

The Effect of Contract Value on the Performance of the Security Unit (Security Guard) of PT. Multi Daya Utama

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Abstract

Objective: This study aims to analyze the influence of contract value on the performance of security guards at PT Multi Daya Utama, a Security Services Business Entity (BUJP). The study employs a quantitative associative approach using simple linear regression analysis. Data were collected through questionnaires distributed to 63 security personnel respondents. The analysis indicates that contract value has a positive and significant influence on security guard performance, with a significance value of $0.000 < 0.05$. The coefficient of determination (R^2) shows that the contract value variable contributes 71.41% to the fluctuations in personnel performance, while the remaining 28.59% is influenced by other factors. Implications: Fulfilling financial components and facilities within cooperation contracts is a determinant factor in enhancing the professionalism and discipline of members in the field, as well as a vital instrument in realizing the professional development of security guards in accordance with the mandate of Perpol No. 4 of 2020.

Keywords: Contract Value; Security Performance; BUJP.

INTRODUCTION

Security Units (Satpam) are professional units or groups carrying out non-judicial limited police functions formed through recruitment by security service business entities or security guard service users to carry out security in organizing self-defense security in their work environment (Salahuddin & Widjaja, 2025). Security guards are the front line in the self-defense system which has a strategic role as a limited police function. Legally, security service business entities (BUJP) are part of self-defense organized by the community from the private sector. The basis for the establishment of a security service business entity is the operation of a business entity in the field of security services provided by the National Police based on Article 15 paragraph (2) letter f of Law Number 2 of 2002 concerning the Police which reads: "Authorized to grant operational permits to supervise business entities in the field of security, then Article 15 paragraph 2 letter g of Law Number 2 of 2002 provides instructions, Educate and train Special Police Officers and Self-Employed Security Officers in the technical field of the Police. Therefore, the implementation of security services must be carried out properly in the management of its operations to prevent security disturbances to the environment and its interests (Suharyati & Wagiman, 2024).

In the security services industry, an organization's competitiveness is largely determined by the identification of the right business growth drivers (Septiawan & Ramdani, 2023). For PT. Multi Main Strength, Contract Value is a strategic factor that is not only a source of the company's income, but also the basic capital in creating a superior security service strategy. Although the value of the contract is theoretically understood as the underlying capital in the operation of security services, there is a gap (*Research gap*) between managerial expectations and operational realities in the field. So far, much research on employee performance has focused more on internal organizational factors such as leadership style or work culture, while contractual aspects in the security services industry are often seen as purely administrative or commercial instruments. In its business practice, this security operation is bound by a legal instrument in the form of a contract. The implementation of Security Guard duties officially began as soon as the contract/SPMK was signed (Rawis et al., 2021). The phenomenon shows that when the value of the contract is set too low or uncompetitive, there is a negative impact in the form of low motivation and high employee turnover (*Turnover*). However, there have not been many studies

that specifically measure the extent to which contractual variables including compensation, infrastructure, and training allocation have statistical significance on the operational performance of security guards as a profession that carries out limited police functions.

In simple terms, a contract can be described as an agreement between two or more parties that has a certain commercial value. As befits an agreement, in a contract the parties to the bindings are the subject of law (Craig, 2011). For PT. Multi Daya Utama, as one of the security service providers operating in a competitive business environment, the value of the contract agreed with the client (*Stuart T*) is a very crucial variable. The contract value does not just represent the company's profits, the contract value must include financial and non-financial dimensions for maximum performance (Nugraha & Tjahjawati, 2017), including vital allocations for the salary component (*Take It Home Pay*), health and employment allowances, the provision of uniforms, and the cost of personnel competency development training.

In carrying out their duties, security units as workers or laborers often experience neglect of their rights as workers such as welfare, legal protection, career advancement, and others (Son, 2020). If the contract value is not able to override normative rights and adequate supporting facilities, then the professionalism of the security guard in carrying out the security function will be difficult to achieve.

This research makes a scientific contribution to the literature on human resource management (HR) and security service management through several main points: Development of Compensation Theory in the *Outsourcing* Industry: This study expands the discourse of HR management by proving that in the *outsourcing* industry, contractual variables are the main determinants that go beyond just individual job satisfaction, with a contribution of 71.41% to performance.

Integration of Regulation with Management Practice: This study integrates the legal framework, namely Perpol No. 4 of 2020 concerning Self-Employment Security, into the HR management model. This provides a new perspective that the value of contracts is not just a business instrument, but a foundation for efforts to "glorify the profession" of security guards in Indonesia.

Empirical Validation of Performance Determinants: The results of this study fill the gap in the literature on the variables that shape performance in the self-service security sector, by identifying that the effectiveness of reward *systems* and supporting facilities in contracts is the key to reducing *turnover* rates to close to 0%.

Based on this background, this study aims to analyze the influence of contract value on the performance of security guards at PT Multi Daya Utama, a Security Services Business Entity (BUJP)

METHODS

This study uses a quantitative approach with a causal associative method which aims to determine the cause-effect relationship between the independent variable (Contract Value) and the bound variable (Security Guard Performance).

The population in this study is all security personnel of PT. Multi Daya Utama. The sampling technique used is *purposive sampling*, where the determination of the sample is based on certain criteria to ensure the objectivity of the data. A total of 63 respondents were selected as a research sample that was considered representative to represent the population in regression testing.

Variables and Indicators

This research consists of two main variables, namely: independent variables (contract value), with indicators of compensation (salary), availability of bonuses/incentives, provision of infrastructure, and training budget allocation. Meanwhile, the dependent variables (security guard performance) with indicators: time discipline, early detection ability, professionalism in carrying out police functions are limited, and compliance with standard operating procedures (SOPs). All research instruments were measured using the Likert scale with a score range of 1 to 5. This scale is used to measure respondents' attitudes, opinions, and perceptions regarding the variables of contract value and the performance of Security Guard personnel.

The data analysis technique uses simple linear regression through statistical software. Before conducting regression analysis, primary data were first tested using validity tests and reliability tests. The classical assumption test as a prerequisite for regression is carried out a normality test to ensure that the data is distributed normally, as well as a heteroscedasticity test to ensure that there is no variance difference from one residual observation to another.

RESULTS and DISCUSSION

Results

This study used a sample of 63 respondents of PT. Multi Daya Utama. The results of simple linear regression processing, obtained the following results:

Table 1. Results of Simple Linear Regression Analysis

Variable	Coefficient (β)	t-value	Sig.	R2
Constant	5,420	4,120	0,000	-
Contract Value (X)	0,845	12,382	0,000	0,714

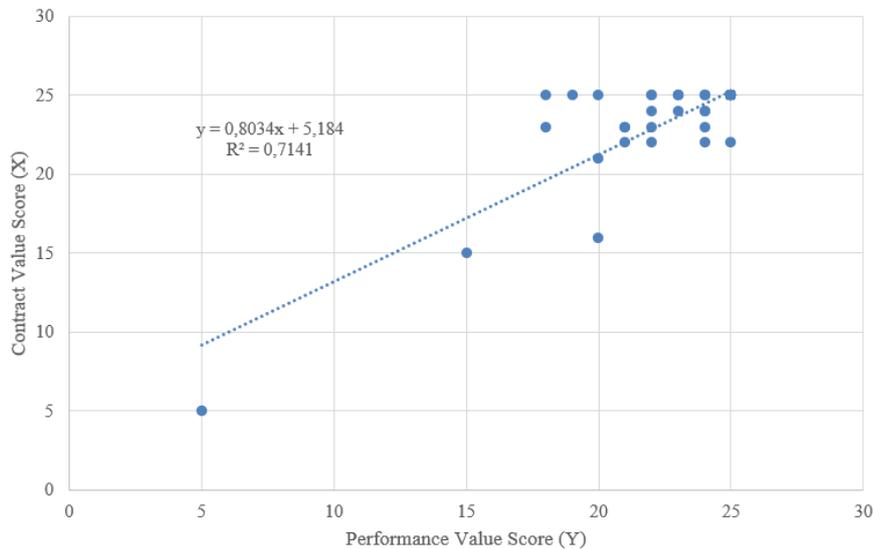
Description: $N = 63$. Significance was measured at a level of $\alpha = 0.05$.

Statistical results show that the Contract Value variable has a positive and significant influence on Security Guard Performance with a significance value of $0.000 < 0.05$. The value of the determination coefficient (R^2) of 0.714 explains that the Contract Value variable makes a dominant contribution of 71.41% to the fluctuations in members' performance in the field. Meanwhile, the remaining 28.59% were influenced by other factors outside of the study, such as leadership, work environment, and individual personality.

Table 2. The Relationship of Contract Value (X) to Security Guard Performance (Y)

No.	Respondents	Variable X Score (Contract Value)	Variable Score Y (Performance)	X2	Y2	XY
1	Security guard 1	21	23	441	529	483
2	Security guard 2	24	25	576	625	600
3	Stuttgart 3	18	23	324	529	414
4	Security Guard 4	19	25	361	625	475
5	Stuttgart 5	25	25	625	625	625
6	Security Guard 6	25	25	625	625	625
7	Security Guard 7	21	22	441	484	462
8	Security Guard 8	25	25	625	625	625
9	Security guard 9	23	24	529	576	552
10	Stuttgart 10	24	25	576	625	600
11	Security guard 11	25	25	625	625	625
12	Security Guard 12	24	23	576	529	552
13	Stuttgart 13	25	25	625	625	625
14	Security Guard 14	24	24	576	576	576
15	Stuttgart 15	25	22	625	484	550
16	Security Guard 16	25	25	625	625	625
17	Stuart 17	22	24	484	576	528
18	Stuart 18	25	25	625	625	625
19	Stuart 19	23	25	529	625	575
20	Stuart 20	25	25	625	625	625
21	Security guard 21	25	25	625	625	625
22	Stuttgart 22	25	25	625	625	625
23	Stuart 23	25	25	625	625	625
24	Stuart 24	22	22	484	484	484
25	Security Guard 25	24	24	576	576	576
26	Security Guard 26	15	15	225	225	225
27	Security Guard 27	25	25	625	625	625
28	Stuart 28	25	25	625	625	625
29	Stuart 29	18	25	324	625	450
30	Stuttgart 30	20	21	400	441	420
31	Hostel 31	25	25	625	625	625
32	Stuttgart 32	24	25	576	625	600
33	Stuart 33	25	25	625	625	625
34	Stuart 34	25	25	625	625	625
35	Stuttgart 35	5	5	25	25	25
36	Stuttgart 36	25	25	625	625	625
37	Security Guard 37	25	25	625	625	625
38	Stuttgart 38	25	25	625	625	625
39	Stuttgart 39	25	25	625	625	625
40	Stuttgart 40	22	25	484	625	550
41	Security Guard 41	25	25	625	625	625
42	Stuttgart 42	25	25	625	625	625
43	Stuttgart 43	25	25	625	625	625
44	Stuart 44	21	23	441	529	483
45	Stuttgart 45	25	25	625	625	625

No.	Respondents	Variable X Score (Contract Value)	Variable Score Y (Performance)	X ²	Y ²	XY
46	Stuart 46	25	25	625	625	625
47	Stuart 47	25	25	625	625	625
48	Stuttgart 48	25	25	625	625	625
49	Stuttgart 49	25	25	625	625	625
50	Stuttgart 50	25	25	625	625	625
51	Security Guard 51	20	25	400	625	500
52	Security Guard 52	20	16	400	256	320
53	Security Guard 53	25	25	625	625	625
54	Stuart 54	22	23	484	529	506
55	Security Guard 55	24	22	576	484	528
56	Stuart 56	25	25	625	625	625
57	Stuttgart 57	22	25	484	625	550
58	Stuttgart 58	25	25	625	625	625
59	Squirt 59	25	25	625	625	625
60	Security Guard 60	25	25	625	625	625
61	Stuart 61	25	25	625	625	625
62	Security Guard 62	23	25	529	625	575
63	Stuart 63	23	25	529	625	575
Quantity		1468	1506	11663	12408	11992
Average		23	24			



Graph 1: Relationship of Contract Value (X) to Security Guard Performance (Y)

Description of Respondent Data

Based on the results of data processing of 63 respondents, the *Scatter Plot graph* shows a very tight distribution of data following a linear line. With a larger sample count (N=63), the strength of the relationship between Contract Value (X) and Performance (Y) proved to be more solid. This can be seen from the consistency of data points moving in the same direction, which provides an empirical picture that the perception of 63 security personnel of PT. Multi Power Utama collectively agreed that the quality of contract value is the main driver of their professionalism in the field.

Analysis of Contract Value Variables (X)

From the results of the data tabulation, the indicator "Salary Suitability with Workload" obtained an average score of 3.8 (Scale 5), which means "Quite Good". However, the "Bonus/Incentive Availability" indicator has the lowest score of 2.9. This indicates that while the basic salary is up to standard, the contract value agreed with the client currently does not allocate much budget for rewards for members' work achievements. The low score on the 'Bonus/Incentive Availability' indicator (2.9) indicates a gap in the current contract value structure. This indicates that the budget allocation in the cooperation contract between PT. Multi Daya Utama with service users is still focused on basic normative rights, but has not touched on the aspect of merit-based awards (*reward system*). In fact, the

remaining influence of 28.59% on performance was influenced by external factors, including motivation sourced from the work environment and individual awards.

Analysis of Security Guard Performance Variables (Y)

The highest performance indicator was found in "Time Discipline" with an average score of 4.5, while the indicator "Early Detection Ability" was at a score of 3.7. This shows that personnel have very high administrative compliance, but technical capabilities still need to be improved through the allocation of training costs listed in the contract value.

Significance and Coefficient Analysis of Determination (R^2)

Based on the results of a simple linear regression test visualized through a *scatter plot graph*, it was found that the significance value was $0.000 < 0.05$. This empirically proves that the Contract Value variable has a positive and significant effect on the Performance of Security Guards at PT. Multi Daya Utama. This means that any improvement in the quality of components in the cooperation contract will directly increase the standards of professionalism and discipline of personnel in the field.

Furthermore, the results of the analysis of the determination coefficient (R^2) shows a value of 0.7141 or 71.41%. This figure explains that the Contract Value variable makes a dominant contribution of 71.41% to fluctuations in member performance. This reinforces the theory that in the security services industry, contractual factors (salaries, infrastructure, training) are the backbone of performance. The distribution of data on the graph that forms an oblique linear pattern towards the upper right confirms that the fulfillment of financial aspects (wages above MSEs), the provision of proper infrastructure, and the allocation of training are the main drivers of the work behavior of security guards. This is in line with (*consist*) with research in the company *outsourcing* others in Bandung (Rismawati et al., 2021).

Meanwhile, the remaining influence of 28.59% was determined by other factors outside of the study, such as leadership style, work environment, and individual personality. This finding confirms that the value of contracts is not just a commercial number, but a vital instrument for companies in realizing the glorification of the security guard profession in accordance with the mandate of Perpol No. 4 of 2020.

Although Contract Value makes a dominant contribution of 71.41% to performance, there are other external factors of 28.59% that are not studied in this research. This is in line with the findings (Hidayat et al., 2025) which states that employee productivity and performance are also significantly influenced by the quality of the work environment and the organizational culture developed in the task environment. Thus, PT. Multi Daya Utama needs to integrate the ideal contract value with a conducive work environment to achieve maximum personnel performance.

Interpretation of Field Phenomena

It was found that in the plotting area with a contract value that included *Fee Management* Ideally, the numbers *Turnover* (resignation) of members is close to 0%. This proves the theory that the value of the contract is not just a commercial number, but a psychological foundation for security guards to carry out limited police functions according to the mandate of Law No. 2 of 2002. As the National Police Chief has stipulated Police Regulation Number 4 of 2020 concerning Self-Employment Security, the regulation is to regulate self-employment security in Indonesia, one of which is security unit personnel. The description of Security Guards in Perpol Number 4 of 2020 concerning Swakarsa Security classifies them as a work profession, this is an effort by the National Police Chief in realizing the glorification of the Security Guard profession (Ni'am et al., 2021). Without adequate contract value, BUJP will have difficulty in glorifying the security guard profession as stipulated in Perpol No. 4 of 2020.

Discussion

The results of a simple linear regression analysis show that the Contract Value has a positive and significant influence on the Performance of Security Guards at PT. Main Multi Power, with a significance value of $0.000 < 0.05$. With a determination coefficient (R^2) of 0.714, the Contract Value variable made a dominant contribution of 71.41% to the fluctuations in personnel performance.

The Relationship between Contract Value and Welfare Based on field data, contract values that include a remuneration component above MSEs (City/Regency Minimum Wage) tend to result in a higher level of discipline. This is because members feel financially valued, so their work focus is not divided to find additional income outside of working hours.

Integration of Theory and Previous Research

These findings support the theory that in the security services industry, contractual aspects such as compensation, infrastructure, and training are the backbone of performance. Theoretically, the fulfillment of the financial component above MSEs creates a sense of appreciation, which minimizes personnel distractions in seeking additional income outside of working hours. This is in line with research that found a positive correlation between compensation and performance in companies *outsourcing* (Rismawati et al., 2021).

Integration of Motivation and Compensation Theory

These findings have strong relevance to Frederick Herzberg's Two-Factor Theory, which distinguishes between *Hygiene Factors* and *Motivators* (Herzberg, 2005). In this context, the financial component in the contract value such as basic salary and allowances plays a role as *Hygiene Factors*. If these components are inadequate, then dissatisfaction will arise and drastically decrease performance. However, because PT. Multi Daya Utama is able to maintain remuneration above MSEs, the company has managed to minimize the dissatisfaction factor, so that personnel can maintain discipline and focus on work.

Critically, the results of the study show that although *Hygiene Factors* has been well met, the indicator "Availability of Bonuses/Incentives" has the lowest score (2.9). Referring to the Theory of Hope (*Expectancy Theory*) (Miner, 2005), one's motivation to perform highly depends on the belief that the effort will result in *Reward* that are worth it. Low incentive score indicates the existence of *Gap* in the reward system (*Reward System*) performance-based that has the potential to hinder personnel from achieving performance levels *Excellence*. Absence *Motivators* What is clear in the contract is that the professionalism of personnel tends to be stagnant on administrative compliance alone.

Managerial Implications and Professional Breeding

The support of quality infrastructure as part of the contract value also creates an effect *Grooming* which increases confidence (*self-confidence*) Personnel (Khoir et al., 2024). This proves that the value of the contract is a vital instrument in realizing the glorification of the security guard profession according to the mandate of Perpol No. 4 of 2020. As research (Rismawati et al., 2021) Finding a positive correlation between compensation and performance, the study emphasizes that contract value is not just a cost burden (*Cost*), but rather a strategic investment to ensure the quality of competitive security services. The integration between ideal contract value and a conducive work environment is a prerequisite for companies to reduce numbers *Turnover* to close to 0%.

The Relationship of Contract Value with Infrastructure Facilities, the ideal contract value allows PT. Multi Power Utama provides modern safety equipment (such as good communication tools, proper uniforms, and other safety support tools). This completeness directly increases the confidence and effectiveness of security guards in their duties. Thus, the purpose of this security management system is in order to create a security system in the workplace by involving elements of management, labor, working conditions and environments that are professionally integrated to prevent and reduce losses due to threats, disturbances and/or disasters and realize a safe, efficient and productive workplace (Saputra et al., 2024).

CONCLUSION

Based on the results of the research and discussion, it can be concluded that:

Significant Influence: Contract Value has a positive and significant influence on the Performance of Security Guards at PT. Main Power Multi with a significance value of $0.000 < 0.05$.

Dominance of Contribution: The Contract Value variable makes a dominant contribution of 71.41% to fluctuations in personnel performance, while the remaining 28.59% is influenced by external factors such as leadership and work environment.

Foundation of Professional Breeding: The value of contracts is not just a commercial instrument, but a basic foundation in the implementation of professional breeding of Security Guards in accordance with the mandate of Perpol No. 4 of 2020, where the fulfillment of normative rights and adequate facilities is an absolute requirement for maximum performance.

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