

Managing Government Property Assets: The Main Issues From The Malaysian Perspective

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Abstract

The Malaysian federal government is largely responsible towards providing several facilities to the community. The development of various types of property assets which encompasses buildings and infrastructure such as office buildings, roads, bridges and others, has proved that the government is really committed in executing its responsibility. From time to time, the number of property assets that were developed by the government is increasing parallel with the government's desire to stabilize its service quality. Nevertheless, in managing those property assets, the government currently is facing a mixture of problems and pitfalls such as the increase of property management and maintenance costs, the occurrence of incompatible maintenance programs, underutilization of property, end-user dissatisfaction and others. Following this scenario, the study was done with the main objective is to determine the management factors that are hindering the implementation of property management activities. A total of 67 respondents from ministries and technical departments were selected. The data was collected through a survey using questionnaire forms. The collected data was then analyzed using quantitative approaches such as frequency analysis method, mean analysis, relative important index as well as others. Results from the analysis show that there are 5 main management issues in managing Malaysian government owned property assets. Those issues are lack of proper property unit/department within a ministry, lack of expertise, lack of proper strategies, lack of proper management procedure and lack of IT usage.

Keywords: Government Property Assets, Management Issues, Property Management, Malaysian Government

INTRODUCTION

In public sector, property is normally developed, owned or leased to fulfill administrative and social needs as well as economic responsibilities to the general public. In Malaysia, public property is owned by all three levels of government, which are the federal government, the state government and the local government. Between these three forms of government, the federal government is most responsible in providing various services to the nation's populace. The provision of numerous services is done systematically through the establishment of various ministries that hold different portfolios between one another. To date, as the main administrative body in Malaysia, the federal government has seriously and consistently implemented various physical development projects to fulfill the needs of the society. These full-body endeavors the federal government on actualizing physical development projects which involve construction or the setting up of various property assets which can be clearly seen through the financial allocation set aside yearly in the annual government budget as well as in the Development Plans, known as the Malaysian Plan (MP). The development projects involving various property assets is generally undertaken as it is one of the main functions of the federal government, i.e., to provide for community and social facilities as well as infrastructure. Apart from this, it is also aimed at ensuring the continuity of the successive development programs with the ultimate objective of realizing the nation's vision of becoming a developed country by the year 2020.

In order to improve the quality level and sufficient public service provisions, the federal government has clearly seen to increase the number of relevant property entities. Based on the information derived from official website of Malaysian Works Ministry, there are currently 60 common use of federal buildings that have been constructed since 1949 to 2008 (Malaysian Works Ministry, 2010). These federal buildings were constructed by the federal government to house its implementing agencies which operate in the various different districts and states throughout Malaysia. The increasing in the number of these buildings has been a progressive undertaking. Initially it start with only 1 functioning federal building in the 1940s, later 31 buildings during the 1970s, followed by 40 buildings in the 1980s, 56 buildings throughout the 1990s and subsequently increasing to 60 buildings in the 21st century. The continual increase of these buildings is directly aligned with the necessity of the federal government in exercising its social responsibilities. Malaysian Works Ministry (2010) notes that "*the need to provide for more federal buildings at the district and state levels has become pressing as the role and responsibilities of the federal departments continue to expand at the state level*".

Nevertheless, this increase has also widened the responsibilities of the government in managing the related properties. In addition to this, the emergence of certain issues, weaknesses and problems have shown that these government properties are not being managed well. According to Hong (2008), there are various statements voiced out in newspapers which indicate that the country is facing problems in managing its property assets and facilities, especially relating to building defects, maintenance, abandoned projects, lack of expertise, inappropriate work culture and a below par quality system among others. The failure to effectively and systematically manage property has caused the federal government to face with several problems, which ultimately will only burden the government as well as the general public. As an example, from the maintenance aspect, according to Bernama (2008), the government has spent 5.9 million Malaysian Ringgit per month for maintenance costs for 60 common use Federal building complexes. This maintenance cost could have been reduced drastically if the management process of these properties were undertaken more effectively. The monetary savings is then could have then been utilized by the government to finance other development programs for the benefit of the community. The government's awareness towards reducing maintenance costs and maximizing the use of a certain public facility is aptly elucidated in a statement by the Deputy Prime Minister that:

"... the government was looking at measures to reduce expenditure and maximize the use of public facilities in a creative and innovative way to offset the cost of operations and maintenance (Bernama, 2009)".

Realizing the existence of numerous issues in managing these government properties, this study was conducted with the main objective of identifying the main management issues in managing Malaysian federal government properties from the perspective of the government agencies, comprising both ministries and technical departments. As a guide to achieve the research objective, the following research questions have been raised:

- i. What are the main issues faced by Malaysian government agencies in managing government properties?
- ii. Are there any differences in opinion between the ministries and the technical departments pertaining to the factors that are regarded as the main management issues in managing government properties?

THE NEED FOR BETTER MANAGEMENT IN MALAYSIAN GOVERNMENT PROPERTIES

Property assets such as land and buildings are the key resource for all types of organizations, including the public sector (Zailan, 2001). This is due to the fact that no organization will be able to operate without land or buildings (Balch, 1994). Based on these opinions, it can be emphasized that even any government clearly needs various properties to fulfill its administrative requirements or as provisions needed in establishing services and facilities to the general public. In Malaysia, the implementation of the property management practice is based on legal provisions that have been stipulated within certain Acts or Codes such as the National Land Code 1965, Strata Title Act 1985, Housing Development Act 1966 & Regulations, Building & Common Property Act 2007 and Valuers, Appraisers and Estate Agents Act 1981. Most of these Acts generically describe how to conduct or perform the duties required within property management (Munirah, 2010). This is due to the fact that most of these descriptions contained within the legal provisions merely touch on the activities or functions carried out as part of the property management practice.

However, in the Valuers, Appraisers and Estate Agents Act 1981, there is a legal clause that explains in detail the person or individual qualified to perform the roles and responsibilities of a property manager in Malaysia, albeit only pertaining to those wishing to practice in the private sector. For the public sector on the other hand, the appointment of parties or individuals qualified to execute property management activities is entirely left to the prerogative of the government. Given this situation, it is not surprising to find government property managers who have varied educational background or skills.

Over the years, the call for a more systematic, efficient and effective property management practice both in the public or private sector has been gaining strength. Recommendations and suggestions from previous practitioners and researchers in this field such as Marbeck (1988); Gibson (1994); Singh (1996) and Mahadi (1998) for the property management practice to be executed professionally via the use of a strategic approach, stresses the need for improvement in terms of the level and quality within this practice by every organization, including government organizations and entities. However, on the part of the Malaysian government, the importance of an effectively managed property as a vital and valuable asset still seems to be in question. Zailan (2001) surmises this conundrum by asking “*do public sector organizations in Malaysia recognize that property, both raw and buildings are valuable assets?*”

However in 2007, an encouraging trend of awareness could be seen to grow among the higher level government leaders and officials regarding the importance of asset management and specifically, property management. This was evident during the National Asset and Facility Management (NAFAM) conference held from the 13th to 14th August 2007 which was organized by the federal government to discuss issues pertaining to government asset management at the national level. According to the then Prime Minister of Malaysia, Dato’ Seri Abdullah Ahmad Badawi (2007), the NAFAM conference was a testament to the government’s commitment in establishing a comprehensive long term plan to improve the current asset and facility (including

property assets) management mechanism. Through this conference, various issues which pointed out the existing weaknesses in the management of government owned assets and facilities were discussed and scrutinized. Subsequently, several appropriate approaches and strategies were then forwarded as part of proposed solutions to overcome or mitigate these weaknesses.

As a result of the 2007 NAFAM conference, a special Government Asset Management Committee (JPAK) was established by the government. According to JPAK (2010), the main purpose of this committee was to develop a management system for government assets (including property assets) by establishing the necessary standards and requirements as the main guidelines in ensuring asset management is undertaken effectively as well as introducing several new approaches in managing government assets. This purpose is aligned with the government's policy that a systematic, comprehensive and integrated asset management approach has to be created as an ongoing effort towards improving the delivery of the public service sector (Government of Malaysia, 2009). Through the establishment of JPAK, various actions, specifically aimed at increasing the effectiveness of the government property asset management practice were put in motion. On the 31st of March 2009, the federal government officially launched the Government Asset Management Policy (DPAK) and the Comprehensive Asset Management Manual (MPAM).

According to the JPAK Secretariat (2010a), this official launch was intended to publicize and promote the guideline documents which were developed to be used in every aspect of asset management by various government ministries and agencies. Even though the policy does not specifically details the government position on the aspect of property management or government buildings, nevertheless, it is a useful yet fundamental tool to form effective and suitable strategies as well as action plans towards the government intent to improve property management aspects.

Currently, as reported in the JPAK official website, the committee is now in the midst of undertaking a project to develop a specific system to manage all immovable government assets to be practised by all ministries. The JPAK Secretariat (2010b) reports that within this project, known as the Development of an Immovable Government Asset System Project (SPATA Project). Clarifies that immovable assets have been divided into three categories, namely, Land Assets, Building Assets and Infrastructure Assets which include roads, sewerage and drainage. Besides these, JPAK at the same time is undertaking efforts to officially publish the Immovable Asset Management Procedures (TPATA) which can be utilized as a standard and uniform guide by every government agency in managing each asset or property owned by the government. With all these efforts, the seriousness of the federal government in improving the management of its assets and properties can no longer be denied. The presence of these continuous, consistent and innovative improvement efforts is a signal of the government hope to ultimately manage all its assets, including property, in an effective manner.

THE ISSUES IN MANAGING GOVERNMENT PROPERTY

Discussions regarding issues that crop up within management process are not entirely unique or exclusive. This is due to the fact that management processes occur almost ubiquitously all the time, involving various fields and entities. Property management, as the term suggests, definitively has a close correlation with management processes. If previous arguments put forth by Thorncroft (1965); Scarrett (1983); Stapleton (1986) and Singh (1996) are to be referred to, a majority of them have defined the property management term by integrating it directly with the execution of management practices, functions, processes or activities against the requirements within a certain property. Therefore, the existence of various management issues in managing property has almost become a common matter and warrants discussion as only then can the weaknesses or problems that are the root causes of any ineffectiveness or inefficiencies may be clearly identified.

Moreover, according to Joroff (1992), there is no best fit model that can be suggested to determine property management activities that are needed to be implemented within a large organization, especially the public sector. This directly implies that property management activities can be undertaken through various approaches as long as they are appropriate and are able to fulfill the set goals and objectives.

In United Kingdom, studies regarding property management issues are conducted as early as the 1980s, based on the report issued by the Audit Commission (AC) in 1988. This report states that government properties owned by the local governments in England and Wales were not managed efficiently or effectively. It has also discovered that the management issues for these properties originated from the existence of several weaknesses such as insufficient management information, lack of property management strategy, difficulty in implementing prescribed management procedures, weakness of the management structure, unclear property ownership objective, lack of performance evaluation and others. Referring to the findings of the study done by AC (1988), other government agencies took the initiative to evaluate their own capacities in managing their property assets. This is in line with what Deakin (1999) and Dent (2002) have discovered; that a majority of local governments in England and Wales have started to adopt various approaches in trying to enhance their efficiency in the process of managing the related property assets.

Avis *et al.* (1989) found that for operational property owned by local governments, the management problems encountered are normally centered on the difficulty in managing basic activities related to the property itself (such as difficulty in managing maintenance programs for the properties and resource utilization management), difficulty of the strategic management program in relation to the property (such as difficulty in managing matters related to procurement, disposal and strategic property surplus), difficulty in managing the implementation of general management activities (such as the implementation of strategic planning, financial control and performance evaluation) and lastly it involves the difficulty in managing activities that have connection and ties with external parties, such as the end users or other government agencies. The discussion regarding the management problems or issues occurring in managing government property, especially those involving local governments was then continued by Ching (1994), where he surmises these issues into categories such as inadequate organizational arrangement, inadequate property disposal strategy, lack of transparency in the use of property and lack of action in coordinating property maintenance problems. However, in discussing these management problems, Ching (1994) had in prior, established that these problems occur because of majority of properties owned by local governments were not utilized or managed as a corporate resource.

On the other hand, Gibson (1994) has elaborated on the existing problems faced during managing properties, especially in the United Kingdom, by taking into account all the contents of reports submitted by various parties, including those from the private sector and not merely relying on reports from local authorities or government agencies. Through the in-depth study contains within these reports, Gibson (1994) has categorized the weaknesses is apparent within the process of managing property into four main themes which are properties that are managed reactively, difference in objectives between the tenant and the owner, lack of monitoring activities and inadequate information. In her discussion, Gibson (1994) has forwarded an opinion that these management problems could have been solved if the respective properties were managed strategically. In addition to this, in discussing issues related to the process of managing public sector properties, Zailan (2001) has stated that these issues are closely tied to the reactive manner in which these properties are managed as well as the lack of performance monitoring.

Furthermore, while referring to the study conducted by the University of Leeds (2006) on the property asset management framework as practiced by several central governments in the United Kingdom, it was discovered that there are various issues which are inter-related. For instance, issues such as the structure of government, has fragmented the overall strategic management of the central civil government estate and there are implications for the consequent levels of efficiency gains that can be leveraged and achieved. Other issues that were identified were inconsistencies in corporate administration as well as vague audits, lack of skills and capabilities among the implementation staff, overcoming fragmentation in property asset management in federally structured departments and lastly the need to establish standards and implement benchmarking. Apart from this, Kaganova and McKellar (2006) have also discussed about a few issues which are deemed as universal problems in terms of managing government owned properties assets, especially in countries that have yet to implement any reform processes to fortify their respective public property management practices. These issues are lack of central policy framework, fragmented management of public property assets, economic inefficiencies

associated with public property, lack of information needed for managing property portfolios, lack of transparency and accountability, lack of relationship between accounting and asset management reform, separation of ownership from management and finally, lack of an information system. Besides that, Grubb & Ellis Company (2007) through the study for the Director of Real Estate Assets Department in the City of San Diego, California, some of the issues that were related to the management aspects in real estate practice were revealed. The issues have been discussed through seven distinctive categories namely human resource category, process, managerial documentation, technology, external communication, performance measurements as well as authority and governance.

Various current weaknesses that have occurred were revealed according to the categories, for instance, lack of a managerial and supervisory layer, lack of flexibility and knowledge of real estate techniques among staff, inconsistent file structure, insufficient data, lack of appropriate performance measures, real estate decisions being made that do not make economic sense and others. By referring to this report, it shows that there are many issues or problems abound that were raised within the property management practice although the study are only covered one single organization. Based on these statements, it clearly shows that at global level, there have been several researches or discourses that depict the existence of various issues that are directly connected to the management process of government property assets.

Meanwhile in Malaysia, studies on property management are generally and relatively limited that have only been undertaken quite recently. This is proven by the small number of publications or research that is related to the property management profession, whether it involves property management aspects either in the private or the public sector. Although to date, there has been no specific study undertaken to identify the issues, weaknesses or problems relating to government property management in Malaysia (as the study done by the AC in the United Kingdom), there have been nevertheless several studies and discussions forwarded by local researchers which to a certain extent can be used to explain a few related issues that occur in managing government properties. Through statements made by Zailan (2001) that specifically discusses the current scenario of public sector property management in Malaysia, in which management issues that were brought forth were divided into four components.

The first component was related to the management process which focuses on the responsibility of implementing property management activities that were undertaken by the various government agencies or departments which subsequently has caused these public properties to be managed in a reactive manner. Besides that, the lack of monitoring performance is also discussed, where it is discovered that the root cause was the lack of clear property objectives. In the second component, which is concerned on property information management, the discussions were centered on the absence of a central authority that keeps complete records of all central government properties as well as the need to establish a dynamic property management system in the public sector. The third component relates to maintenance management, where the issues discussed were on the lack of an emergency maintenance aspect and the need to consider the aspects of risk management within the maintenance management process. The final component is on space management in the public sector, where issues such as the need to provide space adequacy and suitability in the public sector based on functionality and objectives were discussed.

In addition to this, a study done by Shardy (2006) towards the establishment of specific departments or sections for managing local government properties, it was found that the relevant parties are still facing difficulties in determining the main functions that need to be executed by these departments or sections. This situation is seen as a critical form of weakness which has caused hardships in managing properties effectively. This statement shows that the existence of government property management issues in Malaysia is also due to the failure of the government administration to clearly determine the scope, function and responsibilities of each department or section that has been tasked to execute property management activities. Apart from this, according to Sharir (2007), based on the experiences in conducting the Public Accounts Committee (PAC), there have been numerous issues that have cropped up in the management of government properties. The main issue is the unclear objectives when managing government property assets where this ambiguity has brought several deficiencies such as the inability to

prioritize the main processes and the inability to identify any mistakes that could have avoided subsequent more serious errors.

Other issues that were mentioned are about who should be the responsible party towards every government asset or facility, what are the actual government assets, public sector management rehabilitation in the aspect of asset management and the need to vigorously apply the requirements for asset and facilities management to all new construction and acquisition of public assets. In a broader context, Musa (2007) has discussed about the issues of security and safety measures in managing public buildings and facilities. This discussion scrutinized the security aspect in managing government properties as there are various social problems and crime that have disrupted the safe use of public properties as well as leading to cases of vandalism and repair.

In considering all the relevant information that has been discussed above, it can be seen that the discussions regarding the issues faced in managing government property are focused on the problems, weaknesses or deficiencies that have caused a certain government property to be managed ineffectively. There have been various issues that were discussed and they are related to several aspects or components. The first are issues concerning the owners and consumers. Generally, the government will provide property to enable its agencies to offer effective services to the community and at the same time, to fulfill its social and welfare obligations. The existence of these properties involve two vested parties, namely, the party that is the owner of the said property and also the consumers/users who are going to use the property directly (for example by leasing or renting government buildings) or indirectly (through usage, for instance, enjoying other government services such as utilizing school buildings for education and learning). In managing these government properties, there are various problems which are connected with the owner and user, which are seen to complicate the process of managing such properties. This is because there are times when the owner himself fails to set goals and objectives that are clear and comprehensible to the users in terms of property ownership and management as highlighted by Sharir (2007). In addition to this, there are also issues and problems that occur when the user fails to understand or fulfill management requirements and regulations set by the government agencies who own these public properties.

Secondly, the related issues can also be tied into aspects concerning the organization. Implementing property management practices in government owned properties is not actually an easy task. This is due to the fact that these properties are established to fulfill various specific functions, for instance, staff quarters for housing functions, sports complexes for exercise and athletic functions, hospitals for healthcare functions and schools for educational purposes. Therefore, to ensure these properties are managed effectively, an adequate and specific organization (unit, section or department) needs to be established at the central level and also in the organization of every government agency to perform the relevant responsibilities. However, what is happening today is contrary to this, as iterated by Zailan (2001), who states that in Malaysia, the responsibility to manage public sector property is left to several government departments.

Rosdi (1992) on the other hand, has firmly opined that this is a problem of activity implementation overlap in managing local authority properties as there is no specific department that performs the necessary property management practices. Apart from establishing specific departments, the issues in managing public sector properties can also be connected to organizational weakness, especially when the organizational structure of the established department is not set up precisely. Besides this, in the context of this study, management problems which are related to organizational aspects also include any problems that are tied with the objective, vision and mission of the organization itself, since these components are compulsory basic foundations in the establishment of any organization.

Thirdly, issues in managing government property assets can also be connected to the aspect of adequate resource levels such as manpower, tools and equipment, financial resources and others. The adequacy of the needed resources is vital as without these resources, the government property may not be able to be managed efficaciously. In discussing the issues that occur in managing government properties, there are many scenarios related to the aspect of resources that can be considered as the root causes of these problems. Among those scenarios are

inadequate workers, insufficient equipment, insufficient financial resources (which hinder efforts to employ more skilled workers or to procure high end tools and equipment) and others. The aspect of resource adequacy not only involves the number or quantity of these resources, but rather also involves the quality and condition of the required resources. As such, the problem of lack of expertise and skill among workers is also seen as an issue with is interrelated to the adequacy of required resources.

The fourth issue involves the aspect of strategy development. This is in line with the statement by Zailan (2001) that reinforces the notion that managing property involves establishing goals, objectives and policies as well as the implementation of strategies to achieve those goals and objectives. Strategy, in simple terms within this context, can be defined as a guide, action or approach which is planned, designed, implemented and evaluated specifically to enable every public sector property management activity to be conducted systematically, effectively and efficiently in tandem with the objective or targets set by any government agency. Apart from this, within this study, the weaknesses associated with the aspect of strategy development will also be connected to the issues that touch on policies and regulations that have been created to manage property as these two elements gravely influence the formation of those related strategies. Some of the problems in managing property that can be attributed to strategy development are lack or absence of strategies to manage properties, lack of monitoring performance, difficulty in implementing planned strategies, no management incentives, the absence of specific management procedures based on the type of properties and others.

The final issue is centered on the aspect of information. Information is critical to the management process (Gibson, 1999). Therefore, in order to implement effective property management processes and strategies, sufficient and precise information need to be provided. This information can be used to make better decisions related to the implementation of property management activities. The presence of the problem of inadequate information has been stressed by Gibson (1994) where she discovered that the information require to make informed decisions was often lacking. Apart from the problem of inadequate information, other pertinent issues are information management and the use of information technology. This is because information can be comprehensively obtained and used when managed properly and the use of information technology has been proven as a necessity to ensure property information can be systematically administered and preserved. Generally, there are many issues that can be tied to the information aspect such as lack of information relating to property and management needs, difficulty in developing property information management systems, difficulty in the usage of computer applications and other similar problems.

Nevertheless, for the purpose of this study, issues that exist in managing government properties will be categorized into four common management processes, which are planning, organizing, implementing and controlling. This categorization is to enable this study to identify the exact management phases where these issues usually occur. Therefore, the working definitions for these management processes are as follows:

- a. **Planning:** A process or phase of work to develop, determine and set the vital fundamental elements needed to manage government properties. It involves the act of setting up the necessary policies, objectives and strategies for the aspect of managing government property assets.
- b. **Organizing:** A process or phase of work to organize and determine the implementation structure for the activities and resources needed in government property asset management. Therefore, it consists of various actions such as developing organizational structure, determining type and scope of work, task allocation, resource distribution and others.
- c. **Implementing:** A process or phase of work to ensure that every government property management activity or action drawn up during the planning stage and scheduled during the organizing stage is fully implemented. In this stage, every action taken is based on the strategy devised to achieve the intended objectives for that particular government property.
- d. **Controlling:** A process or phase of work that is created to monitor the implementation of every government property management activity. The purpose is to ensure that every

government property is able to achieve the level that the management is intended for it or otherwise as well as to assess achievements and undertake the required corrective actions if necessary.

RESEARCH METHODOLOGY

The data required for this study was gathered through the distribution of questionnaire forms. The questionnaire contained 28 statements that are considered as problems or weaknesses faced in managing government properties. These statements were categorized into 5 categories based on the dimensions as discussed in the preceding literature section. The questionnaire uses the Likert Scale as the answer range for each forwarded statement. Although there are many forms of scaling, the Likert scale was adopted because it is commonly used (Bernard, 2000), simple to construct, permits the use of latent attitudes and it is likely to produce a highly reliable scale (Baker, 1997). The choice of answers were divided along a scale of 5, each representing as follows, 1 for extremely not influencing, 2 for not influencing, 3 for slight influence, 4 for influencing and 5 for extremely influencing. These questionnaires were then distributed to government officers who are involved in property management tasks or activities at their respective organizations in two categories.

The first category involve ministries which directly own the various types of properties for their own purposes. The choice of these ministries as respondents is based on the fact that each ministry established by the federal government of Malaysia was conferred a certain authority and rights to act as the main drivers for the government departments under specific portfolios. As drivers, it is logical that each ministry has the right to administer and manage any asset, including properties used by the departments under their purview.

The second category of the organization are the technical departments (within the scope of the federal government) who are responsible to execute some of the functions related to the property management practice on behalf of the ministries or other related agencies. According to Singh (1992), these technical departments are Department of the Federal Commissioner of Lands and Mines, the Public Works Department and the Valuation and Property Services Department. In total, 27 ministries and 40 technical departments were selected to be involved in this study with 67 officers identified as the respondents (1 officer representing 1 organization). However, after these officers were met and briefed on the requirements of this study, only 12 officers from the ministries and 33 officers from technical departments agreed to co-operate as required. In overall, 45 (67%) officers from 45 related government agencies have agreed to participate as the respondents for this study. All of these respondents were met by the researchers at their offices in order to distribute the questionnaire form. The collected data from the duly completed questionnaires was analyzed using various relevant methods such as frequency, Cronbach Alpha, Relative Importance Index (RII) and the Mann-Whitney analysis. The Statistical Package for Social Science (SPSS) software was used in order to facilitate in the data analysis.

DATA ANALYSIS

Demographic Results

The responses received for this study through the questionnaire are very satisfactory. This is based on the returned questionnaire forms that were duly completed by the respondents. The results show 26.7 percent of the involved respondents are officers from federal ministries while the remaining 73.3 percent were made up of officers who are working in the government technical departments. Through the analysis that has been done, it was found that these respondents possess different educational backgrounds, based on the responses regarding their tertiary education. The results show that 26.7 percent of them have an educational background in engineering, 22.2 percent in real estate, 17.8 percent in public administration, 15.8 percent in other fields and finally 8.9 percent each for management and land administration. Meanwhile, in terms of experience in implementing property management activities, it was found that 37.8 percent of the respondents

have related work experiences for more than 10 years, while 31.1 percent have working experience between 5 to 10 years as well as less than 5 years.

The Management Issues

In the effort to analyze the collected data for management issues, there were four stages of data analysis that had been utilized. The first stage of analysis is related to the reliability test where the reliability of the questionnaire was tested according to the Cronbach alpha Measurement. The Cronbach alpha was used to measure the inter-item consistency in this study. Through the analysis that was done, the alpha reliability of the scale in this study was 0.734. Furthermore, the reliability coefficients (alpha) of each element (sub-scales) that are considered as the factors within the management issues were found to be ranging from 0.708 to 0.741. According to Harris and Ogbonna (2001), the high coefficient scores led to the conclusion that the scales were acceptably reliable. Moreover, based on Nunnally (1978), even though the satisfactory level of reliability depends on the purpose of the research, a criterion alpha value of 0.70 was considered adequate.

In the second stage, the related data was analyzed using simple analysis methods such as frequency and descriptive statistics analysis. By doing this, the central tendency and dispersion of the questionnaire responses could be measured. The measure of central tendency was used to get an overview of the typical value for each variable by calculating the mean, median and mode (Othman *et al.*, 2005). Meanwhile, the measure of dispersion was used to assess the homogenous or heterogeneous nature of the collected data by calculating the variance and the standard deviation (Bernard, 2000). This second stage of analysis is very important to the researchers because the related results are very useful in order to find the factors most considered by the respondents as the main management issues. From this second stage of analysis, it produced the output as tabulated in Table 1:

Table 1: The Output for Frequency and Descriptive Analysis

No.	Items Considered as Management Issues	*Total Influencing Frequency (TIF)	**Total Influencing Percentage (TIP) (%)	Mean Score (MS)	Standard Deviation (SD)	RII
<i>Level/Category 1: Planning</i>						
1.	Confusion in terms of property ownership objectives	1	2.2	1.91	0.82	0.38
2.	Differences in the objectives of property management	2	4.4	1.89	0.80	0.38
3.	Difficulty in identifying core business	5	11.1	2.00	0.98	0.40
4.	Absence of specific legal provisions	22	48.9	3.53	0.84	0.71
5.	Lack of proper strategies to manage the property	41	91.1	4.33	0.64	0.87

6.	A reactive management approach	18	40	3.31	0.97	0.66
7.	Absence of corporate approaches	0	0	1.53	0.50	0.32
Level/Category 2: Organizing						
8.	Lack of proper management procedure	34	75.6	3.84	0.56	0.77
9.	Weaknesses in organizational management structure	9	20.0	2.38	1.07	0.48
10.	Lack of workers	13	28.9	3.00	1.04	0.60
11.	Lack of expertise	42	93.4	4.40	0.62	0.88
12.	Lack of a proper property management unit/department	45	100	4.62	0.50	0.92
13.	Inadequate management information	17	37.7	3.44	0.81	0.69
14.	Failure to identify lost costs	0	0	1.58	0.69	0.32
15.	Absence of a comprehensive technology management system	17	37.7	3.56	0.94	0.71
Level/Category 3: Implementing						
16.	Non optimum use of property	20	44.4	3.00	0.95	0.62
17.	Lack of IT usage	28	62.2	3.62	0.58	0.72
18.	Difficulty in obtaining co-operation from related parties/agencies	0	0	1.69	0.51	0.34
19.	Difficulty in managing relationships between involved parties within property management	8	17.8	2.49	1.04	0.50

	practices					
20.	Difficulty in implementing procedures set as implementation guidelines	1	2.2	1.73	0.65	0.35
21.	Difficulty in implementing the main functions of property management	21	46.7	3.42	1.10	0.68
22.	Difficulty in conducting general management activities	0	0	1.36	0.48	0.27
23.	Difficulty in implementing strategic programs	19	42.2	3.31	1.08	0.66
Level/Category 4: Controlling						
24.	Absence of performance evaluation	20	44.4	2.78	1.26	0.56
25.	Absence of action with regards to the coordination and monitoring of the implementation of various activities and functions contained within the practices of property management	4	8.9	3.31	0.85	0.66
26.	Lack of transparency and accountability	8	17.8	2.02	1.16	0.40
27.	Inconsistent corporate and audit administration	0	0	1.98	0.69	0.44
28.	Absence of benchmarking processes	21	46.7	3.67	1.00	0.73

* TIF = Frequency score for answer scale 4 + scale 5

**TIP = Percentage for answer scale 4 + scale 5

In the third stage, the management issue data was analyzed using Relative Importance Index (RII). The main purpose of this analysis is to find out the results that can be used to rank each factor that was considered as main management issues. The RII will be measured based on the following formula (Tam *et al.*, 2000):

$$\text{Relative importance index (RII)} = \frac{\sum w}{A \times N}$$

'w' is the weightage given to each driver by the respondents and range from 1 to 5 where 1 = are extremely not influencing to 5 = are extremely influencing; 'A' = the highest weight (five in this case); and 'N' = total number of samples. The RII ranges are from zero to one and the factors will be ranked based on the biggest value. The preceding Table 1 shows the output for RII.

Finally, at the fourth stage, the data was analyzed using the Mann-Whitney U test. The Mann-Whitney test is the most popular nonparametric test for comparing two groups of observations on a continuous or ordered categorical (ordinal) variable when there is no underlying distributional assumption imposed on the data (Zhao *et al.*, 2007). In this study, the Mann-Whitney U test was used to test the differences between means of the score that have been stated by respondents from the ministries group and the technical departments group with regards to the factors which are considered as management issues. The results have been found as follows:

Table 2: The Output for the Mann-Whitney Test

No.	Items Considered as Management Issues	Significant Level*
1.	Absence of corporate approaches	0.109
2.	Inconsistent corporate and audit administration	0.113
3.	Lack of workers	0.143
4.	Failure to identify lost costs	0.187
5.	Confusion in terms of property ownership objectives	0.229
6.	Lack of proper management procedures	0.234
7.	Differences in the objectives of property management	0.235
8.	Lack of expertise	0.262
9.	Absence of benchmarking processes	0.268
10.	Lack of a proper property management unit/department	0.290
11.	Non optimum use of property	0.292
12.	Weaknesses in organizational management structure	0.294
13.	Difficulty in conducting general management activities	0.378
14.	Difficulty in obtaining co-operation	0.424
15.	Absence of a comprehensive technology management system	0.459
16.	Absence of performance evaluation	0.480

17.	Difficulty in identifying core business	0.496
18.	Lack of transparency and accountability	0.547
19.	Absence of specific legal provisions	0.565
20.	Lack of proper strategies to manage the property	0.568
21.	Difficulty in implementing the main functions of property management	0.652
22.	Inadequate management information	0.711
23.	Lack of IT usage	0.765
24.	Difficulty in implementing procedures set as implementation guidelines	0.814
25.	Difficulty in managing relationships between involved parties within property management practices	0.848
26.	Absence of action with regards to the coordination and monitoring of the implementation of various activities and functions contained within the practices of property management	0.869
27.	A reactive management approach	0.946
28.	Difficulty in implementing strategic programs	0.989

* significant at 0.05.

FINDINGS AND DISCUSSION

In order to discuss the findings of this study towards answering the research questions, it was decided that only items that recorded a total influencing frequency (TIF) value of more than 22.5 or total influencing percentage (TIP) of more than 50 percent as well as a mean score (MS) of 3.5 and above will be considered as the main management issues in managing government properties in Malaysia. Based on this parameter and the analysis outputs, it is found that there are 5 factors that can be determined as the main management issues as shown in Table 3. The first is issue pertaining to lack of a proper property management unit/department established within the respondent organization. This issue returned an influencing frequency percentage of 100 percent with a mean score of 4.62.

The analysis findings clearly show that up until now, the ministries have yet to establish a specific unit or department to conduct their respective property management practices. This scenario is congruent with the actual situation where it is found that the creation of these specific units, sections or departments only occurred in a majority of local authority organizations. The next issue identified as a source for the difficulty in the process of managing government owned property is lack of expertise. Analysis findings show that this issue recorded a 93.4 percent influencing frequency with a mean score of 4.4. When scrutinized, the occurrence of this issue is related to the problem pertaining to lack of a property management unit/department. This is due to the fact that the required expertise can only be attained and determined specifically when there is a specific department which is responsible to identify, train and expose the expertise to the concerned staff.

Table 3: The Finding of the Main Issues in Managing Government's Properties

Rank	Factors Considered as Management Issues	Category based on Management Process	TIF	TIP	MS	SD	RII
1.	Lack of a proper property management unit/department	<i>Organizing</i>	45	100	4.62	0.50	0.92
2.	Lack of expertise	<i>Organizing</i>	42	93.4	4.40	0.62	0.88
3.	Lack of proper strategies to manage the property	<i>Planning</i>	41	91.1	4.33	0.64	0.87
4.	Lack of proper management procedure	<i>Organizing</i>	34	75.6	3.84	0.56	0.77
5.	Lack of IT usage	<i>Implementing</i>	28	62.2	3.62	0.58	0.72

Furthermore, when the staff responsible to undertake activities related to property management aspects are examined, it is discovered that the majority of them possess diverse educational backgrounds and there are instances where they do not have any relevance to the property field. In addition to this, the job rotational system practiced by the federal government in Malaysia is also seen as one of the factors that hinder staff from attaining the necessary expertise. Through present designation system, it is common for staff members to only work within a certain location or field for a short period of time. These workers are usually transferred to different job sectors and locations according to certain needs or to fulfill certain obligations, such as in job promotion. With this kind of system, staff will face difficulties in building up their respective skills and expertise as their job functions and responsibilities are constantly changing.

Subsequently, as shown in the table 3 above, lack of proper strategies to manage the property has recorded an influencing percentage of 91.1 percent with a mean score of 4.3. This analysis finding shows that the issue is also considered to be one of the main hindrances to government property management activities. The need to develop specific strategies to manage government owned property has been stressed by many parties such as Gibson (1994), University of Leeds (2006) and the Royal Institution of Chartered Surveyors (RICS) (2008). Nevertheless, in Malaysia, the ability to develop specific and systematic property asset management strategies is quite constrained as the required expertise and facilities are rather limited. In developed nations, there are specific institutions established to provide the necessary expertise and capabilities in assisting government agencies to develop and undertake comprehensive strategies in terms of managing their respective property assets. Institutions such as the RICS in the United Kingdom and the Institute of Real Estate Management (IREM) in the United States for instance were established to help provide training and guidance to various agencies, both from the public or private sector in ensuring these agencies implemented professional property management practices.

It was also found that the problem relating to lack of proper management procedures can be considered as one of the issues in managing government properties, which is recored an influencing frequency percentage of 75.6 percent with a mean score of 3.84. However, this issue is expected to be resolved or minimized to a certain extent based on the information from the

JPAK website where in 2010. JPAK as issued the final draft of the Immovable Asset Management Procedures (TPATA) which will soon be officially launched by the federal government to be used by its agencies. These procedures would be a beneficial basic guideline in managing government properties as these assets have been classified as part of government immovable assets. Finally, another issue is the lack of IT usage, which recorded an influencing frequency percentage of 62.2 percent with a mean score of 3.62. In the aspect of property management, the importance of information technology usage is commonly seen as required from the perspective of retaining and managing all important records and data related to a certain property. The availability of this information can facilitate various efforts to fortify the implementation of government property management activities. According to Dzurlkanian (2009), the use of computer technology in property management is at a very low level especially within the Local Governments in Malaysia, but the potential is enormous. Furthermore, according to Zailan (2001), the public sector needs a dynamic and integrated property management system that can be accessed and shared by government agencies. The fact is, according to Zailan (2001), to date there is no central authority that keeps complete records of all central government properties.

In conclusion, by looking at the categories of management processes or phases, it is found that these main issues normally occur during the organizing phase as this research has discovered three main issues contained within this stage. On the other hand, only one issue occurs within the planning and implementing stages with no issues found to occur during the controlling stage. The findings clearly illustrate that a transformation process to improve the current government property management practice has already taken place within the planning stage as it only recorded one main issue. The small number of issues discovered through this study merely reflects the effectiveness of the government's actions in making the necessary changes at the highest levels of administration as well as the formation of certain policies, especially with the establishment of the JPAK as well as the development of the Government Asset Management Policy. Issues within the property management practice have been found to populate the organizing stage. This is because based on general management concepts, the organizing process is usually at the second stage and given the current scenario in Malaysia, this stage has only began to be improved and restructured.

Therefore it is not surprising to find that various main issues seem to stem from this stage. For the implementing stage, there is only one issue that was deemed as a main issue whereas as mentioned earlier there are no main issues within the controlling stage to be deemed as main government property management issues. This does not necessarily indicate that there are no problems, weaknesses or deficiencies within these stages but a more rational argument would be that the activities here have yet to be systematically evaluated in terms of efficiency as most of these activities are carried out in an ad-hoc manner without clear objectives or targets. This creates a false comfort zone for the implementing staff as without due evaluation, there would be no pressure to improve their performance. Subsequently, without this pressure, the existence of any issues would only be considered to be minor and non-critical.

CONCLUSION

The awareness on part of the government towards the need to manage their property in an effective way is seen to be present and is expanding in a positive manner. This is proven through the various actions undertaken by the government, such as establishing a permanent committee at the highest level to lead and plan sound strategies in managing government properties, formulating clear asset management policies (including for property assets), developing the an asset management manual as well as other forms of reform. This is because the government rightly realizes that the implementation of an efficient, effective and systematic property management practice is a necessity in ensuring all government properties are able to fully function in realizing their set objectives and goals.

However, implementing management activities on government properties is not an easy task because the government owns too many properties of different types, functions, ownership objectives, sizes and others. Therefore, the implementation of government property management

activities is found to be faced with various issues that clearly indicate the presence of certain weaknesses, deficiencies or problems in managing these properties. The existence of these issues also has pointed out that government properties are still not being managed through a method or approach that is systematic and effective. Based on the responses forwarded by the involved government agencies, this study has identified five main issues faced in managing government properties in Malaysia. The existence of these issues should be seriously looked into and given consideration so that these findings can be appropriately used towards strengthening the government property asset management practice in this country. In addition to this, due concern should also be focused on other issues so that they would not inflate to become more serious issues which may eventually invite more difficulties to the agencies that manage the properties. By fortifying the implementation of property management practices by the government agencies, there is a very distinct possibility that a management reform may take place, which in turn will drive this nation towards achieving a better performance and reputation, on par with the developed nations.

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