

6. CONCLUSION AND RECOMMENDATIONS



1. Introduction

The retail fuel sector, as this report has indicated, is a deeply complex and fractured industry. The prohibition on vertical ownership, the layers of regulation and the powerful, vested interests have all served further to dislocate common interests and stifle co-operative action. The consequence has been to entrench the sector's great vulnerability to crime. It is a vulnerability that will not be controlled by individual action. Effective crime prevention will also not be achieved in isolation by any one of three major components of the sector, the oil companies, the retailers or the employees.

The paradigmatic shift that the leaders of this industry need to make is to attempt to convert the divisive, exploitative nature of crime into a call for unified action. Instead of allowing crime to become another facet of the combative relationships already in existence within the sector, it needs to be used as a unifier. Crime will not be addressed at petrol stations until every group within the sector is committed to the idea. This will require a degree of participation and inclusivity that hitherto has not existed within the retail fuel sector. It is, however, a goal that will not only benefit the tens of thousands of people who make their livings from selling fuel but will also pull the sector closer into line with the broader national imperatives outlined in the Constitution. In its 2001 investigation into the industry, the Small Business Advisory Bureau urged 'open communications and transparency' and argued this would undoubtedly pay dividends in the sector, not least during wage negotiations (SBAB, 2001).

While the recommendations below call on all the various components of the sector to play key roles in tackling the crime crisis, the working group is of the view that the oil companies, which are well resourced in terms of human and financial capital, need to lead by example. This is particularly the case when it comes to unifying the components of the sector into a consensual position on crime.

It is worth remembering, too, that violent crime has reached an extraordinarily high level in South Africa and, while it has stabilised, continues to exact a terrible price on local communities and the enterprises that serve them. Unless the fuel retail sector takes decisive and collective action, it will continue to attract criminal elements just as it will continue to reap the tragic consequences of its vulnerability. As SBAB urged in its 2001 investigation into the sector: 'It is vital that industry wide norms be adopted to make the industry safer and less hazardous and life threatening.' It called for the further efforts to make sites cashless and for the wider use of drop-safes, cash-in-transit companies and improved cash handling and counting procedures that minimise on-site cash exposure: 'If the industry is to survive, external factors such as crime... have to be counteracted' (SBAB, 2001).

As we explained at the very outset of this project, it was not the working group's intention to come up with recommendations that are unworkable, unrealistic or damaging to the business of selling fuel. Neither are we convinced that anyone other than the industry should be making decisions on operational matters such as minimum levels of crime prevention technology and/or equipment.

It is also worth pointing out that a variety of different ideas have been suggested as solutions to the safety crisis including the arming of petrol attendants with weapons, the removal of attendants altogether and even the creation of South African territorial reserve

IN TERROR AND IN SILENCE

paramilitary force to beef up the criminal justice system. We have chosen to highlight suggestions where we have deemed them appropriate.

In previous studies and in initiatives within the sector, the emphasis has been put largely upon technological assurances while human and social capital solutions are de-emphasised. Repeatedly throughout the RISE survey it was observed that the most obvious solution – training for crime awareness and prevention – was de-emphasised in favour of technological (and legislative) solutions.

It was also noted with interest by RISE that petrol stations appear to be offering or hosting non-core services that attract a 24-hour, 'on-the-go', exciting, youthful, urban-dwelling customer who does not just purchase liquid fuel but is someone who purchases lifestyle products and services. 'It is thus with not a small amount of irony that this study must also report that it collected data from managers and owners who believed that part of the crime situation at petrol stations could be solved if government adopted a tougher stance against "the youth"' (RISE, 2002).

Interviews with 150 attendants also revealed most poignantly that this was indeed an employee group at risk. Working conditions were, in several cases, appalling and encompassed many negative phenomena such as low levels of remuneration, poor performance management, almost daily verbal abuse and high levels of fear of loss of life while on duty. Black economic empowerment – an imperative within the industry – appears to have had very little or no impact on the 'forecourt floor'. Most of the attendants participating in this study were black South Africans and it is with concern that this study found them to be subjected, in some instances for years, to poor, daily working conditions.

Interviews with owners and managers were striking for many reasons, not least of which was the low morale, pessimism and negativity which they as a group expressed. Not one of the station owners or managers spontaneously stated that he (or she) was proud to be part of the liquid fuels industry or to be an owner or manager of a petrol station (RISE, 2002).

While attendants were assumed to have co-responsibility for ensuring safety at petrol stations, there were many instances in which attendants were assumed to be responsible for crimes. According to the RISE survey: 'Owners and managers described crime at petrol stations in terms of hypotheses and conjectures, with very little empirical evidence to support claims that attendants were implicated in these crimes. There is clearly a need to provide owners and managers with factually correct information and there is equally a need to counter the current disinformation circulating in the industry as this impacts on the quality of working lives of all employees at these petrol stations.'

The study, together with data from other research into the sector, also indicated that station owners and managers are generally a remarkably well educated group who had spent much time deliberating over the dynamics and environment of their businesses. It would seem, however, from an operational point of view that the lack of attention to performance management systems or to participative management approaches at most of these petrol stations suggests relatively unsophisticated management practice and skills. There may well be a need to counter this by providing training to owners and managers on contemporary and appropriate management and leadership methods.

CONCLUSION AND RECOMMENDATIONS

The RISE team urged that if there was only one contribution its work added to the Petrol Station 5 Safety Project, it hoped that the need for a more social capital-oriented approach to assuring petrol station safety and security was required. 'This requires that training be provided to attendants and managers in crime awareness and prevention, conflict resolution, team work, performance management, diversity management and co-operation. By building up the people who work at and own petrol stations, we believe that this offers the best chance of improving safety and security levels at these sites and most importantly, of improving the quality of lives of these individuals, many of whom spend days and nights working in high-risk, dangerous and often hostile environments'.

2. Recommendations

The working group believes that the real challenge for the fuel retail sector will be its capacity for turning adversity, namely violent crime, into a common concern around which collaborative strategies and co-operative networks can be developed. We believe the following recommendations represent an appropriate response to the current crisis of violent crime affecting the retail fuel sector in South Africa.

Organisational (internal and external linkages)

1. The working group urges the creation of a cross-sectoral, high level retail fuel industry crime prevention structure.

The principal purpose of the structure, which must feature senior representation from the oil companies, the retailers and the employees, will be to unify the sector's crime prevention strategy and facilitate improved communication within the industry on crime issues. Among the structure's key tasks will be the improvement of relations with the SA Police Service, the National Prosecuting Authority and the Department of Justice.

The structure should establish an industry-wide code of practice setting out minimum safety standards for retail outlets. Important work already done by some of the oil companies – for instance by Shell and BP on safety audits and manuals – should be used as the basis for devising the code.

The structure must also seek common interests and experience from other economic sectors who are doing similar work on improving safety levels and procedures such as banking, retail and the minibus taxi industry (which is looking at cashless payment systems).

2. An industry-wide summit should be hosted seeking to address and take steps to resolve the deep-seated animosities and dissatisfaction among key tiers of the industry. The summit should consider the other recommendations and observations contained in this report. It should also consider drawing up a Mission Statement aimed at collectively embracing the imperatives and principles of the modern, democratic era.
3. It is clear that limited funding is reaching the sector for learnerships or skills training, in spite of the fact that every petrol station contributes significant sums every month for the purpose to the Merseta. There are also state funds, such as the Umsobomvu Fund which exist for training purposes. The sector has fallen between the cracks in this regard due to bureaucratic red tape that must be cut away with the greatest urgency. We appeal to the Minister of Labour, Mr Membathisi Mdladlana, to take responsibility for investigating the blockages that exist and to fast-track the sector's access to these funds and training opportunities.

Workplace and conditions

It is painfully clear that, generally speaking, the working conditions of petrol station attendants are among the worst in the entire country. It is the working group's belief that this state of affairs has much to do with the ongoing safety crisis in the sector.

Demotivated, untrained, poorly paid, mistreated and disloyal staff members lacking in career ambition cannot be expected to contribute in any meaningful way to the security of other employees, managers or customers at South Africa's petrol stations. While not all petrol attendants are in this state, the working group feels it is absolutely essential that working conditions in this sector are improved substantially and with great urgency. These improvements can be achieved in a number of ways. Some of these are suggested in the following recommendations.

4. The drawing up of a distinct and achievable career path by which attendants, with sufficient training and dedication, can rise through industry grades to achieve eventual management and even ownership positions is considered essential.
5. Creation of site safety officers from ranks of attendants charged with monitoring health and safety, to be rewarded with an increased package.
6. Industry-wide agreement on grades and job levels for the sector must be reached with clear definitions, and rewards, for each grade.
7. Decent and current personnel records setting out the personal details, family contact information, achievements and special circumstances of employees must be kept by owners and managers.
8. Special attention needs to be devoted to the representation of petrol station attendants in bargaining councils. The current state of affairs, in which powerful interests in a broad and diverse sector, have dominated negotiations and marginalised attendants and their aspirations needs to be addressed.
9. The trade unions' servicing of this sector and the conducting of their own monitoring of safety and work conditions must be improved.
10. Allowing petrol station owners and/or managers – instead of the oil companies – to determine by consultative agreement whether they should offer a 24-hour service with appropriate structures for appealing this decision on accepted grounds. The need for this is partly due to the unnecessary hardship caused to employees forced to work long, graveyard shifts and partly based on the added risk incurred by petrol station managers and employees at 24-hour stations.
11. The adoption of transparent, standard, industry-wide franchise agreements which do not permit arbitrary action by individual agents.
12. A common policy on tipping needs to be agreed. This should be communicated to the general public.
13. Renewed efforts must be made to ensure staff are trained and retrained in armed robbery survival and security procedures.
14. Minimum standards for attendant's comfort areas must be introduced and enforced including adequate ventilation, lighting, temperature control, sanitation and basic facilities. These standards are found in by-laws and occupation health and safety regulations and are willfully ignored and seldom monitored. This is not only against the law, it is contrary to the new constitutional dispensation which entrenches human dignity and the right to a safe working environment.
15. Petrol station owners must be encouraged to offer supplementary benefits for their employees including transport, food and bonuses for late night or weekend shifts. This is especially the case where employees are paid the minimum wage.
16. Informing employees or the families of benefits available under workplace compensation legislation is a duty of the oil companies and of owners and managers.

CONCLUSION AND RECOMMENDATIONS

- This has clearly not been happening forcing former employees, or the families of former employees, to undergo severe and unnecessary hardship.
17. The minimum wage of R4,65 (and R3,65 in rural areas) does in no way comprise sufficient income for petrol attendants and their families. This must be revisited by the industry bargaining councils and made a key objective of Numsa and the other unions representing forecourt staff.
 18. Training must be provided to owners and managers on contemporary and appropriate management and leadership methods. Training should include crime awareness and prevention, conflict resolution, team work, performance management, diversity management and co-operation. Attendants should be included in this training.
 19. While trauma counseling has been made available by some oil companies, the working group recommends that a much more comprehensive approach should be adopted to the issue of traumatised attendants, managers, owners *and* their families. This will demonstrate human caring and transfer life skills from attendants into their communities. Posters and information must be provided to tell attendants, in particular, where to turn for help.
 20. The monitoring and evaluation of occupational health standards must be conducted on a regular basis as this is a labour department function. In its own interests, the oil industry should provide strategic assistance that would enable adequate inspections by qualified inspectors. The working group urges the labour department to do its job in this regard and to devote greater energies to protecting this most vulnerable sector. The industry must audit labour department inspections. The labour department must be held accountable and records of the audits must be sent to the industry, the unions, employer associations, employees and to the department's senior managers.

Allocation and utilisation of resources and technology

21. Opportunities exist for low-cost life insurance for this sector that may be accessed due to the size of the industry. This should be investigated by the oil companies, employers and retailers. The working group notes that a proposal along these lines was made by Delphisure.
22. The working group urges oil companies and retailers to move as quickly as possible toward a cashless working environment at petrol stations, bearing in mind the need in the current economic environment to safeguard jobs. The benefits of initiatives along these lines in the minibus taxi industry need to be watched very closely by the sector.
23. The working group urges the oil companies to provide broad access to the information they hold and collect on crime statistics and data, especially to each other and to retailers.

Regulatory and/or legislative

24. Minimum safety standards must be legislated for every new petrol station and for obligatory, phased-in implementation at existing sites. These standards must include obligatory training of staff and management as well as on-site basic minimum infrastructural requirements. The latter could cover a range of measures to be decided by the industry based on what is affordable and what works. These standards may include, for example, the prohibition of reckless cash handling, obligatory drop-safes and their proper and consistent use, functioning CCTV, signage and minimum quantities of safety equipment. Meeting these requirements should be obligatory for the award of a retail trading license. Pending legislation envisages the awarding of these licenses.

25. It is clear that the margins enjoyed by retailers are simply inadequate to allow for any improvement in safety standards at petrol stations. The working group recommends a specific safety levy is imposed on or within the petrol price to assist with the large capital cost of improving the security environment of this vulnerable sector. A 1 per cent levy should be administered by the new Energy Regulator and should be assigned to specific infrastructural objectives for a limited time scale. An alternative is to make provision for the levy by increasing the Retail Margin by an appropriate amount under the same conditions as the levy.
26. The payment of RSC levies, which are paid according to turnover, has proved an especially punitive burden for petrol station owners operating on narrow margins. Though retailers are compensated for the payment of these levies in the current retail margin model, this needs to be revisited by the mineral and energy affairs ministry and the treasury particularly in light of the volatile oil price and its impact on station managers, owners and attendants.

APPENDIX

SURVEY METHODOLOGY



1. Survey Methodology

The basic methodology of the working group and the sources of information used in this report have been set out in Chapter 1. In addition to the submissions, letters, presentations and testimony of stakeholders and interested parties, the working group also conducted a survey of petrol stations to provide hard, on-the-ground data. The methodology for the survey, which was conducted by the Research Institute for Socio-Economics (RISE) – a division of Research Surveys – is as follows.¹

Research on sensitive issues such as crime, HIV/AIDS, domestic violence or rape is almost always difficult. Often, attempts to overcome these difficulties direct researchers towards qualitative methods such as in-depth interviews. The use of in-depth interviews, however, does not overcome some of the main challenges of conducting primary research on sensitive topics presented by under-reporting, over-reporting and the ‘numeric imperative’ (or the strong attraction for using statistics and numeric measures), among others.

In the RISE survey, a hybrid methodology was used and combined qualitative and quantitative methods spanning interviews and structured observations. This methodology permitted RISE to combine lines of inquiry and questions specified by the consortium with additional questions that RISE (as a civil society research specialist) identified as relevant.

1.1 Sample design

1.1.1 Anticipated sample

A convenience sampling approach was used in the survey component of the Petrol Station 5 Safety Project. The population from which the sample was drawn was defined using Rhodes University’s Criminology Department’s database on South African petrol stations. The population frame generated listed 35 stations and included information on the oil company, manager’s name, telephonic contact details, physical address details, an urban / rural classification and a risk profile rating.

Twenty-five petrol stations were selected from the list based on instructions from the working group that five stations located in rural areas of the Western Cape be surveyed. Unfortunately, there were not enough rural petrol stations on the list to make up the quota of five – hence, all three of the rural stations listed were included in the study. The quota of 20 high-risk stations as specified by the working group was also not obtained because the Rhodes University list contained listings for stations with an “unspecified” risk profile.

The working group also requested that several petrol stations operating on a 24-hour basis be included in this survey. RISE anticipated that half of the sample would be 24-hour operations but as can be seen from the table (below) only one petrol station did not operate on a 24-hour basis.

Within this survey, station managers, franchise owners and petrol attendants working at the 25 petrol stations were interviewed. One hundred and fifty face-to-face interviews were conducted with attendants and managers. An additional 25 interviews were conducted with Xhosa and Zulu-first-language-speaking attendants to test for the impact of linguistic variables upon the data collected.

¹ This section on survey methodology is taken directly from RISE 2002.

IN TERROR AND IN SILENCE

Summary of Petrol Station sample composition

Dimensions	Anticipated	Obtained
Number of stations in sample	25	25
Number of stations operating 24-hours	12	24
Number of high-risk, metro/urban stations ²	20	11
Number of low-risk, metro/urban stations	0	4
Number of low-risk, rural stations	5	3
Number of unspecified risk stations	0	7

(RISE 2002)

Summary of Participant Sample Composition

Participants	Anticipated	Obtained
Number of station managers	25	25
Number of petrol attendants	125	125 (plus 25)

(RISE 2002)

1.1.2 Sample size issue

RISE cautions that data collected using the checklist of stations' physical and behavioural characteristics and the station managers' interview questionnaires were generated with a sample that was too small to permit meaningful interpretation of the statistical analysis undertaken. Sufficient numbers of interviews were conducted with petrol attendants and this means that statistical analysis of such data was attempted.

RISE also cautions that the sample size in the survey conducted for the Petrol Station 5 Safety Project was neither a sufficient nor a representative sample of the total population of petrol attendants employed in the industry nor of the number of stations in the Western Cape or South Africa. Noting this, it is important that data emerging from this study not be used to represent anything other than what they can represent, namely, an exploratory survey of 25 petrol stations in the Western Cape.

1.2 Instrument design

1.2.1 Observation checklist

The first instrument used in this study was a physical and behavioural characteristics checklist. The checklist guided structured observations of the petrol station by the field team and focused on:

- visible security infrastructure (e.g. electric fencing)
- spatial location and visible socio-economic features of the surrounding environment (e.g. located on a national highway and near an informal settlement)
- customer, employee and other behavioural events (e.g. purchasing of petrol)
- product and market information (e.g. oil company branding)

The rationale behind the design and implementation of this tool was to provide additional data about observed human behaviours and physical infrastructure characteristics of the

² Two petrol stations were rated as 'medium risk' according to Rhodes University's list of 35 petrol stations.

SURVEY METHODOLOGY

station. The checklist served as a triangulation measure against which to reflect responses about infrastructure and behaviour collected from station managers, owners and petrol pump attendants.

1.2.2 Attendant's questionnaire

The second tool implemented in this study was a questionnaire originally compiled by the working group and redeveloped by RISE. Part of the redesign of this tool entailed reformulating the working group's questions to remove categorical response options and ambiguity, among other things. Additional questions were suggested by RISE and integrated into the questionnaire, such as:

- Questions on prostitution and drug solicitation at petrol stations;
- Questions on human resource management and industrial labour relations such as availability of job descriptions and performance feedback, levels of satisfaction with income (wages and tips), education and employment aspirations, and union membership, among others;
- Questions focusing on accepting gifts or money for information supplied to a third party about a station's operations; and
- Questions about self-protection and weapons used for self-protection purposes while on duty.

The rationale behind the redesign and implementation of this tool was to provide data on attendants' awareness and knowledge of crime and violence occurring at the petrol station against the background of industrial relations and human resource management as experienced by attendants employed there.

The average duration of the face-to-face interview conducted with the attendants was thirty minutes and the interview was conducted at the petrol station.

1.2.3 Manager's questionnaire

The third tool implemented in this study was originally developed by the working group and redeveloped by RISE. The interview tool combined structured and open-ended questions and was administered in a face-to-face interview setting. The average duration of the interview was sixty-five minutes.

Additional questions were suggested by RISE and integrated into the questionnaire. Some additions were:

- Questions on the presence of street vendors in or near the station and the manager's 'policy' towards them. This was motivated by the possibility that street vendors could be 'eyes on the street' and part of a 'neighbourly' and civil society infrastructure which is alert to security and safety risks at petrol stations; and
- Questions on association membership and mobilisation. This was motivated by the possibility that through association and mobilisation, managers have access to civil society support networks and alternative crime prevention resources.

1.3 Data collection

All visits to stations were conducted only by scheduled appointment with the station manager or owner. Visits were scheduled for weekdays rather than Fridays and Saturdays because these days were identified by owners and managers as 'peak times'.

All data was collected over a three-week period in late August to early September 2002.

Three field teams were used consisting of three fieldworkers each and a fourth u-Xhosa and isi-Zulu-speaking team was used to conduct additional interviews with petrol pump attendants. Interviews with station managers and owners were conducted by the lead interviewer.

1.4 Coding, capturing and analysis

1.4.1 Coding frames

Coding frames were developed for all questions. All closed question coding frames were developed prior to data collection and all open-ended question coding frames were developed after data collection. Coding frames created were informed by participants' verbatim responses and by logical and research-based coding systems. For example, the coding frame created for the list of attendants' ideal jobs permitted classification of responses according to skills (skilled and professional through to unskilled) and sectors (using the Harmonised Industrial System) dimensions. All coding frames were developed by RISE's expert coders and checked or reworked by the lead researcher. Following the development of coding frames for open-ended questions, all data were captured and analysed.

1.4.2 SurveyCraft analysis

RISE uses SurveyCraft software to automate part of its analysis. SurveyCraft is an integrated capturing and analysis, DOS-based, software package. However, all analysis to be conducted is specified using detailed instructions sent to RISE's analysts by the lead researchers. Analysts are in constant liaison with the lead researchers and several iterations are undertaken.

1.5 Quality control

Quality control is a fundamental part of what differentiates RISE's survey projects. Quality control is undertaken at every stage of the project including, among others:

- Edit checking of questionnaires, coding frames and reports by the data processing units;
- Back-checking of 50% of the sample of petrol stations visited and station managers interviewed including confirmation of field teams' visits to petrol stations. Back-checking is undertaken by an independent unit which has dedicated resources available for back-checking. Specific questions and responses are identified and then confirmed with participants (either telephonically or via face-to-face follow-up) during the process of back-checking;
- Training of fieldworkers was undertaken prior to commencement of fieldwork and debriefing was done with all field teams. Training includes briefing in relation to the study itself and also includes training on undertaking socio-economic research and conducting interviews on sensitive topics such as crime and violence; and
- Field interviewers are only permitted to undertake 12 interviews each in order to reduce interviewer bias.³

³ The full RISE report can be accessed through the Research Surveys website: <http://www.researchsurveys.co.za>

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IN TERROR AND IN SILENCE

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