

**FACTORS CONTRIBUTING TO
FAILURES IN PROJECTS DEVELOPED
BY BUMIPUTERA CONTRACTOR
(ASKME SDN BHD)**

NORNADIRAH BT. MOHD RAZALI

**Submitted in Partial Fulfillment
of the Requirement for the
Bachelor of Business Administration
(Hons) Marketing**

**FACULTY OF BUSINESS MANAGEMENT
UiTM, MELAKA**

2007

ACKNOWLEDGEMENT

Toward to my completion of research, I had endured tremendous challenges which I regard as a very valuable experience especially in preparing the report for this research. However, I cannot face over these entire problems alone without assistance from others whom I would like to express my deepest for being able to give a helping when I needed them most.

My foremost gratitude goes to my advisor **Ms. Hajah Norzehan Bt. Abu Bakar**, who gave the time to review the project paper in full and the may helpful comment, suggestion and encouragement as well as the precious guidance upon guiding me to complete this research. Besides that, not forget to enthusiastic participation and support given by **Mrs. Rozita Bt. Hj. Naina Mohamed** for such valuable guidance and suggestion through out the presentation. Their guidance may never be forgotten and never be measured with time and money.

It is my pleasure to acknowledge and thank to my supervisor **Mr. Syed Md. Harith B. Syed Ariffin**, Marketing Manager, Askme Sdn. Bhd. and to all bosses and employees for their interests, participant and cooperation in giving me valuable information in completing this research.

Last but not least, I would like to express my deepest gratitude to those who assisted on the project paper, including all lecturers (Universiti Teknologi MARA), friends, family and the respondents as well as to those who were involved directly or indirectly for their supports and cooperation during all this torrid time..

Thank you.

TABLE OF CONTENTS		PAGE
ACKNOWLEDGE		iv
TABLE OF CONTENTS		v
LIST OF TABLES		vii
LIST OF FIGURES		viii
LIST OF ABBREVIATIONS		ix
ABSTRACT		x
CHAPTER 1: INTRODUCTION		
1.1	An Overview of Construction Industry	2
1.2	An Overview of the Company	
	1.2.1 History of the Company	4
	1.2.2 Background of the Company	4
	1.2.3 Company's Objectives	6
1.3	Background Of Study	7
1.4	Problem Statement	9
1.5	Research Questions	10
1.6	Research Objectives	11
1.7	Theoretical Framework	11
	1.7.1 Dependent Variables	12
	1.7.2 Independent Variables	13
1.8	Hypotheses	14
1.9	Significance Of Study	15
	1.9.1 Importance to Askme Sdn Bhd	15
	1.9.2 Importance to the Researcher	16
	1.9.3 Importance to Individuals or Clients	16
1.10	Scope Of Study	17
1.11	Limitation of Study	18
1.12	Definition of Terms	19
CHAPTER 2: LITERATURE REVIEW		
2.1	Construction Industry	22
2.2	Factors Contributing to Failures	
	2.3.1 Attitude	23
	2.3.2 Capital	31
	2.3.3 Capabilities	32
2.3	Failures	35
2.4	Contractor	39
CHAPTER 3: RESEARCH METHODOLOGY		
3.1	Research Design	42
3.2	Population	42
	3.2.1 Characteristics of Population	42
3.3	Sampling	43
	3.3.1 Sampling Design	43
	3.3.2 Sampling Techniques	43
	3.3.3 Sampling Plan	43

	3.3.4	Sample Size	44
3.4		Data Collection Method	
	3.4.1	Primary Data	44
	3.4.2	Secondary Data	46
3.5		Data Analysis And Interpretation	46
	3.5.1	Cross Tabulation	47
	3.5.2	ANOVA	47
	3.5.3	Bivariate Correlations Matrix	47

CHAPTER 4: DATA ANALYSIS AND INTERPRETATION

4.1		Introduction	49
4.2		Reliability Analysis	50
4.3		Frequency Distribution on Respondent Profile	50
4.4		Factors Contributing to Failures among Bumiputera Contractors	56
4.5		Relationship between Attitudes and Failures	57
4.6		Relationship between Capital and Failures	59
4.7		Relationship between Capabilities and Failures	63
4.8		Relationship between Economic Environment and Failures	64

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1		Conclusion	67
5.2		Recommendations	68

BIBLIOGRAPHY			72
APPENDICES			

Appendix I	- Questionnaire	A1
Appendix II	- List of Population	A10
	- Table of Random Numbers	A12
Appendix III	- Statistical Output	A13
Appendix IV	- Organization Chart of Askme Sdn Bhd	A28
	- The Subsidiaries	A29
	- Statistic of General Work Contractor	A30
	- Statistic of Electrical Work Contractor	A31
	- The Number of Bumiputera Status Applications for the Last Five Years Period	A32

ABSTRACT

The construction industry is an important sector of every economy, which nevertheless has not been studied in detail. This basic paper offers a fundamental description of the construction industry and offers the features of Malaysia construction industry. Otherwise, it describes problems facing the industry and takes a well established theory and studies and applies it to the construction projects research. The purpose of this research is to determine factors contributing to failures among Bumiputera contractor (Askme Sdn Bhd). The researcher completed an adapted version of the Construction questionnaire, which asked the respondents to attribute causes that can be factors along a number of sites projects which have failed. Focus is placed on Askme Sdn Bhd management and technical team, suppliers and clients. The factors are the attitudes, capital and capabilities of the Bumiputera contractors and were tested by using a Statistical Package for Social Science. Other factors related to economic environment in construction industry were also asked in the questionnaires.

The results indicate that attitudes, capital and capabilities have contributed to failures in sites projects which have done by Askme Sdn Bhd. Apart from that, economic environment in construction industry have also contributed to failures among them. It can be concluded that this study is essential for Askme Sdn Bhd in order to identify factors such as their attitudes, capabilities and failures that might contributing to failures in certain project developed by them. Thus, they may improve their performance in construction industry and able to compete with non-Bumiputera contractors.