AN OUNCE OF PREVENTION:

Five Benefits of Investing in Reliable Union Security Services





The Service Employees International Union: Standing for Security for More Than 50 Years

With more than 50 years of experience in the private security industry, SEIU is the nation's largest union of security officers, representing more than 35,000 security professionals nationwide.

SEIU members protect office buildings, apartments, stadiums, arenas and other facilities in Boston, New York City, Philadelphia, Washington, D.C., Atlanta, Chicago, Minneapolis, Denver, Los Angeles, San Francisco, Oakland, Sacramento, and Seattle.

Working in partnership with security contractors and their clients, SEIU has developed a marketwide approach to raising security industry standards that allows contractors to compete on the basis of reliability, rather than reduced wages and benefits. Our approach guarantees officers the freedom to form a union without putting security contractors or their clients at a competitive disadvantage.

By improving jobs, strengthening training and toughening legislative standards, we are helping to create the good jobs our communities need and to guarantee the quality security services that clients rely on.

Unreliable, "Revolving-Door" Security Contractors Put Your Company's Assets, Operations and Reputation at Risk



The "Great Recession" and its aftermath continue to impact our nation's economy. For many U.S. businesses, demand has shrunk while costs have remained constant or even risen. Meanwhile, competition is as grueling as ever.

But as tough as the current economic climate is, the world we operate in is even tougher. Every day, businesses face threats—product theft, corporate espionage, loss of proprietary information, loss of sensitive data, even terrorism—that can destroy a company or ruin its reputation.

Today, security directors must work harder than ever to address challenges at multiple locations. For help, they turn to specialized security companies. But security contractors often fail to meet their client's needs. Here's why:

- Security companies face few barriers to entry in the industry.
- Licensing and training standards are generally inadequate and vary from state to state.
- Security companies feel pressured by short-sighted clients to cut costs.
- Many security companies compete by driving down wages and benefits—resulting in high turnover that guarantees inexperienced, demoralized and poorly trained officers.

In an economic environment that sees many companies implementing cost-cutting measures, security directors may feel pressure to hire contractors who compete on price alone—rather than quality, effectiveness and reliability of services. But employing a low-bid, poor-quality security contractor can be fatal to a company's assets, operations and reputation.

"High turnover is inherently dangerous in an industry charged with the security and safety of human beings."

—Dr. Michael Goodboe, vice president of training, Wackenhut Training Institute[4]

"When the pay isn't good, forcing the security officer to have a second or even a third job in order to meet family responsibilities, the individual simply can't be as alert."

—Robert McCrie, professor of criminal justice, City University of New York[5]

SECURITY FACTS:

- Client satisfaction with security services is low. According to *Security Director's Report*, the median length of time for an organization to use a primary security provider is just four years.[1]
- Low-bid security contractors may undermine company security programs through an unstable workforce with lax employee screening standards, little or no training and turnover rates of up to 300 percent a year.[2]
- According to *Security Services* magazine, turnover costs generally range from 25 percent to 200 percent of the employee's annual salary.[3]

The Benefits of Investing in Reliable Union Security Services

Savvy companies that have made the decision to invest in reliable union security services have seen five major benefits resulting in enhanced safety and protection, as well as long-term savings.

Benefit No. 1: Experienced Union Security Officers Stay on the Job

When officers form a union, they have the ability to solve workplace problems, which increases morale and decreases turnover.

Security officers work through their union to win decent wages and fair treatment, which leads to a sense of pride, loyalty and cohesion among officers. When officers are treated as security professionals, both performance and longevity increase—with obvious benefits for clients.

SECURITY FACTS:

- According to Ligouri Associates, a private security firm, since healthcare and other benefits were improved under a 2003 union contract in San Francisco, turnover decreased dramatically among officers.
- In Chicago, officers receive employer-subsidized full family health benefits. According to a 2006 report by the Los Angeles Alliance for a New Economy, turnover rates are just 25 percent – far better than the industry average.[6]
- In New York City buildings where officers have not formed a union, turnover averaged 148 percent. Turnover in buildings where officers have formed a union averaged just 5.6 percent.

Officers who stay on the job understand their workplaces better and are better prepared to respond quickly and effectively to problems that arise. These officers spend enough time on-site to learn their role thoroughly and build strong relationships with employees and guests. Experienced officers have the confidence of knowing who should be on the premises and who should not.

> *"Incentives keep the guards with us longer … They themselves become more cautious. They work more closely with the police department; they are more knowledgeable than they were before in what to look for, what stands out, what's not ordinary."*[7]
>
> —Linus Armstrong, Director of Public Safety for the Business Improvement District Alliance for Downtown New York, which implemented a supplemental benefit program for security officers.



Benefit No. 2: Improved Employee Retention Boosts Security—and Your Bottom Line

Retaining an experienced security force lowers recruitment and training costs while also reducing the danger of security breaches by dissatisfied former employees—who may possess keys, pass codes and an inside knowledge of operations.

Hiring responsible contractors who allow their employees the freedom to form a union to win good jobs—including better pay and benefits—is good business. Here's why:

- Employee turnover costs a lot of money. Replacing a worker can cost two to three times as much as retaining one.
- By raising pay, security companies can reduce turnover.

- Higher pay allows companies to attract and retain better security officers, which will enhance a client's reputation for excellent service and create new business.

"The smart landlords are focusing on the quality of their security force."

—Todd H. Richardson, former managing director of Insignia/ESG's Property Services Group for Southern California[8]

"Union membership appears linked to lower turnover because unions fight for better wages, benefits and conditions for their members. Yet building owners and operators also benefit from lower costs of not having to pay their contractors for recruiting, training and supervising new hires in a constantly repetitive turnover cycle."

—Robert McCrie, professor of criminal justice, City University of New York

Benefit No. 3: Employer/Union Training Programs Result in High Performance





Combined with better wages and benefits, comprehensive training programs can further reduce turnover and develop the skills of high-performing security professionals.

Rigorous employer/union training programs are especially important in today's lax regulatory environment—which sets few standards for security officers--and in failed markets where contractors slash training budgets in order to compete on cost.

For those companies that have made capital investments in security technologies—video monitoring systems, alarm systems, etc.—officer training is critical. Only with capable officers on duty will capital investments in security pay dividends in greater safety and protection.

SECURITY FACTS:

- According to *Security Director's Report*, even after 13 to 20 weeks on the job, a new officer can only be expected to perform at a 75 percent productivity level.[9]
- According to *Security Director's Report,* between the time a security department identifies the need for a new officer and the time the new officer is up and running, an average of $5,575 in expenses may be incurred.[10]
- According to Securitas, the world's second-largest security provider, from 2000–2002 there was a 25 percent to 40 percent wage increase among officers in France, Spain and Portugal. Turnover of personnel during the same period decreased from approximately 100 percent to between 20 percent and 50 percent.[11]



New York Safe and Secure

New York Safe and Secure is a comprehensive labor-management training program that prepares officers to meet today's security challenges. This 39-hour program was created by SEIU Local 32BJ in conjunction with the Realty Advisory Board, John Jay College and the Partnership for New York City, a membership organization comprised of 200 CEOs from New York City's top corporate, investment and entrepreneurial firms. An NYPD sergeant with 22 years experience in private security and law enforcement manages the union's Best Practices Training in Security Project, which is focused on commercial office buildings. The program has been such a success that the union, the NYPD and apartment building owners are creating a similar course to improve security at residential buildings as well.



Chicago's BOMA/SEIU Local 1 Security Officers Training Program

In Chicago, SEIU Local 1 partnered with the Building Owners and Managers Association in 2005 to create a training program for security officers. Courses give officers knowledge and experience in the areas most of value to clients:

- Crime Prevention and Anti-Terrorism, taught by the Chicago Chapter of the Federal Bureau of Investigation. Officers learn how to identify and deal with bomb threats, suspicious packages and weapons of mass destruction.
- Security Officer 101, taught by officials from the Chicago Police Department. Includes an emphasis on the limitations of security officers and the importance of a professional, productive relationship with local law enforcement professionals.
- Building Evacuation, taught by the Chicago Fire Department. Officers learn the role of a security officer during a building evacuation, as suggested by the city of Chicago protocols for first responders.
- CPR and First-Aid, taught by the American Red Cross. Officers receive hands-on training in the proper techniques of clearing the airway, mouth-to-mouth and administering chest compressions.
- Customer Service. Teaches how to present a more positive image of client property. Instruction includes how to deal professionally with difficult situations and how to use effective communication skills.
- Observation Skills and Report Writing. Teaches the importance of documentation procedures and incident reporting, a critical skill of the security profession. Officers are taught to write concise, accurate descriptions that can be used in follow-up by law enforcement personnel.
- Basic Computer Skills. Includes using the mouse, creating folders, saving files and drafting a letter using Microsoft Word.

"We instituted a paradigm shift in how we looked at training. We now look at it not as liability avoidance but to improve quality."

—Ben McGlaughlin, director of security for the Children's Hospital of Philadelphia [13]

SECURITY FACTS:

- Forty-five percent of companies surveyed by *Security Directors Report*, said their security operation today requires better and more skilled security officers than compared to three years ago.[12]

Benefit No. 4: Security Officer Unions are Effective Security Partners



Security officer unions can be strong allies with the security industry and their clients in raising industry standards.

In 2004, when the Illinois Detective Act (the law governing private security companies) was set to expire, union security officers in Chicago saw an opportunity to professionalize the industry and lobbied for improvements in training. The result was the renewal and expansion of the statute, which now includes some of the highest training standards in the nation. The Detective Act enhanced the state's training, licensing and certification policies for companies and employees in the security industry and allows state agencies to discipline private security firms—including revoking their licenses—if those companies fail to act in the public interest.

SEIU has also sponsored successful legislation in California to increase the training requirement for new security officers from three to 40 hours.

By working with elected officials and all security industry stakeholders, security officer unions can help pass legislation that protects clients—and the public.

SECURITY FACTS:

- Some 25 states do not require any basic training for security officers whatsoever.
- Fourteen additional states require only three days of training. Programs may consist of only reading or lectures as opposed to any on-site education.
- Unlike with security officers, all 50 states require training to license *cosmetologists*, for whom the minimum state requirement is 600 hours and the average state requirement is 1,500 hours.

Benefit No. 5: Union Partnerships Bring Stable and Harmonious Labor Relations





SEIU collective bargaining agreements guarantee harmonious labor relations. Recognizing their role in protecting tenants, property and the public, SEIU security officers, in every contract they have signed, have agreed to stay at their posts and perform their duties, regardless of any labor disputes that may arise involving SEIU or any other union. Every SEIU contract contains language explicitly guaranteeing that officers will not engage in strikes, work stoppages or other actions.

"SEIU represents city workers in Los Angeles, including public safety personnel. There have never been security breaches linked to union activities. Even when other unions strike, all posts remain covered."

—Dennis Zine, Los Angeles City Councilman for the 3rd District

Protect Your Company's Assets, Operations and Reputation

In order to realize the benefits of reliable union security, as a client you should conduct due diligence background checks on contracting firms and create a meaningful process to ensure you are choosing a responsible contractor.

SECURITY FACTS:

- In the commercial real estate industry, many building owners and their institutional investors have long known the value of high standards, union partnerships and harmonious labor relations. Recognizing the financial benefits, many have adopted Responsible Contractor Policies which apply to security and other building services. Among the largest signatories are the California Public Employees Retirement Fund (CalPERS), CIGNA, The New York State Common Fund and Prudential Real Estate Advisors.

- Require bidders to complete a responsibility questionnaire about the company's history, financial responsibility, performance history, compliance and business integrity.
- Create expanded and standard investigatory procedures to verify the bidder's fitness by holding inquiries into:
  - Pending and past litigation, particularly claims of labor law violations, fraud, breach of contract and poor performance;
  - Pending and past complaints to the U.S. Department of Labor and the state's Department of Labor Standards Enforcement regarding wage-and-hour law compliance;
  - Health and safety compliance with OSHA;
  - Consumer complaints by reviewing local Better Business Bureau reports as well as local licensing and bonding requirements to ensure compliance;
  - Timely payment of all local, state and federal taxes; and
  - Performance history.
- Investigate allegations of illegal or irresponsible activity to prove or disprove them.
- In the public sector, enforce penalties for companies that fail to disclose relevant information to your agency.
- Ensure the contractor provides:
  - Adequate insurance coverage;
  - General and facility-specific training; and
  - A system for soliciting and incorporating the suggestions and concerns of its officer staff.
- Establish a preference for contractors that provide good jobs by paying a decent wage, quality affordable healthcare and paid sick days.
- Verify that the security company will respect the lawful freedom of its employees to choose a voice at work by forming a union—without management interference.

For more information, visit StandForSecurity.org



Endnotes

[1] "Exclusive SDR Survey: Can Contract Guards Ever Be as Good as Proprietary Staff?" *Security Director's Report*, September 2002, p. 6.

[2] The Freedonia Group, *Industry Study No. 2029: Private Security Services*, The Freedonia Group, Inc. Cleveland, Ohio, March 2006, p. 75 and p. 79

[3] Steven W. McNally, CPP, "Turn Away Turnover," *Security*, September 1, 2004

[4] Michael E. Goodboe, "How to Turn Around Turnover: When Officers Are Better Paid and Mentored by Supervisors, the Security Industry's High Turnover Rate Can Be Tipped in the Employer's Favor," Security Management, November 2002, Vol. 46 p. 65

[5] Robert McCrie quoted in Michael Collins, "Much of Nation's Security in Private Hands," Scripps Howard News Service, September 22, 2001.

[6] Los Angeles Alliance for a New Economy, "Undertrained, Underpaid and Unprepared: How L.A.'s Commercial Office Building Owners Are Failing Security Officers and Compromising Public Safety," April 2006, p. 12.

[7] Ronda Kaysen, "Do Security Guards Provide Enough Security?" *Downtown Express,* Vol. 18, no. 12 (August 12 - 18, 2005) p. 1.

[8] Terry Pristin, "Commercial Real Estate: Different Cities, Different Security for Buildings," *New York Times*, July 9, 2003, Section C p. 6.

[9] "EXCLUSIVE SDR SURVEY: Benchmark Security Staff Costs to Manage Competing Forces." *Security Director's Report*, August 2009, Vol. 2009 No. 8.

[10] "EXCLUSIVE SDR SURVEY: Benchmark Security Staff Costs to Manage Competing Forces." *Security Director's Report*, August 2009, Vol. 2009 No. 8.

[11] Thomas Berglund, Securitas: Presentation to CoESS, Madrid, October 14 2004, p. 8.

[12] "EXCLUSIVE SDR SURVEY: Benchmark Security Staff Costs to Manage Competing Forces." *Security Director's Report*, August 2009, Vol. 2009 No. 8.

[13] "Use These Tricks to Transform Security Training Programs," *Security Director's Report*, November 2002, p. 4.



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