

Selection Factors for Security Service Companies in Strata Schemes in Malaysia

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ABSTRACT

The rapid increase in stratified housing in Malaysia poses unique security challenges, including intrusion and theft. This study aims to identify the types of security service offerings and evaluate the level of their provision in strata residences. The research methodology employs a qualitative approach through semi-structured interviews with representatives of Joint Management Bodies (JMB/MC), security companies, and property managers. The findings indicate that the primary factors in company selection include experience, equipment/tools, track record, firm size, and price offerings. This study concludes that effective security management depends on a balance between cost and service quality. Future research suggestions focus on integrating smart security technology.

Keywords: Strata Housing, Security Services, Selection Factors, Property Management, Joint Management Body (JMB).

INTRODUCTION

The development of stratified property in Malaysia has advanced alongside the process of urbanization, particularly in major cities like the Klang Valley and Johor Bahru. According to Tiun (2020), strata housing has become the most sought-after alternative to address high population density. Security is a critical element that determines property value and resident well-being; failure to manage this aspect can lead to increased criminal cases such as intrusion and theft in common areas.

Security management in strata schemes is the responsibility of the Joint Management Body (JMB) or Management Corporation (MC) as stipulated in the Strata Management Act 2013 (Act 757). Md Nasir et al. (2021) state that management often faces a dilemma in choosing security companies that can offer a balance between competitive costs and high service quality. Most arising issues stem from appointing companies with poor track records or a lack of trained manpower, which ultimately affects residents' trust in management.

Therefore, this study identifies the main factors influencing the selection of security companies in strata housing to ensure more effective control systems. According to Omar (2024), criteria such as firm experience, use of modern security technology, and organizational size must be thoroughly evaluated before any appointment.

LITERATURE REVIEW

Factors for Security Service Companies

Choosing the right security service company is a critical factor in ensuring efficient safety in stratified housing. There that need to be considered by the management before signing a security service contract. Based on studies by Nasir et al. (2019) and Ismail & Tan (2021), five main criteria have been identified:

i. Experience and Training of Security Guards

The experience and training of security guards are essential elements in ensuring efficiency and professionalism in strata security services. Experienced guards can handle emergency situations efficiently and communicate effectively (Mohd Yusof et al., 2020). Periodic training that covers physical, psychological, communication, conflict management, and work ethics aspects—in accordance with Ministry of Home Affairs (KDN) guidelines—is also required for good job performance (Azmi & Rahman, 2019). Therefore, experience and training serve as key indicators in assessing the competence of security guards.

ii. Operational Equipment and Tools

Operational equipment such as walkie-talkies, CCTV, and automated access control systems significantly influences the effectiveness of security services. Although some companies still rely on conventional equipment, integrated technology is capable of significantly reducing intrusion incidents (PPKKM, 2021; Chong et al., 2022). The selection of a security company should take into account the level of equipment modernization to enhance residents' perception of safety.

iii. Track Record and Client Base of the Security Company

A good track record and extensive experience are benchmarks of a security company's quality (Ismail & Lim, 2020). Positive feedback from previous clients, especially reputable institutions, increases residents' confidence in the company (Noor & Hassan, 2021). Therefore, a company's work record and reputation must be reviewed before appointment.

iv. Firm Size

Firm size is a primary indicator of the operational stability and logistical capability of a security company in managing strata schemes. According to Omar (2024), firms with a large organizational size typically possess stronger support systems, including 24-hour control centers and fully equipped motorized patrol units. The main advantage of large-sized firms is their ability to provide manpower redundancy, which guarantees the immediate availability of replacement guards in the event of an emergency or staff absence (Mustafa et al., 2021). Additionally, companies that are stable in terms of size often carry higher liability insurance coverage, thereby giving the JMB or MC confidence that risks of loss or negligence can be handled professionally.

v. Cost and Tender Price

The factors of cost and tender price play a critical role in determining the sustainability of security services, as strata management must balance budget constraints with the required level of protection. Although JMB/MC are often tied to limited maintenance fee collections, selection should not be based solely on the lowest price; there is a concern that unrealistic price offers will jeopardize guard welfare, such as minimum wage payments and mandatory contributions (Md Nasir et al., 2021). A competitive tender price must be transparent and include the costs of technological equipment and periodic training to ensure that service quality is not compromised (Tiun, 2011). Therefore, a balanced price assessment is vital to ensure the company can provide long-term commitment without neglecting key security aspects of the residence.

Strata Housing and Security Challenges

i. Population density and shared common spaces

Strata areas have a high number of residents and shared public spaces (elevators, parking, lobbies). This increases the risk of crimes such as theft, intrusion, and vandalism. (Chan, Tan & Lim, 2020)

ii. Level of resident satisfaction with security

Studies show that 42% of residents in Kuala Lumpur are dissatisfied with security services in strata residences. The main issues are the lack of patrols and weaknesses in access control. (Ismail, 2020)

iii. Weak enforcement of house rules

Only 28% of strata schemes consistently implement security-related house rules, such as access card use, CCTV monitoring, and visitor control. (Abdul Latif & Nordin, 2019)

iv. Influence of security SOPs on crime rates

Strata schemes that adopt a security SOP (Standard Operating Procedure) system show a 30% reduction in crime rates compared to those that do not practice them. (Tan, Musa & Rahman, 2022)

v. Role of professional management

Property management that follows standards such as the Property Management Standard is more likely to evaluate security company performance periodically, including through audits and internal monitoring. (LPPEH, 2021)

RESEARCH METHODOLOGY

This chapter describes in depth the methodological approach used in this study to achieve the outlined objectives. A robust and organized methodology is essential to ensure that the data obtained is valid, accurate, and reliable. This chapter details key aspects such as research design, location and duration of the study, population and sampling, data collection methods, instruments used, research procedures, data analysis methods, and steps taken to ensure the validity and reliability of the data. All these elements are carefully planned so that the research findings can provide precise answers to the research questions and contribute to the provision of security services in strata schemes.

Research Design

This study employs a qualitative approach using semi-structured interview techniques. The qualitative approach was chosen because it allows the researcher to gain an in-depth understanding of the experiences, views, and challenges faced by JMB/MC, property managers, and security service companies in providing security services in strata schemes. Semi-structured interviews provide the flexibility to explore additional information beyond the prepared questions, thereby delivering rich and meaningful data.

Data Collection

In this study, data collection was conducted through one primary method: semi-structured interviews. Each method was selected to provide a comprehensive and in-depth overview of the provision of security services in strata schemes. Semi-structured interviews allow the researcher to obtain direct information from respondents based on the open-ended questions provided. The table below lists examples of questions and aspects observed for each data collection method used in this study.

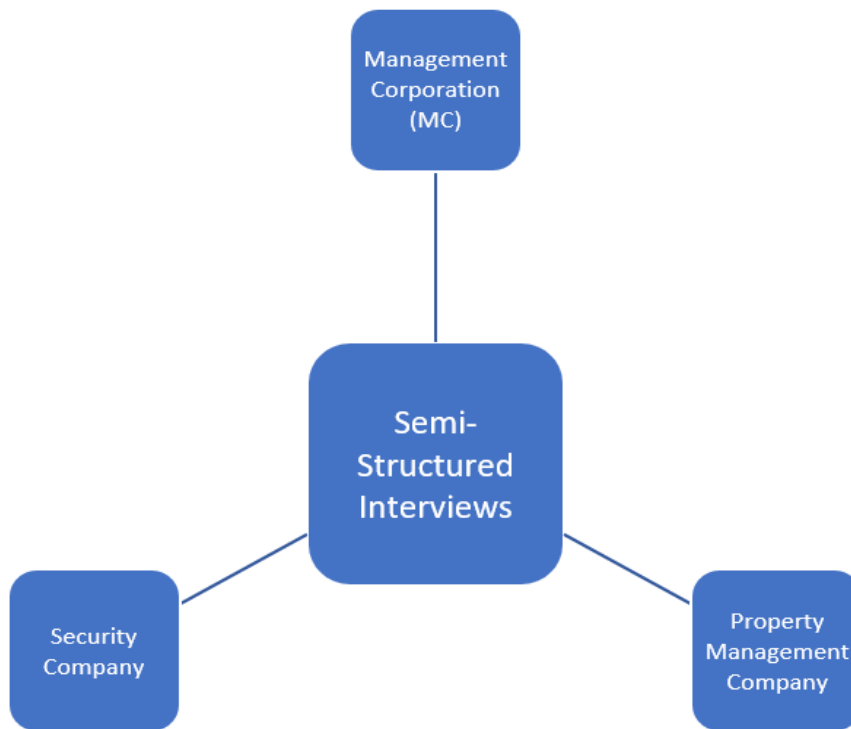


Figure 1: Interview Respondents

Data Analysis

Data collected through interviews used a qualitative approach, specifically thematic analysis. Thematic analysis allows the researcher to identify patterns, themes, and underlying meanings within the data. This process involves several systematic steps, including familiarizing oneself with the data, generating codes, searching for and reviewing themes, as well as defining and reporting the themes found. By using this technique, the researcher can structure large and complex qualitative data into organized and meaningful analysis results, aligned with the research objectives.

Analysis and Research Findings

This study focuses on the description and analysis of the research findings to determine the achievement of the objectives outlined in Chapter 1. This analysis utilizes data collected through semi-structured interviews with representatives of the Joint Management Body (JMB), security company managers, and property managers.

Findings

i. Types of Security Service Offerings

Interview results show that security companies no longer offer only physical guarding but have integrated technological elements. Respondents R1 and R2 emphasized that company experience (exceeding 5 years) is a mandatory criterion in service offerings. Furthermore, the use of Digital Patrol Systems (Smart Guard Tour) and real-time reporting via smartphone applications (as stated by R4) have become key value-added features in attracting JMB interest.

ii. Level of Security Service Provision

The level of service provision is assessed through the quality of guards and the effectiveness of monitoring. Respondents R2 and R3 stated that monthly performance audits using a merit system are the primary method for measuring the level of provision. In terms of cost, all respondents agreed that the offered price must be realistic (between RM9.50 to RM12.00 per hour) to ensure guard welfare is maintained and service quality is not affected by excessively low price offers.

DISCUSSION

Findings indicate a paradigm shift in strata management where JMBs now prioritize data transparency through digital systems over manual records. The discussion also concludes that a stable firm size (medium to large) provides higher confidence to users due to their ability to provide relief guards in case of emergencies. This is in line with the requirements of the Property Management Standards which emphasize operational sustainability.

The results of the data analysis from respondents are summarized in table form to provide a clear overview of the research findings. Table 1 summarises the background of the respondents who participated in the interview sessions.

Table 1: Background of Respondents

Respondent	Position	Experience	Main Expertise
R1	JMB Representative	3 Years	Strata Administrative Management
R2	Property Manager	11 Years	Property Operations and Maintenance
R3	Company Director	18 Years	Physical Security & Training
R4	Company HR	10 Years	Technology & Digital Security

First Objective: Identifying Types of Security Service Offerings

Table 2: Service Scope Offering and Experience

Respondent	Answer
R1	“The appointed company must be experienced in managing entry/exit operations, periodic patrols, visitor management, and consistent incident handling according to established SOPs.”
R2	“Experience assessment focuses on the track record in managing strata buildings (residential/commercial) and financial strength proven through audit reports (last 3 years) and bank statements (last 3-6 months).”
R3	“The company has been operating since 1995 (active since 1998), showing long-term stability. Services offered include unarmed guarding and specialized expertise in Private Investigator (PI) services.”
R4	“Has over 6 years of expertise in managing various grades of strata schemes from low-cost to luxury. The service scope includes static access control, motorized patrols, centralized CCTV monitoring, traffic management, and maintenance of visitor and resident logbooks.”

Based on the research data, all respondents (R1 to R4) unanimously emphasized that experience in strata management for more than five years, as well as efficiency in physical control and patrols, are the most important criteria in selecting a security company. Respondents R1 and R2 asserted that a company’s strength lies in consistent SOP compliance, a proven track record, and solid financial stability to guarantee operational quality. Meanwhile, respondents R3 and R4 showed that a diverse scope of services such as unique offerings of Private Investigator (PI) services, traffic management, and experience handling various property grades from low-cost to luxury adds significant value to a firm's credibility. Overall, the data indicates that a combination of long-standing operational experience, transparent record management, and the integration of specialist services are the key determining factors in ensuring the effectiveness of security control in a strata’s building.

Table 3: Equipment and Technology

Respondent	Answer
R1	“JMB mandates the use of digital patrol systems (guard tour) to ensure report transparency and PDPA 2010 compliance. The level of service provision is strengthened through periodic equipment audits and the implementation of preventive maintenance plans for critical systems like CCTV and automated barriers to avoid operational disruptions.”
R2	“We encourage the use of smartphone applications and QR codes to replace manual systems for real-time monitoring purposes.”
R3	“We provide basic equipment (baton), long-range walkie-talkies, and LED flashlights. The JMB requires integration with CCTV systems, automated barriers (boom gates), access card systems (SSK), and smart, proactive monitoring systems to ensure every patrol point is checked on time.”
R4	“We supply 'Smart Guard Tour' and e-Reporting applications that can be monitored by the JMB continuously via smartphone.”

Based on the data in Table 3 regarding equipment and technology offerings, it was found that all respondents (R1 to R4) have integrated Digital Patrol Systems or Smart Tours as a mandatory element in their services to guarantee reporting transparency and compliance with security standards. Although basic equipment such as walkie-talkies and CCTV still provided, there is a significant shift toward digitalization where R2 and R4 have already implemented Real-Time Reporting Applications that allow direct monitoring via smartphones. Overall, this data shows that management (JMB) now emphasizes the use of smart technology and automation, such as QR code systems and automated barrier integration, to bolster operational efficiency and minimize manual interference in security control.

Second Objective: Identifying the Level of Security Service Provision to Strata Residences

Table 4: Track Record and Firm Size

Respondent	Answer
R1	“Mandates the storage of entry/exit logs and incident records (digital/physical) for annual audit purposes. Medium-large companies are most ideal because they are financially stable (salary payments) but remain flexible without complex bureaucracy.”
R2	“We evaluate a company's ability to manage strata schemes with similar profiles (e.g., commercial, residential, or mixed buildings). The level of provision is assessed through monthly performance scores. Cumulative scores determine contract continuity at the end of the year.”
R3	“Guarantees service through systematic record-keeping and monthly audits. Efficiency depends on the supply of Nepalese workers. Although firm size guarantees salary stability, the main challenges are foreign worker approval procedures and competition from 1,200 other companies.”
R4	“Has over 200 staff to guarantee the availability of relief guards. Large firm size is associated with more stable logistical support and human resource management to ensure long-term security.”

Based on the data provided in Table 4, the analysis regarding the level of security service provision to residences can be summarized through several key factors emphasized by the four respondents (R1 to R4). Overall, periodic performance audits are the most agreed-upon factor by all respondents (4/4). They emphasize the use of real-

time reporting applications and monthly merit systems to assess service effectiveness. For example, R2 stated that cumulative monthly scores determine the continuity of a company’s contract at year-end. This indicates that continuous monitoring is a critical industry standard in guaranteeing security service quality.

Table 5: Assessment of Cost and Tender Price

Respondent	Answer
R1	“Companies often offer low prices to win tenders, but we must be cautious because prices that are too low (below minimum cost) can jeopardize the quality of the guards employed. Property managers must ensure the price paid matches resident expectations. Residents who pay high maintenance fees usually expect '5-star' service.”
R2	“Service pricing is prohibited from being increased arbitrarily as it must align with government and market costs, where any additional expenditure requires logical justification to support wage rates around RM9.50 to RM10.00 per hour (Putrajaya/Cheras) or reaching RM12.00 per hour for English-proficient Nepalese guards.”
R3	“Determining price is not difficult because it is not the primary factor compared to security quality. Costs are calculated based on current security guard wages. The company targets a profit of around 15%. Other costs include the purchase price of motorcycles for patrols and maintenance costs. The cost value must compete with outside companies; although a quotation may be high, it might cause the company to slip out of the competition.”
R4	“Service price assessment is set competitively based on man-hours, guard expertise level, and the integration of modern technology in security operations. The price offered is commensurate with service quality assurance and 24-hour technical support provided to ensure effective management in strata buildings.”

Based on the data from Table 5, the analysis of cost and tender price assessment shows that all respondents (4/4) agree that service quality must exceed the cheap price factor and pricing must be balanced with minimum wage rates to avoid the risk of low-quality guards. Respondents R1 and R2 emphasized that JMBs should not be deceived by offers below minimum cost, while R2 explained that costs must align with the current market approximately RM9.50 to RM10.00 per hour for local guards or up to RM12.00 per hour for skilled Nepalese guards. Furthermore, firm stability (3/4respondents) and comprehensive cost calculation covering assets like patrol motorcycles and a stable profit margin of around 15% (R3) serve as essential foundations in ensuring operational sustainability. Finally, respondent R4 stated that modern technology integration and the number of man-hours now major components in determining competitive pricing to ensure effective strata building management.

Discussion

There is a paradigm shift where JMBs prioritize data transparency through digital systems over manual records. Stable firm sizes (medium to large) provide higher confidence due to their ability to provide relief guards during emergencies.

CONCLUSION AND RECOMMENDATION

This study identifies the key factors in selecting security service companies for strata housing in Malaysia, emphasizing a transition from conventional guarding to "Smart Security" through technologies like digital patrol systems and real-time reporting. By interviewing management bodies and security experts, the research concludes that while a firm’s experience (over five years) and organizational stability are vital, effective security management ultimately relies on balancing realistic service costs with rigorous performance audits. To ensure resident safety and operational transparency, management must prioritize modern technological integration and

fair wage compliance over simply choosing the lowest-priced provider. Future researchers are also encouraged to explore the impact of Artificial Intelligence (AI) and Remote Monitoring systems to reduce dependency on human labor, in line with the digital transformation within the facility management industry in Malaysia.

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