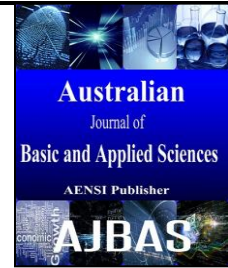




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### Property Maintenance Management in Malaysian Local Authorities: The Implementation Issues

<sup>1</sup>Shardy Abdullah, <sup>2</sup>Muhammad Rosmizan Abdul Wahab, <sup>1</sup>Arman Abdul Razak and <sup>1</sup>Mohd Hanizun Hanafi

<sup>1</sup>School of Housing, Building and Planning, Universiti Sains Malaysia

<sup>2</sup>Faculty of Architecture, Planning and Surveying, Universiti Teknologi MARA, Perak, Malaysia

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#### ABSTRACT

Property maintenance management is an important practice in ensuring local governments (LG) are able to provide the best service to the local communities through the utilization of various property types. At present however, there is clear evidence demonstrating that the level of property maintenance management implementation is still unsatisfactory. This paper aims to discuss the related issues that often occur in the practice of property maintenance management within LG organizations. Secondary sources such as journal articles, reports, newspaper cuttings and other similar sources were used to support the identification and discussion of these issues. The paper managed to identify five main issues present in Malaysian LG organizations within the context of property maintenance management, namely, policy and strategy; human factor; resource constrain; knowledge and skill; and, governance factor.

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#### INTRODUCTION

In public sector, property is normally developed, owned or leased to fulfil administrative and social needs as well as economic responsibilities to the general public. Property assets such as land and buildings are the key resource for all types of organizations, including the public sector (Isa, Z.M., 2001). 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 development projects involving various property assets is generally undertaken as it is one of the main functions of the government, i.e., to provide for community and social facilities as well as infrastructure. This is due to the fact that no organization will be able to operate without land or buildings (Balch, W.F., 1994).

In Malaysia, Local Government (LG) is a corporate bodies which consists the City Council, Town Council and District Council was established by Act 171 or the Local Government Act 1976 as a body who responsible to manage and administer an area-based local interest and acting as executor in providing services to people to determine the life of

the local community at the optimum level. Until 2014, there are 149 local authorities in Malaysia, all of LG placed under the administration of the Ministry of Housing and Local Government. The LG is the closest level of government to the public. Hence, one of the core functions is to support service delivery requirement to enhance the quality of public life (Jolicoeur, P.W., J.T. Barrett, 2004). LG organizations are important property owners. This is due to the fact that LG organizations are found to own various types of property that are utilized towards the achievement of the numerous objectives these LG organizations have set out to do. LG owned or control large holdings of land and built – up properties and in addition, have the responsibility to provide public infrastructure services within their respective jurisdictions. From a general standpoint, the necessity for LG to manage their properties arises from the importance of property ownership itself where these properties are deemed as either a resource, asset or liability to LG. Properties are a major resource in terms of production/operations (Weatherhead, M., 1997) that are needed by any party to enable them to undertake organizational production/operational activities. This is because there is no way for any organization to operate without land or buildings/facilities. With this necessity in mind, properties should be considered as

a major resource in LG operations, where the existence of these properties will have a definite impact towards the achievement of targeted objectives within any LG organization.

Apart from being a resource, properties are also able to become assets to an organization, including LG. An asset is basically defined as monies or items (such as land, buildings and others) that are owned by an individual, company, organization and other entities where these assets have value and are valuable to the owners. Property has always been widely accepted as being an asset to its owner. Furthermore, properties have inherent value that enables the properties to be transacted as a commodity. With this inherent value, properties have the potential to offer their own significance to LG organizations. Property value depreciation will undoubtedly cause the value of the asset owned by the LG to decrease. If this kind of depreciation is not mitigated, the image and reputation of the LG will suffer as well. Property also has the potential to act as a liability or burden to a LG organization. As Balch (1994) states, property costs are often considered to second largest cost element, after human resources, that need to be borne by an organization, where this cost element makes up 12% of overall costs and may even rise to 15% or higher in organizations that are service or public sector oriented.

#### **Literature Review and Discussion:**

Previous studies indicate that properties are to be continuously maintained in order to sustain its presentable image on top of ensuring its functionality level as well as to meet its residents' needs and demands. In general, maintenance is defined as work done to preserve, maintain and improve every part of the building, service and environment to an agreed standard; which is balanced between needs and the available resources. While, BS 3811 viewed building maintenance as the act of conserving or maintaining parts of building and its features to an acceptable standard. Building maintenance is about technical and administrative measures in maintaining or improving an aspect in order to fulfil its intended function. Maintenance management in the private and the public sector has been rapidly changing throughout the years. This is due to several factors such as the enhancement of sophisticated technology, globalization and change of economy. Maintenance management involves, planning, directing, organizing and controlling and organizing maintenance activities and services to obtain maximum returns on the investment. According to Myeda *et al.* (2009), maintenance management is an essential aspect in determining the performance and quality of properties such as office buildings. While Atkinson *et al.* (1997) also shares the opinion on the importance of maintenance management performance, where the studies reported that continual comparisons with

organizations recognize and close the gap between its own performance and that of the best practitioners. The implementation of property maintenance management is not really an easy or simple task to undertake by LG. Based on previous information, there are many discussions had been highlighted by researchers, practitioners and academician, where these issues could be categorised under the five main themes as follows:

#### **Policy and Strategy:**

Issues regarding policy and strategy factors are generally in relation to certain prerequisites, regulations and strategies that have been formulated by any organization. These issues usually concern internal shortcomings and problems of LG organizations in managing the implementation of their maintenance programmes or activities within their properties. The weakness regarding to the reactive approach that has been introduced in implementing property maintenance management is considered as one of the critical issue which is often connected with the policy and organisational aspect. Most of the maintenance management practices today, especially building maintenances, are carried out in a reactive mode i.e. not planned (Ali, N., 2002). This gives negative effect on the productivity of the business as such practice affects the cost, time, safety and health of the building's users. Furthermore, the study had discovered that there were several disadvantages of practicing reactive maintenance management (Ali, N., 2002).

#### **Human Factor:**

People are involved in all aspects of maintenance work, which is why human factor is recognised as an importance theme the needs to be included in the discussion of property maintenance management issues. This theme refers to issues concerning attitude, culture, motivation and the understanding that is present within the implementers (person in charge) of the maintenance programmes for properties owned by LA organizations. These implementers consist of those who are in the management, technical and operational levels.

#### **Resource Constrain:**

The issue of maintenance management also centres on the aspect of constrain or availability of resources, which are related to lack of funding, equipment, replacement parts/materials and others. The most issue is related to financial aspect, where the failure of a maintenance management process to be undertaken comprehensively is normally related to the issue of insufficient financial allocation. Moreover, Lateef *et al.* (2010) mentioned that in situations where the financial allocation is limited for implementing maintenance works, the available

resources have been found to be managed inefficiently and ineffectively.

#### **Knowledge and Skill:**

This theme is based on the capability of being able to fully implement any maintenance programme based on the planning that has been undertaken in the initial stages. This also refers to training, education and experience obtained or inherently present within the maintenance programme implementers. The issue of maintenance management in this theme is also related to the aspect of human resource development where issues such as lack of knowledge, experience and expertise in implementing management and maintenance works processes are seen to be apparent. According to Gouws and Trevelyan (2006), the different and diverse backgrounds as well as experiences of the employees are certain to effectuate different approaches to the implementation of maintenance works. Furthermore, Lateef *et al.* (2010) have stated that insufficient staffing and maintenance departments that lack expertise or qualification within their related employees does currently occur in Malaysia.

#### **Governance Factor:**

Simply put "governance" means the process of decision-making and the process by which decisions are implemented (or not implemented). Since governance is the process of decision making and the process by which decisions are implemented, an analysis of governance focuses on the formal and informal actors involved in decision-making and implementing the decisions made and the formal and informal structures that have been set in place to arrive at and implement the decision. Therefore, based on the definition, in the context of LG property maintenance management, this theme denotes to the issues concerning the basic structure and framework of the LG organization in made any decision making towards the implementation of maintenance programmes. For instance, if LG organization has decided not to have a specific department to handle the maintenance programmes, then as an indirect consequence, the maintenance activities will be taken by many departments which lead to create various management problems. Furthermore, the governance issue also related to ineffective maintenance management that involves the top management where it is concerned with the insufficient attention given by the decision makers towards the importance of maintenance costs as well as presenting their maintenance activities to the top management [11]. In a general sense, there are many issues concerning governance factor that are present in LG property maintenance management, where among others, they are, overlapping of tasks undertaken by the implementing departments, difficulty in deciding work priorities, absence of a specific maintenance

enforcement team, inappropriate organizational or team structure.

#### **Conclusion:**

This study has conceptually determined the main issues that may negatively affected the performance of property maintenance management in LG organisation. Finally, by gleaning through previously published secondary resources such as journal article, books, reports and other, literature, it could be concluded that the issues regarding to LG property maintenance management revolve around five major themes, namely, policy and strategy, human factor, resource constrain, knowledge and skill as well as governance factor. This study hopes to establish a clear preliminary understanding for the need to address these issues and ultimately enable a comprehensive maintenance management action to be injected within the management of property assets by the LG organisations.

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