify. Efforts will be needed to maintain the same number and same (if not better) quality of people working as security officers. Improving the skills and working conditions seems to be a top priority for the future.

45. Ecorys, 2018, *Anticipating, Preparing and Managing Employment Change in the Private Security Industry*.

Figure 11

Are future labour and skills shortages a priority for your organisation?



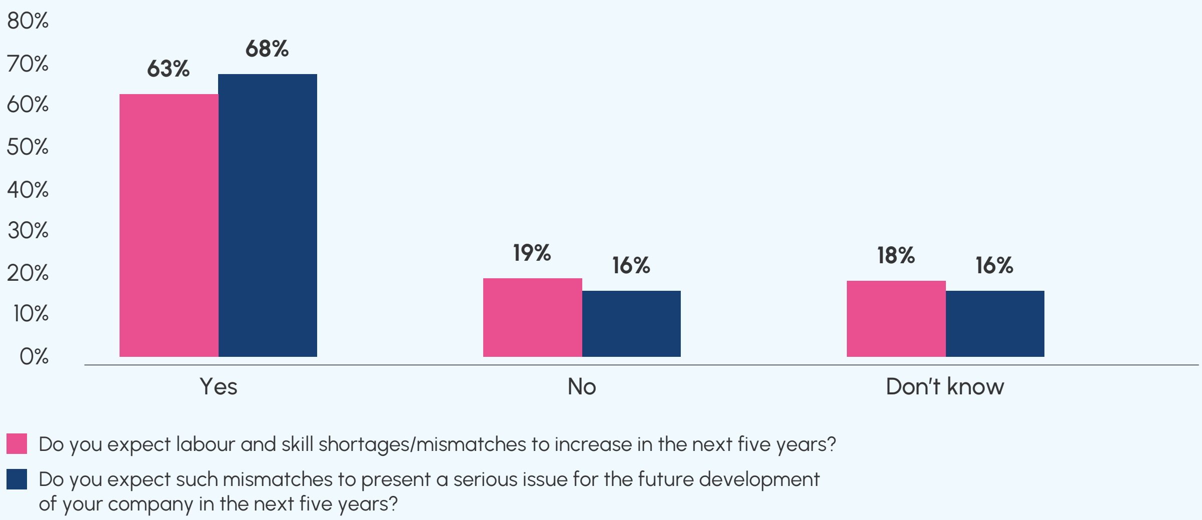
Can you respond to the market demand with your current workforce?

Source: INTEL project survey, 2021. Responses from 18 trade unions and 23 employer organisations. The remaining answers were "don't know/other".

Similarly, 60% of the security companies surveyed expected labour and skills shortages and mismatches to increase in the next five years. Critically, 68% of companies expect that labour and skills shortages and mismatches will present a serious issue for the future development of their companies in the next five years (see Figure 12). Thus, skills shortages in the future will have serious negative business consequences.

Figure 12

Future labour/skills shortages will persist for the private security companies

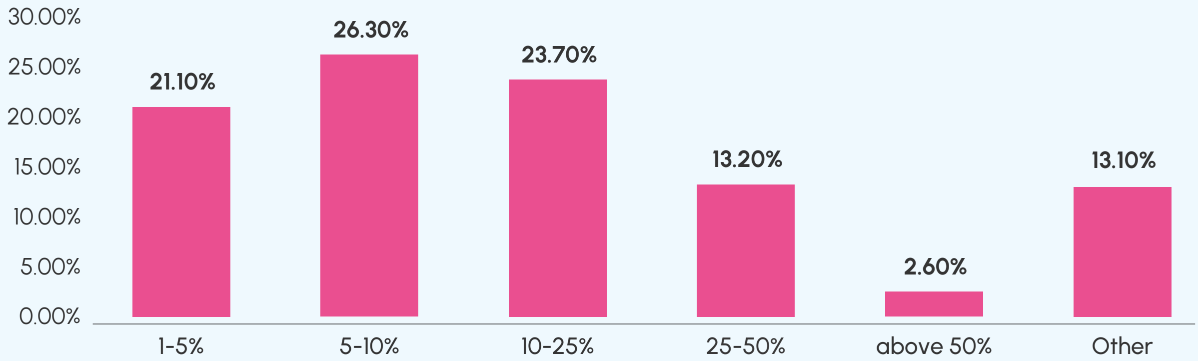


Source: INTEL project survey, 2021. N=38.

Future skills shortages can also be expected to disrupt a significant number of roles in the companies (see Figure 13). When asked to estimate the magnitude of such disruption in the next five years, nearly a third of the companies indicated this to be 5-10% of all positions. A further quarter of the companies indicated that 10-25% of all positions would be disrupted due to labour and skills shortages. Taken together, more than half of the companies think that up to a quarter of staff roles could be disrupted in the future due to skills shortages and mismatches.

Figure 13

A quarter of staff roles disrupted due to skills shortages -views of private security companies



What is the estimated share of roles at risk to be distributed by labour and skills shortages/mismatches in your company in the next five years?

Source: INTEL project survey, 2021. N=38.

While 53% of the companies feel equipped to deal with the extent of future labour and skills shortages/mismatches, including related workforce disruptions resulting from the evolving market demand, 47% reported not being equipped, indicating a need for significant support in this respect.

For future challenges to match demand in the next five years, 25% of the respondents from the private services buyers expect this development to be a serious issue for the security of their business/public security in the next five years.

3.2. The specific future skills needs in the industry

In the future, the INTEL project survey results suggest that the industry will need more qualified workers with increasingly sophisticated digital, IT and personal skills.

To start with, the Europe-wide forecast of the European Centre for the Development of Vocational Training (CEDEFOP) for the whole security industry (covering both public and private sectors – no specific data on private security available) indicates a trend towards the future need for medium and highly qualified workers in the industry.[46] Considering the future employment needs by education level for protection workers (both public and private security sectors) in EU27 over the period 2020-2030, CEDEFOP assessed that most workers needed will be with a high level of qualification (estimated at 623,000), closely followed by those with medium-level qualifications (569,800). In contrast, the number of workers with low qualifications is expected to be lower, at 63,900.

This increasing demand for high-level skills in the future is also echoed in the INTEL project survey results.

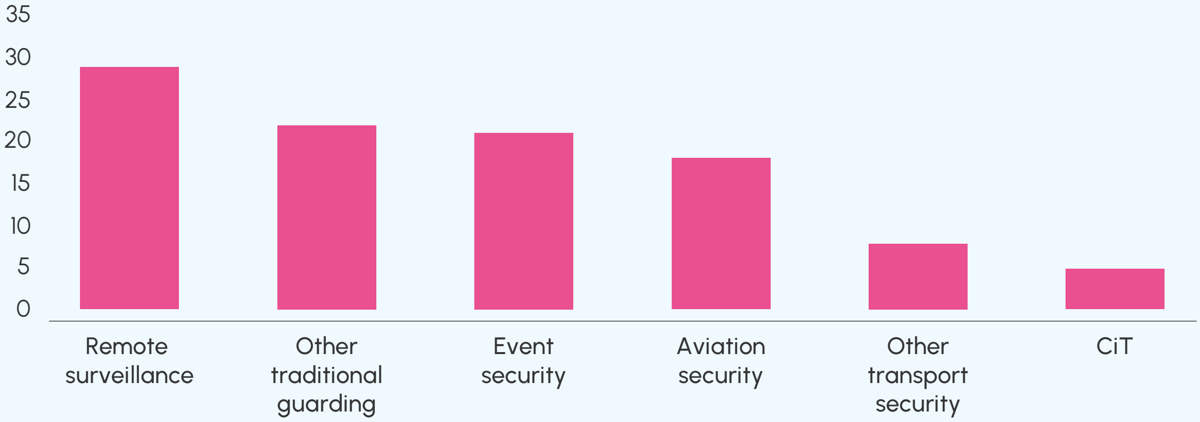
The views of private security companies indicate an increasing market demand for high- skilled services (see Figure 14). The top areas of future demand relate to complex IT areas such as integrated video surveillance, cybersecurity and data analytics. The highest segment of demand is expected to be in remote surveillance, followed by traditional guarding services.

46. Personal and protective service workers: skills opportunities and challenges (2019 update) | CEDEFOP (europa.eu)

The biggest increase in demand is expected by companies in the next five years in the segments of remote surveillance and monitoring (76% of 38 company respondents). While 57% of the respondents anticipated other traditional guarding (access control, onsite surveillance) to witness increased market demand in the next five years, 55% expected the same for event security and 47% of respondents for aviation security, with 21% extending it to transport security.

Figure 14

Increasingly high skills demand: views of private security companies



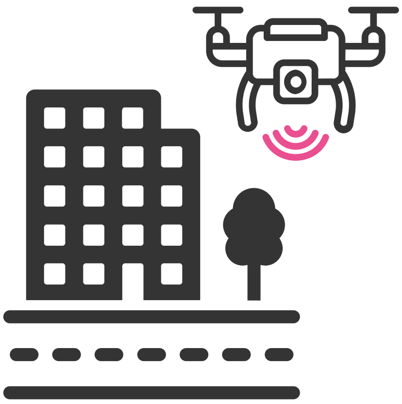
Do you expect market demand to increase in the following segments?

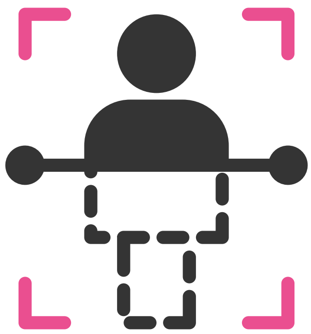
Source: INTEL project survey, 2021. N=38. Multiple choices are possible.

The survey asked the security companies about the market demand for concrete types of services and technologies.

The most mentioned category was new integrated video surveillance, closely followed by cybersecurity/managed security services and data analysis. Drones and system installation will also most likely witness an increase in demand. New scanning services, robotics and biohazard/infection control/prevention services were also mentioned by many respondents. The industry is anticipating further developments and technical tools such as robotics and specified systems in the future. Similar trends are confirmed by the survey responses of buyers of security services.

The national-level evidence available provides further insights into the nature of skills needs and shortages in the future.





Evidence from countries:
Future skills shortages

In Germany, the lack of staff in the future too is considered a major challenge for companies, which hence see an increased need for action in terms of personnel, particularly qualified personnel with technical skills, who will be in demand in the future (see Table 3).[47] When asked to indicate which staff roles and profiles are the most difficult to recruit, on average, industry companies pointed to technical staff, both at the management and worker levels, both at the moment and in the medium term.

Table 3

Skills demand currently and in the medium term: Germany, 2021

Roles	Staff category	Current	Medium term
Advisory	Management	-0.77%	-0.71%
	Staff/qualified staff	-0.77%	-0.68%
Technical	Management	-1.07%	-1.00%
	Staff/qualified staff	-1.09%	-1.00%
Service	Management	-0.97%	-1.05%
	Staff/qualified staff	-0.92%	-0.84%

Source: Lünendonk-Studie 2021.[48]

The number relates to the average of all industry companies indicated in the survey studying the degree of difficulty in their recruitment. The scale is from -2: very hard to + 2: very easy.

In Sweden, private security companies reported in a recruitment survey that they needed to recruit over 5,300 people over the next three years, of whom about half are new recruits. The major needs included 3,200 security officers, as well as 900 public order officers, 420 security officials, 200 alarm operators and over 400 officers.[49]

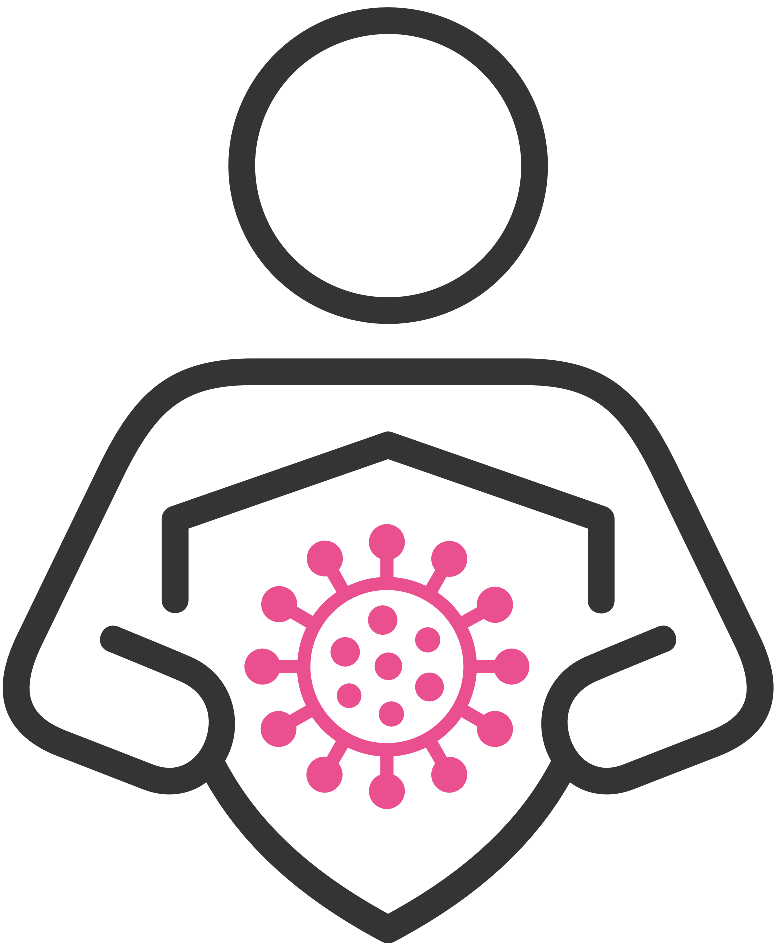
47. https://www.luenendonk.de/maerkte/
48. Lünendonk-Studie 2021: Sicherheitsdienstleister in Deutschland – Lünendonk & Hossenfelder GmbH (luenendonk.de)
49. https://www.almega.se/app/uploads/sites/11/2020/12/arsrapport-2018.pdf

The impact of the COVID-19 pandemic in the short to medium term on skills needs

While writing this report, it is essential to recognise that European countries are still experiencing the impact of the COVID-19 pandemic and its implications on, not only the private security market, but also financial realities overall. Therefore, it is expected that European economies would have recovered from the pandemic in the five years, at least to a certain extent. Still, in the immediate term, the COVID-19 pandemic would affect the skills needs in the industry.

As demonstrated by the survey of private security companies in Italy in 2020,[50] over 40% plan to implement training in new areas of competencies required from the industry staff. Such new competencies, where training is required, regards the skills required to deal with the consequences of the pandemic. The most frequently mentioned areas include new skills to measure body temperature (by 70% of companies), skills to control access to areas (70%), followed by controls of personnel protection equipment (60%) and overall crisis management skills (around 50%).

Regarding the expected increase in market demand for services due to COVID-19, 68% of 38 company respondents in the INTEL project survey expect **other traditional guarding (access control, onsite surveillance) to experience increased demand in the short term, while** half of the respondents expect the same of remote surveillance and monitoring and event monitoring. Aviation security and other transport security are expected to see a lesser increase in demand, according to 21% and 16% of the respondents, respectively.



50. https://formatresearch.com/wp-content/uploads/2021/03/osservatorio-federsicurezza-2020-2021.pdf

3.3 Conclusions

The lack of skilled labour will become even more critical in the future, given the increasing market demand for services in a post-crisis era when new challenges to public health, safety and security may materialise. The majority of industry stakeholders consider future skills shortages to be significant and as likely to persist, causing significant negative business impact. Most companies expect labour and skills shortages and mismatches to pose a serious issue for their future development in the next five years. However, nearly half of the private security companies consider it to be challenging to deal with the future skills and labour shortages in the industry.

There is an expectation of a trend towards the future need for medium and highly qualified workers in the industry. Looking at the specific future skills needs, the industry will need more qualified workers with increasingly sophisticated digital, IT and personal skills. Technical skills and electronic security training are and will remain very important. In particular, the views of companies and buyers converge, both indicating an increased market demand in the future for highly skilled staff, including complex IT areas such as integrated remote video surveillance, cybersecurity and data analytics. Soft skills are also expected in future, the top amongst them being people management skills.

Further research is also needed to understand more precisely the future skills needs in the industry. The national level sector observatories, with a few exceptions, do not systematically capture the anticipation of future skills demand in their data collection activities. The INTEL project survey shows that, whilst companies in the industry have a certain understanding of their future skills needs, this could be further improved and refined.

4 Public support and sectorial strategies to overcome the challenges

4. Public support and sectorial strategies to overcome the challenges

This section analyses the existing sectoral strategies including public support and social partner actions to address current and future labour and skills challenges in the industry, as identified in Chapters 2 and 3.

4.1. Public support and subsidies

Government regulations and existing public support play a key role in the industry in addressing the current and future skills needs, covering a range of interventions, from the current initial and continuous training and qualification frameworks to the work of public employment services.

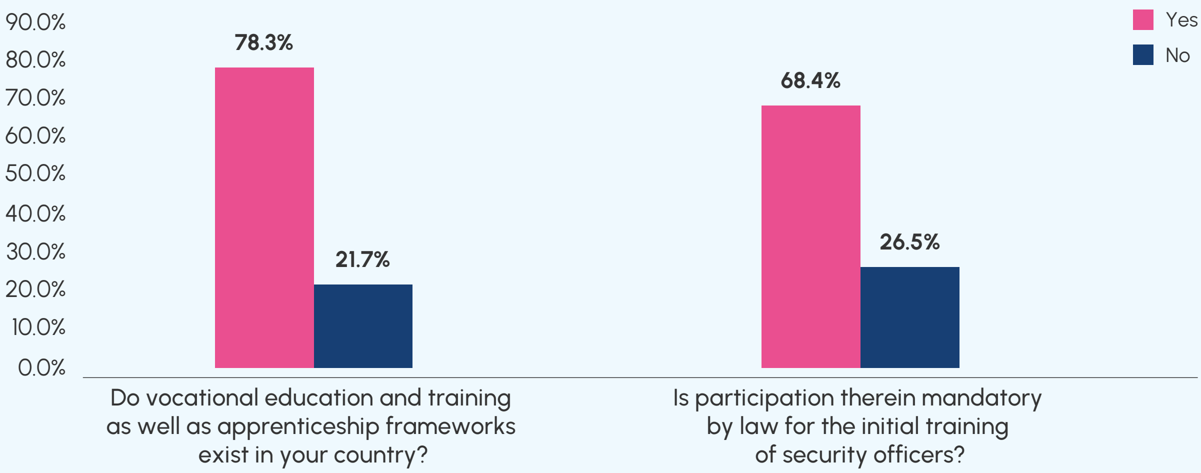
4.1.1. Public support to initial training and reskilling

High-quality and well-financed formal initial and continuous training frameworks are a foundation stone for an adequately trained workforce, now and in the future, in the industry. However, public support here is reportedly limited despite the essential service role of private security and responses to the INTEL project survey indicate that a modernisation of frameworks may be necessary in some countries.

In the INTEL project survey, CoESS' members report that sectoral Vocational Education and Training (VET) and apprenticeship frameworks exist in nearly 80% of countries covered (see Figure 15). Further, in nearly 70% of them, participation was mandatory for the initial training of security officers.

The majority of the trade unions and employer organisations in the INTEL project survey in 2021 indicated however that these frameworks are not supported by public funding in their countries (see Figure 16). This was confirmed by 11 respondents each from trade union and employer organisations.

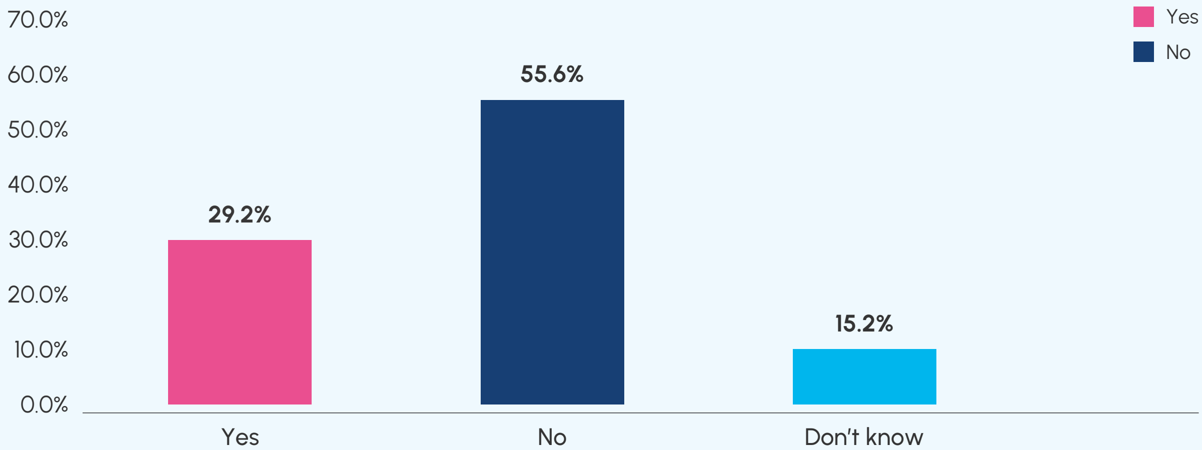
Figure 15
Existence of formal VET Frameworks



Source: INTEL project survey, 2021. 23 employer organisation responses. The remaining answers were "don't know/other".

Figure 16

Is initial and continuous training (IVET/CVET) supported by public funding in your country?

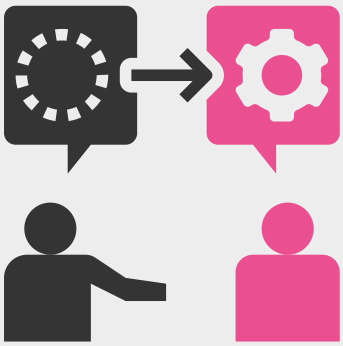


Is initial and continuous training (IVET/CVET) supported by public funding in your country?
Source: INTEL project survey, 2021. Responses from 18 trade unions and 23 employer organisations.

Good practice from Spain:
Continuous training

In Spain, initial training is not covered, but continuous training is supported by public funds, depending on the case/agreement. Initial training to enter the industry is paid for by each worker. Once a worker is employed in the industry in a company, he/she has access to the training designed in the **Training Plan of the Sectoral Committee**. In addition, any salaried worker in Spain (including those in the industry) is entitled to **Individual Training Leave** calculated annually upon agreement of the company. Any training recognised by an official accreditation body can be undergone, and the company can receive a bonus for the wage cost of the hours the worker is absent for (up to 200 working hours per year).

Source: INTEL project survey



Further, in the INTEL project survey in 2021, **most of the trade union and employer organisation respondents indicated that public authorities did not actively support reskilling measures for the industry.** In particular, 57% of the trade union and employer organisation respondents reported the absence of such measures in their countries, with only 31% indicating that public authorities actively supported reskilling (teaching new competencies to workers to perform a different mission) in the private security services, e.g., through public funds.

By specifying the ways and the conditions under which public authorities actively support the reskilling of private security workers, we can better understand the existing public support measures. Employer organisations who responded positively to the previous question elaborated on how public authorities actively support the private security industry.

Six respondents answered this question as follows:

- Two referred to the financing of requalifying training through public employment services.
- Others pointed out the limited nature of such support, which is provided for a limited duration in the COVID-19 context and when there is an individual need; support is provided in the form of wage reimbursement for some types of training.

Eight trade union responses on this matter indicated the following support measures:

- The **French** respondents confirmed that employers have their wages reimbursed by the state for three months to integrate an unemployed person.
- In **Denmark**, there are several opportunities for retraining for new or other work; it is publicly directed education and upskilling, primarily driven by public funds.
- In **Spain**, the Ministry of Interior partly finances the training proposed in the Sectoral Joint Committee's Training Plan.
- Others mention "coupons" for training and requalification.

More attention of public authorities to reskilling needs in the industry may however be required in some countries: the industry stakeholders consider that the current education and training systems are not fully equipped to deal with the future skills demands. A significant proportion of employer organisation and trade union respondents indicated that the existing formal qualifications did not adequately reflect future job profiles and demand for new tasks of security officers in their countries (**see Figure 18**). In the INTEL project survey, 2021, less than half (43.5%) of the industry and employer organisation representatives and over 83% of trade union representatives state that existing, formal qualifications did not adequately reflect future job profiles and demand for new tasks for security officers in their countries.

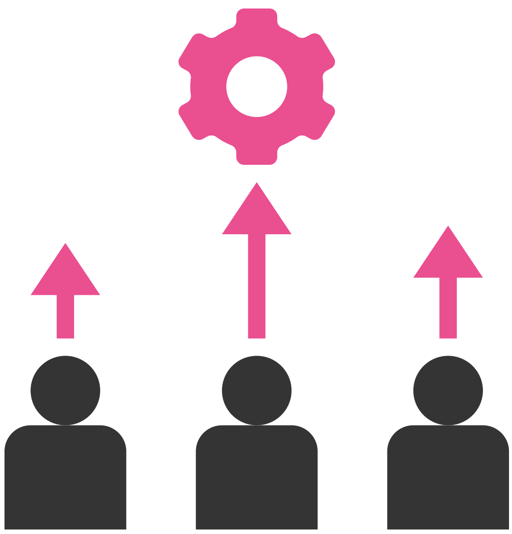
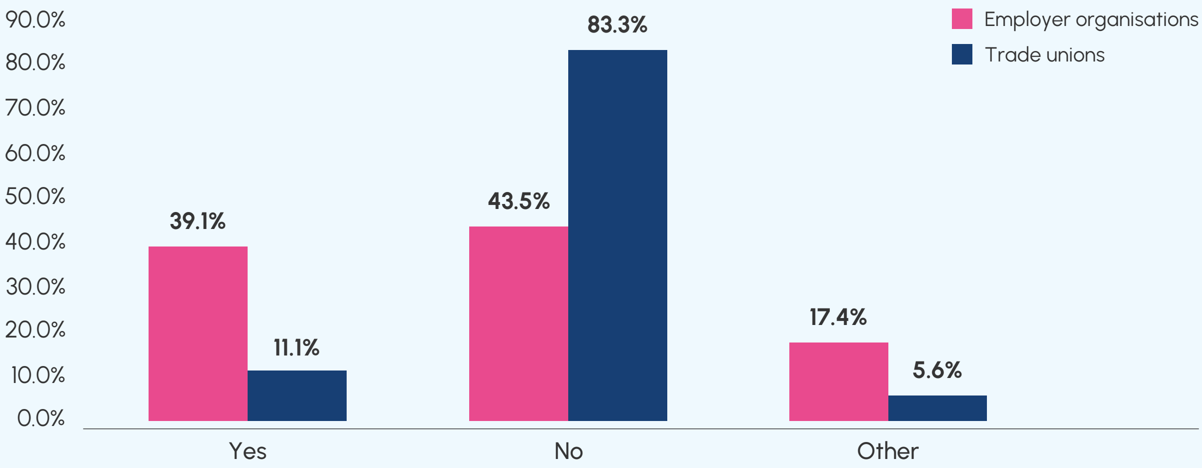


Figure 17

Views of employer organisations and trade unions on existing formal qualifications and the future job profiles demand



Do existing formal qualifications reflect the future job profiles and demand for new tasks of security officers in your country?

Source: INTEL project survey, 2021. Responses from 18 trade unions and 23 employer organisations.

4.1.2 The role of public employment services

Public employment services have a significant role in matching prospective employees and employers. Therefore, it is also essential to look at the support from public employment services. Overall, in most countries, the public employment services offer general job orientation and profiling services; however, only in a few countries do these specifically cover the needs of private security services. This may express the necessity for further exchange between national social partners and employment services.

In the 2021 INTEL project survey, 55% of the trade union and employer organisation respondents confirmed that public employment services offered job orientation and profiling services in their country, while 9% reported this was not the case (with the remaining third not knowing whether this was the case). Of the employer organisation representatives that answered 'yes' (13 responses), the majority also said that the public employment services covered private security services, and in some other cases, were covered when specifically sought.

4.2. Training, reskilling and upskilling strategies in companies

4.2.1 Initial training

The existing regulatory framework at national level is a key determining factor for the initial training required to enter employment in the industry and the existing framework for training systems and continuing vocational training in the majority of the EU countries. An initial training period is required to apply for the certification, and subsequently, full-time employment, once certified to work in the industry.

In all the countries, the basic initial training is legally mandatory. The duration of initial training required varies from 8 hours to 2 years, depending on the category and field of work in the private security industry. In some EU countries, the training of private security workers is funded by the government, whereas in others it is generally financed by the companies or by both companies and public authorities.[51]

51. Ecorys, 2018, Anticipating, Preparing and Managing Employment Change in the Private Security Industry.

This range of legal requirements for basic initial training of security officers has been confirmed by the findings of the INTEL project survey of employer organisation representatives.

The existence of vocational education and training and apprenticeship frameworks were indicated by 78% of employer organisation respondents (**see Figure 15**). In 68% (or 13 responses) of those countries, participation in the initial training of security officers was reported as legally mandatory. In terms of duration, the longest was 360 hours of training, with others varying between 48 and 180 hours.

Formal qualifications and upskilling pathways exist in some countries, while in others, they do not exist or are very limited.

This is of course highly dependent on the overall national training systems and contexts for continuing vocational training and upskilling. Commonly, the qualifications differ according to the type of security officer. Different salaries correspond to different levels, based on the specialisation the workers choose for their careers.

Some of the mentioned pathways are different kinds of security officers,[52] close protection, site security and mobile patrolling, crowd controlling and event security, public transport and goods transport security (particularly in aviation and maritime environments), and alarm monitoring centre operators.

The training programmes include normative areas of work, the authority of security officers, the use of technical protection devices, basics of criminology and rules of security procedure, basics of communication, handling and shooting firearms and self-defence, and applying health and safety norms.

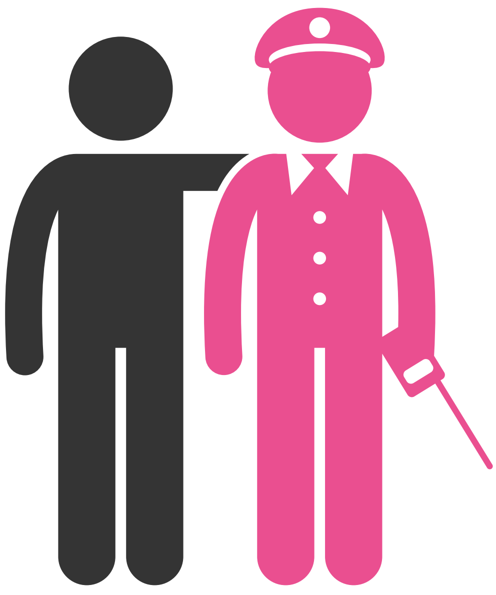
4.2.2 Company skills responses

Companies are adopting a range of strategies to deal with their current skills needs.

The INTEL project survey findings from private security companies indicate that, to address skills shortages, several actions are being taken, most frequently hiring new staff (by over 80% of the respondents) and actively promoting the business (over 70%). Meanwhile, over half of the respondents noted that pro-active promotion of their business, upskilling and reskilling of the workforce would help in alleviating the pressure on the resources of companies and the workforce.

The survey also found that companies targeted a range of worker groups, without a specific focus on a particular group.

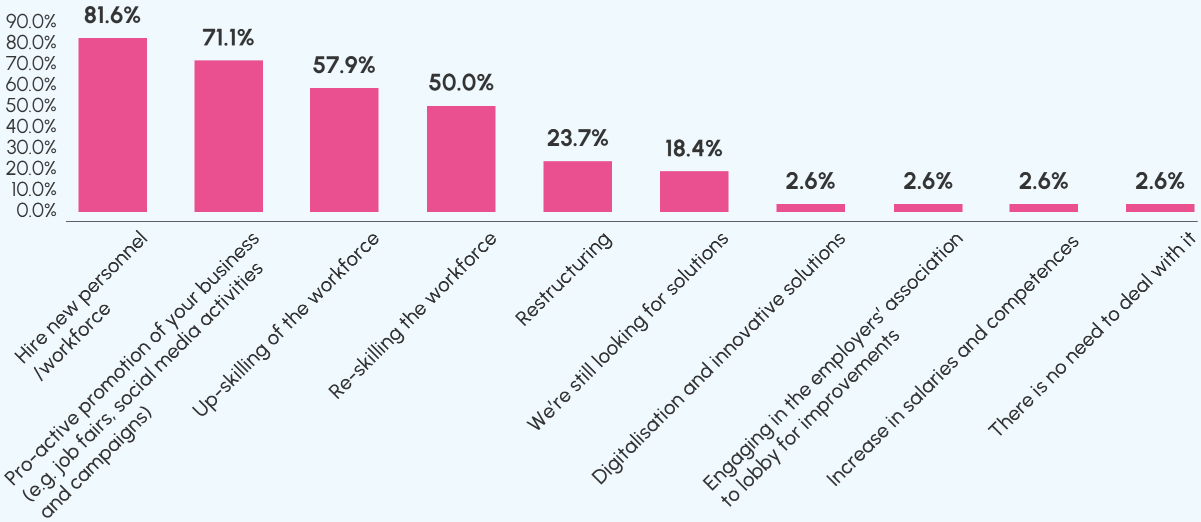
According to the respondents, some worker groups are specifically targeted, including high-skilled, lower-skilled, young, older, and female workers (**see Figure 19**). On the other hand, the least targeted workgroups are non-EU citizens/workers with a migrant background (answered by four company representatives). This is likely due to the current regulatory framework in several countries, where only the country's own nationals or EU Member States citizens can exercise the jobs of security officers.



52. As per the definition in EN 15602 "Private Security Services - Terminology".

Figure 18

Companies are opting for a range of different solutions without targeting specific target groups

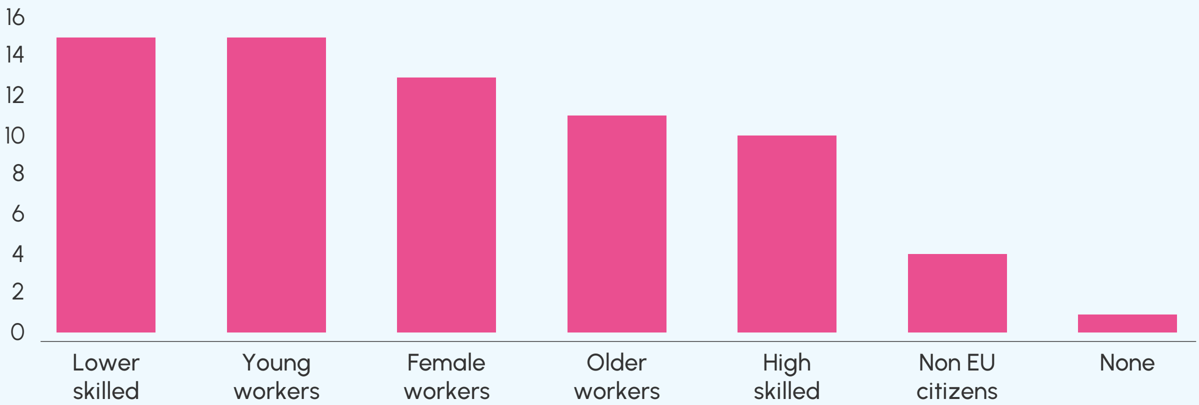


How to deal with the issues of labour and skills shortages/mismatches in your company?

Source: INTEL project survey, 2021. N=38. Multiple choices were possible.

Figure 19

Companies target a diverse set of worker groups



Do you specifically target any of the following worker groups?

Source: INTEL project survey, 2021. N=38. Multiple choices were possible.

An analysis of the responses from the private security companies revealed that they were already addressing mismatches/shortcomings in labour and skills.

This is evident primarily through the responses to the question of whether the companies have already targeted re- and upskilling solutions. Half of the company respondents have already issued a set of tools and solutions for addressing the skills shortages, while 42% say they have not, and 7% do not know.

Most of the proposed solutions for task-related and/or formal qualifications concern implementing training programmes, partnerships with training centres and local authorities, partnering low-skilled workers with more experienced ones to learn by observing, and implementing new recruiting techniques and coaching.

Regarding solutions for other informal qualifications, the respondents indicated that teaching computer skills, language programmes, and digital online training were helpful. Some included web training, cooperation with specialised training institutes, and Blended and Hybrid Learning Concepts for internal training. A few companies also highlighted solutions for people with disabilities. However, in-house training remains the most popular strategy for targeted re- and upskilling solutions. Further, a significant majority (76.3%) of company representatives in the survey mentioned using eLearning solutions.

Regarding recruitment and required skills for successful applicants, 45% of the companies in the INTEL project survey capture workers' skills that are not directly linked to the requirements set out in the open positions, in the recruitment process. 42% of companies participating in this survey are using their internal human resources to fill open positions to better understand all the candidates' skills for their future development.

The majority of the company respondents (66%) reported that they had an apprenticeship programme, on-the-job training, and onboarding. Regarding the duration and how formalised the apprenticeship programme was, on-the-job training and onboarding, and cooperation with schools were highlighted the most. The respondents also mentioned apprenticeship programmes, trial periods, and extensive onboarding programmes, *inter alia*. The duration of these programmes varied between a few days and a few months (up to 6 months). **The scale of employer efforts to train, up-/reskill their workers can also be detected in the national level evidence.**

Evidence from countries:
Employer skills responses

In Austria, with 1,356 newly trained employees in 2020, there was a decrease in the number of training courses in the VSÖ[53] companies, but the number is still significant in light of the difficult training environment due to the COVID-19 pandemic. Since the establishment of the ÖZS[54] system in 2002, more than 25,000 employees have been trained.[55] Notably, the security industry also hires personnel with little technical training and all employees are trained, even if they belong to groups that are often difficult to place.[56] Austria is also a good example of industry body-certified training - industry-driven largely due to the fact that a legal framework for mandatory training in the private security services does not exist in Austria, despite calls to action from CoESS' Austrian member VSÖ.

In Italy, more than 44% of the companies have made use of (or would make use of) self-financed training courses to upskill their staff.[57] Seven out of ten security companies believe in a need for a national training body to set up common rules and training for all operators.

In France, the amount spent on training in the industry has increased from EUR 53 million in 2016 to 69 million in 2020, or equivalent from 1.5% in 2016 to 1.7% of the salaries by 2020.[58] The average duration of training hours in 2020 was 18, with 17.5 hours per employee aged 45 and more. 54% of the training expenditure was on training courses leading to qualifications or diplomas, and 39% on the development of professional skills.

In Germany, a key focus of the sectoral association BDSW is the training and qualification of security workers, including the certification of security schools. On average, the security industry initiated in the recent years around 1,400 apprenticeships per year in the occupations of specialist and service workers for protection and security. Around half of the trainees learn these professions at BDSW member companies.[59]

53. Verband der Sicherheitsunternehmen Österreichs.
54. Österreichische Zertifizierungsstelle Sicherheitstechnik.
55. https://vsoe.at/jetzt-und-nur-bei-uns-das-jahrbuch-sicherheit-2021/
56. https://vsoe.at/jetzt-und-nur-bei-uns-das-jahrbuch-sicherheit-2021/
57. https://www.federsicurezza.it/download.aspx?file=/public/pubblicazioni/REPORTFEDERSICUREZZA2020-2021.pdf
58. Présentation PowerPoint (profession-securite.org)
59. https://www.bdsw.de/die-branche/zahlen-daten-fakten

Good practice from Austria:

Basic training certified by the industry body

Due to the lack of legal regulations, the industry body VSÖ introduced basic training based on EU principles in 2001, to which all companies in the VSÖ committed themselves. Compliance with the corresponding training is regularly audited by the ÖZS - the companies receive a corresponding certificate after a positively completed audit. This ÖZS certification is recognised in the market and many customers use security providers who can provide demonstrably trained personnel. The VSÖ Training Academy has trained over 70,000 participants since 1999, through 40 different items of training, workshops, courses and seminars and currently has 30 trainers.

Source: VSÖ Annual Report 2020[60]

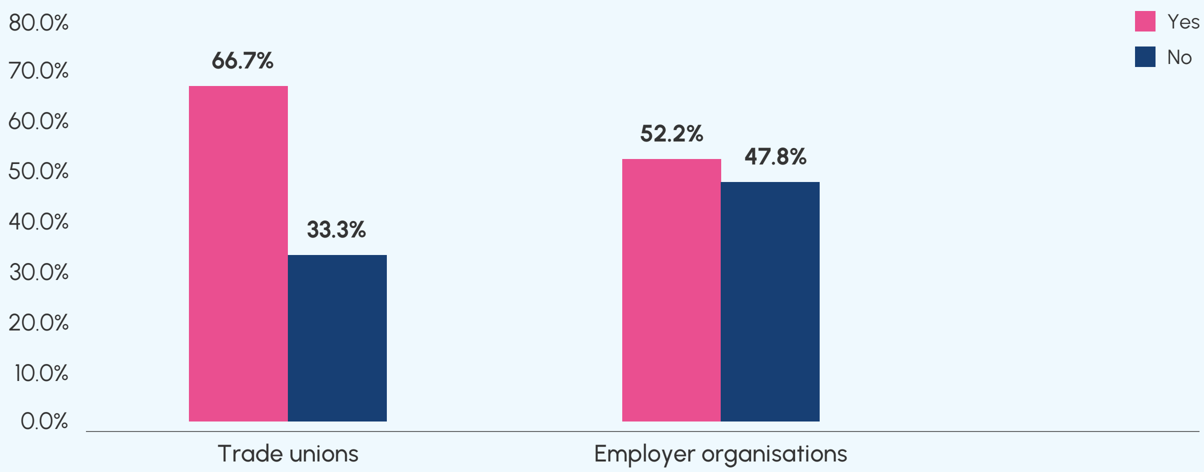
4.3 Social dialogue and collective bargaining

Social partners have a key role in ensuring that the skills needs in the industry are met. In practice, this does not happen systematically across the industry in Europe. This participation is also influenced by the existing social dialogue and collective bargaining tradition, as well as the legislative framework facilitating the inclusion of training matters in the collective bargaining processes.

The role of social partners in influencing the industry training structures and framework appears significant (see Figure 20). In most of the countries represented in the survey, 66% of the trade unions (as indicated by respondents from 12 countries) and 52% of the employer organisations (respondents in 12 countries) are involved in the national sectoral training framework and curricula.

Figure 20

Strong involvement of social partners in sectoral training



Is your organisation involved in the set-up and organisation of the national, sectoral training framework and curricula?

Source: INTEL project survey, 2021. Responses from 18 trade unions and 23 employer organisations.

60. https://vsoe.at/jetzt-und-nur-bei-uns-das-jahrbuch-sicherheit-2021/

In contrast, **the most binding instrument of social dialogue - collective bargaining - is not systematically used to address the skills and training challenges in the industry (see Table 4)**. In the INTEL project survey, the majority of both trade union and employer organisation respondents indicated that though collective agreements exist in their countries, less than half of them cover the training of security of workers. Further, the collective agreements capture even to a small extent the collaboration between employers, trade unions and national authorities on training matters (although here, the views of trade unions and employer organisations somewhat diverge, with unions reporting more positive experiences in this regard).

Table 4

The role of collective agreements in supporting skills development in the industry, % of respondents stating this is the case

Question	Trade Unions	Employer Organisations
Do Collective Agreements exist in your country?	88.9%	73.9%
Do Collective Agreements cover the training of security workers?	48.9%	39.1%
Do Collective Agreements exist in your country that provide for seniority benefits (related to the employee's years of service)?	44.4%	43.5%
Do Collective Agreements exist for any collaboration between employers, trade unions and national authorities on training? (Tripartite, between the three, or bipartite between any two)	55.6%	21.7%

Source: INTEL project survey, 2021. Responses from 18 trade unions and 23 employer organisations.

The analysis of responses provides further insights into the nature of collective agreements addressing the skills challenges.

Employer organisation respondents point out that, in some countries, all training is covered in the collective agreements. In others, the collective agreement defines the necessary training besides the initial mandatory training.

In their survey responses, some trade unions pointed out the existence of general collective agreements, with some specific stipulations/clauses committing to training taking place in companies and the requirement of paying salary for that period.

Even if there are significant differences among countries on the coverage of collective agreements and whether it includes training aspects, trade union respondents indicate the contents as labour rights, financial aspects, equality issues, health and safety, first aid, new technologies, and conflict management, *inter alia*.

Social partners in several countries have established specific sectoral training centres, as in Luxembourg and Sweden *(see Best Practice Report)*.

Good practice from Sweden and Luxembourg:
Joint social partner training institutes

In Sweden, the Occupational and Work Environment Committee (BYA) is a non-profit association with the security companies and the Swedish Transport Workers' Union as its members. The organisation is jointly operated by the Swedish Security Industry Association and The Swedish Transport Workers' Union, with an Executive Board and working committees with representation from the entire industry. It provides basic, repetitive, special and additional training for sectoral workers. The organisation is financed by a fee based on a percentage of the annual payroll of each company, which is regulated by the collective agreement. It trains around 10000 students/year and 1500 students get their basic training every year. BYA trains and develops employees in the security companies and offers a comprehensive training programme in the work environment and training for security personnel prescribed by the Police Authority.

In Luxembourg, through the ongoing discussion on training by the social partners (the unions + Fedil Security Services), the framework of the collective agreement for the guarding industry, **the Security industry training centre (SITC), was negotiated in 2019**. It has been created to design, group and organise a series of training courses for security agents in Luxembourg, to develop their quality and professionalism and to extend their fields of application. It is co-financed by employers through a contribution of 1% of the payroll for each approved surveillance and guarding company in Luxembourg. The Centre's courses can last from 4 hours to 15 days. Whilst in 2020, the Centre offered 2400 hours (due to the pandemic), this grew to 30,000 hours in 2021 and is expected to reach 50,000 hours in 2022.

Sources: INTEL project survey, Presentation in February 2022 INTEL webinar, BYA[61]

Simultaneously, both social partners are taking actions outside the framework of collective agreements to address the skills challenges in the industry.

National employer organisation representatives explain that their organisations are addressing labour and skills shortages in the private security industry through, for example, professional conferences, round table discussions, media campaigns, involvement to improve occupational standards, interaction with the government, increased spending on recruitment, funding training and training institutes as in Austria.

However, only less than half the social partners tackle labour and skills on local levels. Where they exist, such measures include:

- Campaigns promoting a positive image of private security officers;
- Partnerships with regional employment services;
- Additional training organised within a social fund;
- Ongoing discussions on function classification and skills needs in the industry, recruitment campaigns, publicity efforts, etc.

When efforts are made at national level to tackle labour and skills shortages, this is often done by increasing wages through collective bargaining when possible. Meanwhile, some other countries/companies have implemented recruitment bonuses for employees who bring a new person to the enterprise. Others state that the company they work for has started their security training school. Campaigns have also been launched to promote the positive image of private security officers.

61. Occupational and Occupational Safety And Health Committee of the Security Industry - BYA.

4.4 Measures to increase the attractiveness and diversity

The European Sectoral Social Partners for the Private Security Services have called for some time for campaigns to raise the profile of the industry and showcase the work of officers and the human face of the profession. They could also be targeted at women, LGBTQI+, ethnic minority groups, and youth, to attract them to the industry.[62] The evidence from the INTEL project survey shows that the measures to address skills challenges in the industry have not yet been translated into systematic promotion campaigns to increase the attractiveness and diversity in the industry.

Indeed, the majority of social partners in the industry indicated that no such campaigns were undertaken in their country either for attracting new labour or a more diverse workforce into the industry. This was the case for both aspects for around 70-80% of respondents from both trade union and employer organisations.

Though sporadic promotion campaigns were conducted at the national level, it was also clear that companies preferred strategies other than such national promotion campaigns to meet their skills challenges (**see section 4.2.2**).

4.5 Key challenges

The INTEL project survey results show that the views of key industry stakeholders converge as to which challenges prevent them from developing solutions to skills challenges at national level (see Figure 21).

The majority of both trade unions and employer organisations indicated that, by far, the key challenge related to unfair competition and the dysfunctional private security market due to low-cost focused procurement.

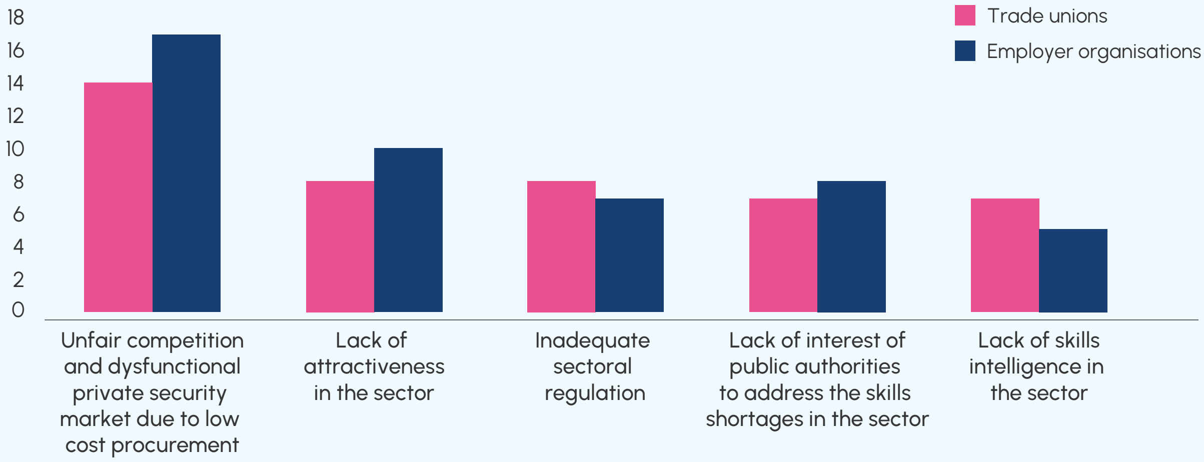
Further, regulatory challenges also play an important role in some countries - in particular the lack of interest of public authorities in addressing skills shortages in the industry and inadequate sectoral regulation. Additionally, the lack of sector attractiveness, as well as the lack of skills intelligence, played a significant role in the identification of viable solutions. In contrast, challenges related to the lack of social partner capacity, inadequate training system or lack of public funding were not considered to play a key role - for both trade unions and employer organisations.

Importantly, the lack of skills intelligence for the industry has been highlighted by the sectoral stakeholders as a key challenge. In this respect, examples of good practice in France and Spain can be highlighted, where specific sector observatories have been established, covering the skills aspects too. Similarly, industry stakeholders publish annual sector reports and reviews in **Austria**[63], **Germany**[64], **Italy**[65], **the Netherlands**[66] and **Sweden**.[67]

62. Ecorys, 2018, Anticipating, Preparing and Managing Employment Change in the Private Security Industry.
63. https://vsoe.at/jetzt-und-nur-bei-uns-das-jahrbuch-sicherheit-2021/
64. https://www.bdsw.de/die-branche/zahlen-daten-fakten
65. https://www.federsicurezza.it/download.aspx?file=/public/pubblicazioni/REPORTFEDERSICUREZZA2019.pdf
66. https://www.veiligheidsbranche.nl/branchescan-2020-beveiligingsbranche-krijgt-zware-klappen/
67. https://www.almega.se/app/uploads/sites/11/2020/12/sakerhetsforetagens-arsrapport-2020.pdf

Figure 21

Most important challenges to be addressed for developing solutions on skills challenges at the national level



Source: INTEL project survey, 2021. Responses from 18 trade unions and 23 employer organisations. The number of respondents stating this challenge is most important to them. Multiple choices were possible.

The graph below elaborates the key challenges for re- and upskilling the existing workforce. **The company respondents identified financing and the lack of staff in general to be the key challenges,** followed by those related to the organisation and integration in operations. Thirteen of the respondents also noted that employee uptake could be seen as a key challenge for re- and upskilling the existing workforce, closely followed by insufficient support or interest by public authorities and inadequate formal and informal qualifications. To a lesser extent, business impact measurement (return on investments, ROI) and deciding where to re- or upskill (skills intelligence) have been considered.

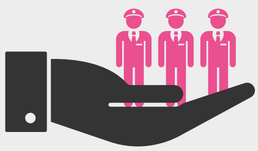
Examples of sector observatories:
France and Spain

In France, the employers and unions maintain an Observatory of Prevention and Security (Observatoire des Métiers de la Prévention et de la Sécurité). The Observatory publishes annual industry overview reports, where the state of the industry is shown from an economic and employment perspective, highlighting the key trends. The annual reports rely on the survey of companies, who provide data on their economic, employment and future positions.

See Publication of the 2020 branch reports "Prevention-Security" and "Airport and Port Security". - GHG Private Securit (ges-securite-privee.org)

In Spain, the Private Security Sector Observatory has been created in July 2013 in a joint social partner initiative based on a national collective agreement. It comprises representatives of APROSER, the Federation of Services, Mobility and Consumption of the General Union of Workers (FeSMC - UGT), the Workers' Commissions of the Habitat, the Federation of Private Security Workers of the Workers' Trade Union (FTSP - USO) and the Spanish Association of Private Security Companies (ASECOPS), i.e., all the organisations which are signatories of the current sectoral collective bargaining agreement. This body aims to monitor and highlight the industry's main challenges and trends and produces regular reports thereof.

See: Aproser observatorio sectorial de la seguridad privada

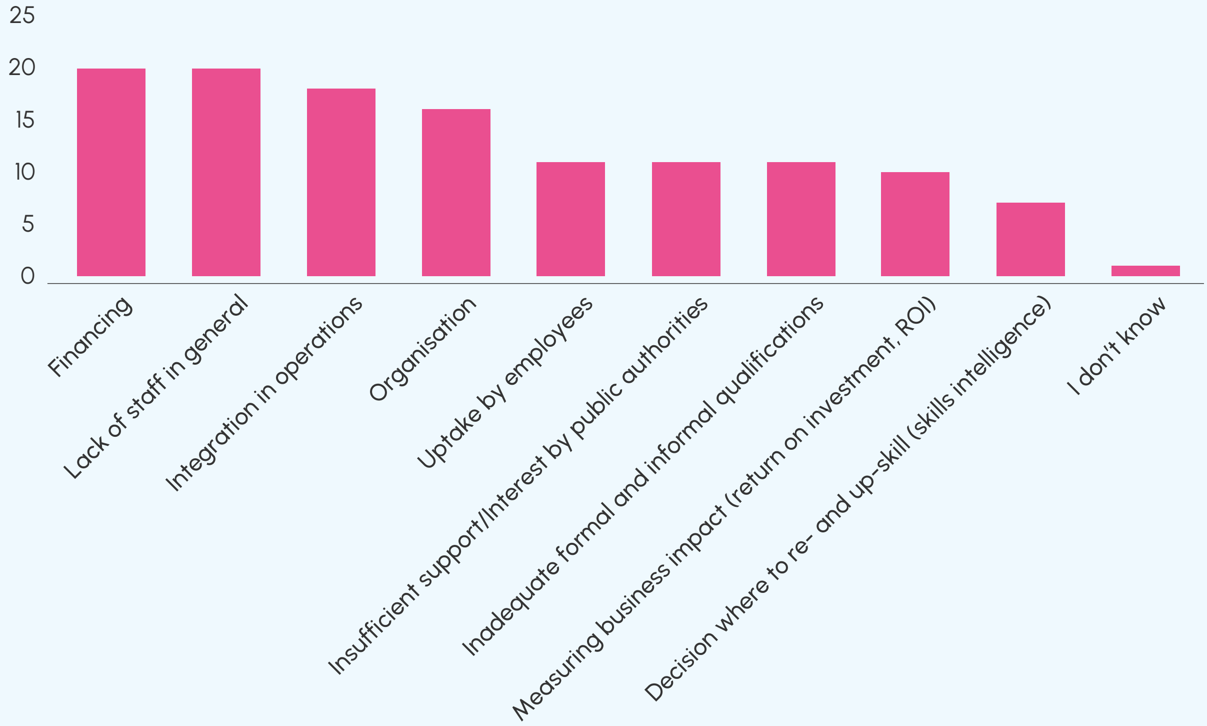


This consensus about the critical importance of low-cost focused procurement as a core challenge affecting the ability of the industry to respond to skills challenges is reflected in the broader literature assessing the industry trends too.[68]

Indeed, the existing assessments highlight that in the current situation, this is a systemic issue, as low-cost focused procurement and unfair competition are key barriers (which lead to low profit margins of companies and non-professional players providing low quality/cost services[69]). Focus on the cost of security services occurs at the same time as security clients' increasingly high service requirements from the employees, as well as expectations of a high level of employee motivation, the affinity for the use of modern technology, and proactivity of the security service providers.

Figure 22

The key challenges for re- and upskilling of workforce: views of private security companies



Source: INTEL project survey, 2021. N=38. Multiple choices are possible.

In turn, this focus on low cost leads to the lack of industry attractiveness, which is also related to non-competitive salaries and a bit of "dated" sector employment image.[70] In that sense, the industry stakeholders are challenged by two opposing trends: demand for low-cost/basic services (security as a low-cost service) on the one hand and, on the other, very sophisticated demand for complex services, where the buyers of private security services see the security companies and workers as high-quality and highly qualified partners. It can therefore be seen as a key challenge, and solution at the same time, to explain clients the value of well trained, qualified and diverse personnel - and hence procurement practices that consider this important aspect when drafting and evaluating tenders.

68. Ecorys, 2018, *Anticipating, Preparing and Managing Employment Change in the Private Security Industry*.

69. CoESS, 2020, The New Normal 2.0: Private Security and COVID-19 in Europe: A Strategic Review and Foresight, White Paper. In April 2020, 50% of CoESS' members reported that both public and private buyers had in a number of cases adopted bad contracting practices, including unilaterally scaling-down or suspending services without bridging agreements, extending or suspending payment terms, or forcing contractors to lower rates that compromise quality and collective agreements.

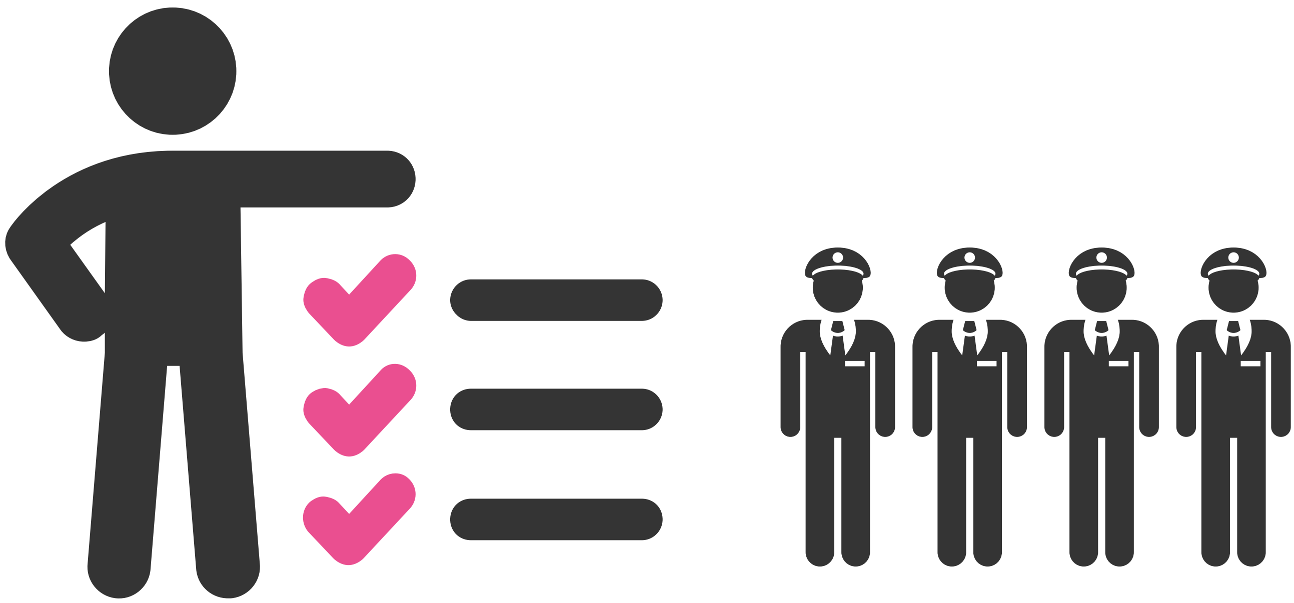
70. CoESS and UNI Europa (2020, January 30): Joint Statement on the Skills Agenda for Europe (https://coess.org/newsroom.php?page=position-papers).

In terms of additional effective solutions going forward, responses to the INTEL project survey provide important pointers. For both employer organisations and trade unions, the identified common points for action relate to the ongoing discussions and lobbying with their social partner with the government, as well as actions to improve the delivery of training and upskilling.

From the employer organisation side, several respondents highlighted ongoing discussions with the government to improve the adequacy of current regulations focused on low-cost procurement, the process of licensing, changing occupational standards and classification of skills and trades (also in discussion with the trade unions). Publicity campaigns are also highlighted, pointing out the importance of using licensed companies and qualified staff for the private security business. Funding training initiatives and systematic licensed upskilling efforts have also been highlighted.

Trade unions reported key actions of political lobbying with the government and employer associations for improving working conditions and wage levels, augmenting training conditions, and providing required training through the unions.

For the buyers of private security services, next to training personnel at different levels, improving working conditions and sufficient funding and legal protection for workers are also fundamental. Others focus on the need for cooperation between the police and private security services providers.



4.6 Conclusions

Government regulations and existing public support play a key role in the industry to address the current and future skills needs, covering a range of interventions, from the current initial and continuing training and qualification frameworks and reskilling support to the activities of public employment services.

Public support for high quality and well-financed formal initial and continuing training frameworks for the industry is limited. The current education and training systems appear under-equipped to deal with the future skills demands in the industry. It also appears that public authorities do not actively support reskilling measures for the industry.

While in most countries, public employment services offer general job orientation and profiling services, only in a few countries do these specifically cover the needs of private security services.

Formal qualifications and upskilling pathways exist in some countries, while in others, this either does not exist or is very limited.

Companies are adopting a range of strategies to deal with their current skills needs. 50% of the company respondents have already issued a set of tools and solutions for addressing the skills shortages. Most of the proposed solutions for task-related and/or formal qualifications relate to implementing training programmes, partnerships with training centres and local authorities, partnering low-skilled workers with more experienced ones to learn through observation, and implementing new recruiting techniques and coaching. In-house training remains the most popular strategy for targeted re- and upskilling solutions.

Social partners can play an important role in ensuring that training frameworks match skills requirements on the market. However, the most binding instrument of social dialogue - collective bargaining - is not systematically used to address the skills and training challenges in the industry.

The key demand-driven challenge for further action for addressing skills challenges, as per both social partners, relates to unfair competition and a dysfunctional private security market due to low-cost procurement.

In some countries, the survey also identified a continued need to adequately update the regulation of the industry to address challenges related to labour and skills shortages effectively.

5 Overall conclusions

5. Overall conclusions

In recent years, the private security industry has grown significantly in terms of the number of workers, companies and turnover, further diversification of its business functions and the upscaling of the technical and professional capacity concerning the security services provided. This development of a broadening of tasks may have been further accelerated by the COVID-19 pandemic.

Similar to the majority of ecosystems, the private security industry is witnessing the opportunities and challenges resulting from the technological developments, the impact of COVID-19 and other societal developments (such as the demographic change) affecting the industry. The past year and a half have shown that the private security industry is indeed quick to adapt to any challenges, but it will face significant challenges in foreseeing and acting to address future challenges.

The COVID-19 pandemic has had a significant impact on the industry. This has been especially manifested through the impact on other sectors that generally use the services provided by private security companies, including the cultural and creative sector, hospitality and restaurant sector and overall public procurements for security management and security services, e.g., airports or public events. Regardless of lockdowns, the general logistics of foods and products needed to continue throughout the pandemic, even amid the most restricted times. In times of crisis, the private security services and workers showed the capability of adjusting to unprecedented circumstances and have been recognised in many EU Member States and by the European Commission as essential services. The data gathered for this report show that the private security services providers have managed to adjust very quickly to the changing demand and become trusted security partners in a major and unprecedented health emergency. A change was identified in particular in administering security services, for example at the health, testing and vaccination centres.

Despite the private security industry's role in managing the public health situation, the COVID-19 pandemic negatively affected the entire industry, with certain business segments suffering more than others.

This means that sector skills challenges in the short and longer-term were exacerbated by the immediate negative effects of the pandemic. Meanwhile, the existing foreseen changes and challenges that were mainly highlighted by the pandemic, have been brought to light, especially relating to the ever-increasing use of technology.

From the supply side, the current sector workforce has a set of characteristics that poses specific challenges in addressing the current and future skills needs and challenges. Most workers in the industry are middle-aged, with an older workforce particularly prevalent in the Eastern Europe region. Further, a large majority of workers in the industry is male.

At the same time, the market structure in the industry is also particular. Though most of the private security companies in the EU (98%) are SMEs, they employ less than half (42%) of the European private security workforce. National-level data available from several large private security markets also indicate a concentration of business activities among large companies.

Over the last few years, the private security industry has been experiencing both a general shortage of labour and a shortage of specific skills in its current workforce. Most companies report difficulties in finding new, suitably qualified candidates and in recruitment. This is evidenced through a decrease in applications for open positions, and an increase in unfilled open positions. Lack of staff is a major challenge for the companies, as it has a significant negative impact on their ability to respond to the current market demand. A large majority of companies sees this as a serious challenge to their business development.

Labour and skills shortages in the security services industry are recognised as a key priority by all the key stakeholders in the employer organisations, trade unions and companies. This is based on the recognition that quality staff is fundamental to meeting client requirements and ensuring better and competitive services.

Specific skills shortages amongst the sectoral workers relate to IT and digital technology skills, language and intercultural awareness skills, and to some extent transversal skills such as communication and people management. The positions most difficult to recruit for are traditional security officers and technically qualified people with language and IT skills. Further research is required to understand the precise nature of specific skills shortages. Existing national level observatories in the industry do not systematically capture the current demand for skills. Also, the INTEL project survey results showed that companies and buyers of private security services also needed to better understand their specific needs in terms of skills shortages. This could be enhanced by developing a best practice system to train companies' management and HR leads to detect and predict current and future skills needs and shortages.

Skills requirements and resulting shortages in the industry are caused by a complex interplay of reasons from the supply and demand side.

The key supply factors are the ageing of the workforce, lack of attraction of young workers, lack of diversity in the workforce and the inadequacy of the current education and training systems to prepare the new entrants to the industry for the world of security work.

As for the demand factors affecting skills shortages in the industry, digitalisation and technological advances experienced in the industry are the key, as well as widening the scope of services provided and new client segments. This creates demand for new types of skills and workers.

The impact of technological change is key to the current and future skills demand in the private security industry. The increasingly important use of technology, new remote services and the modernisation/digitisation of business processes overall are changing the requirements profile for sector employees. As technological developments occur and bring new work or new ways to work, some uncertainties and opportunities arise. Therefore, while the industry recognises the concerns new technological tools might bring in, challenges exist, for example, concerning the impact on the level of skills required by the workforce, or the fear of replacing the workforce.

This research focuses on re- and upskilling of the workforce and future demand for private security services conducted by developing technological tools, including drones, cybersecurity software and AI, and the challenges these pose. To have a better understanding and comprehension of the industry and the relevant impacts within it, the relevant data was analysed, including data on the economic developments in the industry and the workforce. In addition, data on the lack of availability of skilled workforce for employers have been reviewed, along with the indirect impact for those seeking private security services and on the lack of availability of matching training and education for the workforce.

The lack of skilled labour will become even more critical in the future, given the increasing market demand for an increasingly complex set of security services in a post-pandemic era when a set of new challenges to public health, safety and security is likely to evolve.

Almost 70% of the sectoral trade unions and employer organisations consider future skills shortages significant and as likely to persist, causing a significant and negative business impact. Nearly 70% of the companies expect labour and skills shortages and mismatches to present a serious issue for their future development in the next five years. Critically, nearly half of the private security companies consider it challenging to deal with future skills and labour shortages.

The available evidence shows an expected trend towards the future need for medium and highly-qualified workers in the industry. Looking at the specific future skills needs, the industry will need more and better-qualified workers with increasingly sophisticated digital, IT and personal skills. Technical skills and electronic security training are and will remain very important. In particular, the views of companies and buyers converge, both indicating an increased market demand in the future for highly skilled staff, including in the complex IT areas like integrated remote video surveillance, cybersecurity and data analytics. Soft skills are also expected in the future, the top amongst them being people management skills.

The industry stakeholders have adopted a range of strategies to cope with the current and future skills demands. To start with, government regulations and existing public support play a key role in the industry in addressing the current and future skills needs, covering a range of interventions, from the current initial and continuous training and qualification frameworks and reskilling support to the work of public employment services.

Public support for high-quality and well-financed formal initial and continuing training frameworks for the sector is limited. This results in the perception that the current education and training systems are not fully equipped to deal with the future skills demands in the industry. It also appears that public authorities do not actively support reskilling measures for the industry. While in most countries, public employment services offer general job orientation and profiling services, only in a few countries do these specifically cover the needs of private security services. Formal qualifications and upskilling pathways exist in some countries, while in others, they do not exist or are still very limited.

Companies are adopting a range of strategies to deal with their current skills needs. 50% of the companies have used a set of tools and solutions for addressing the skills shortages. Most of the proposed solutions for task-related and/or formal qualifications relate to implementing training programmes, partnerships with training centres and local authorities, partnering low-skilled workers with more experienced ones to learn by observing, and implementing new recruiting techniques and coaching. In-house training remains the most popular strategy for targeted re- and upskilling solutions.

The sectoral social partners can play an important role in ensuring that sectoral training frameworks respond to changes in skills requirements. The role of social partners in influencing the sector training structures, and framework, is significant. However, the most binding instrument of social dialogue - collective bargaining - is not systematically used to address the skills and labour challenges in the industry.

At the same time, several best practices in addressing skills challenges in the industry have been identified, through the joint actions of social partners and individual organisations. This includes maintaining regular sector observatories to monitor the industry trends, organising dedicated training structures, courses and centres, also through collective bargaining agreements, and providing certified training to upskill and reskill workers.

The key demand-driven challenge for further action on addressing skills challenges relates to challenging competition patterns in the private security market due to low-cost procurement. Focus on low-price services is a critical challenge to ensuring the upskilling and reskilling of workers, who are increasingly required to have and apply a sophisticated set of technical and soft skills.

Finally, and importantly, there is not much direct Europe-wide data available on the current and future labour and skills challenges in the private security industry. As such, the majority of the data in this report reviews and analyses the data through various perspectives such as financial data, available data on workforce composition, and the data on the role of public authorities relevant to the industry. It is an important distinction and highlights the importance of this particular study in providing more insights into the actual data and resources from the key industry stakeholders.

About

Since 1992, CoESS and UNI Europa are actively involved in the European Sectoral Social Dialogue for the private security services sector.

CoESS

The Confederation of European Security Services (CoESS) acts as the voice of the private security industry, covering 17 European Union (EU) Member States and a total of 23 countries across Europe, representing around 2 million licensed guards and 45,000 companies, and generating a turnover of € 40M+.

www.coess.org

UNI Europa

As the European trade union federation for 7 million service workers, UNI Europa speaks for the sectors that constitute the backbone of economic and social life in Europe.

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