

**FACTORS CONTRIBUTE TO DEFAULT IN SERVICE
CHARGE PAYMENT FOR STRATA RESIDENTIAL IN
KLANG VALLEY AREA**

BY

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- (2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.
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LIST OF ABBREVIATIONS

NAPIC	National Property Information Centre
BOVEAP	Board of Valuers, Appraisers, Estate Agents and Property Managers
SMA	Strata Management Act 2013
MC	Management Corporation
SMT	Strata Management Tribunal
MCO	Movement Control Order
MPSJ	Majlis Perbandaran Subang Jaya
JMB	Joint Management Body
TPB	Theory of Planned Behaviour
SIFUs	Sijil Formula Unit Syer
PTG	Pejabat Tanah dan Galian
DMP	Developer's Management Period
VP	Vacant Possession
AGM	Annual General Meeting
MA	Maintenance Account
SFA	Sinking Fund Account
SMR	Strata Management Regulations 2015
COB	Commissioner of Body
STA	Strata Titles Act 1985
SMC	Subsidiary Management Corporation
SPSS	Statistical Package for the Social Sciences

KS	Kolmogorov-Smirnov Test
CDF	Cumulative Distribution Function
RII	Relative Important Index

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ABSTRACT

The service charge in a strata residential comprises of maintenance charges and sinking fund, and it is the responsibility of all owners or proprietors to pay it. The management bodies and property managers use the service charge as a fund to maintain and manage the common property. However, property managers commonly face challenges with poor collection of service charge, which has been exacerbated during the COVID-19 pandemic. To address this issue, this research aims to identify the factors contributing to default in service charge payment for strata residential in Klang Valley and analyze which factors affect default the most. The primary data for this research was gathered through a questionnaire distributed to 100 respondents from Klang Valley. The findings were analyzed using the Statistical Package for the Social Sciences (SPSS), and the Relative Important Index (RII) was used to determine the most influential factors. The results showed that the perceived behavioural control factor was the most influential, followed by the attitude factor and then the subjective norm factor. Therefore, this research aims to increase awareness among all owners of the importance of paying service charges and to enhance the knowledge of property managers to improve communication when reminding owners to pay their service charges.

CHAPTER 1: INTRODUCTION

1.0 Research Background

According to National Property Information Centre (NAPIC) (2021), the number of residential units in Malaysia was recorded as 5,775,095 units in year 2021. While the Klang Valley area had contributed 2,132,619 units of residential. Nowadays, the number of high-rise properties had increased rapidly which caused the demand on property management rise as well. The continuous growth of high-rise residential properties indicates that there is a need for an effective property management system to provide a sustainable high-rise residential property development (Noorsidi & Chris, 2011).

Property management is essential for all properties as this ensures that the property is kept in a favourable and optimal condition for end users which are owners or tenants. Property management will also result in consistent maintenance and thus increasing the capital value of the property (PropSocial, 2019). In the other words, by maintaining and managing the properties, it could prolong the physical and economic lifespans for optimum returns. When the property is well managed and maintained, owners will get to enjoy the comfort and leisure of their home and facilities while those who rent out their unit will enjoy good returns from their investment. This is because people tend to demand for units which is well managed.

According to Board of Valuers, Estate Agents, Appraisers and Property Management (BOVEAP) (2016), the role of property manager is to ensure the owner gets the best returns on his property investment. He or she should also ensure the building is well maintained, the building services well looked after and all expenses paid. Not only that, but property manager must also be able to optimise the usage and enhance the investment in property. It is mandatory for property managers to be registered under the BOVEAP and issued with an authority to practice under a firm or company by the regulatory body before offer the property management services for a fee.

By managing a property, the property management company will charge the service charges which included the maintenance charges and sinking fund to owners. These charges will enable property management company to perform their daily works such as maintain and refurbish common area facilities, payment to supplier and staff and etc. According to Strata Management Act 2013 (SMA) (2019), Part V Section 52 defined proprietors to pay charges and contribution

to the sinking fund, subsection (1), mentioned that all proprietors must pay the charges and sinking fund to the management corporation (MC) to maintain and manage the common property. However, there are still numerous of owners refused to pay their charges and sinking fund which also known as 'defaulter'.

It is important that all proprietors need to pay for maintenance charges as the MC will utilize it to maintain and manage all common property available in the development area. It is also a source of fund for MC to carry out the daily necessary maintenance work, payment for cleaning services, security services and others (Building Doctor, n.d.). While the sinking fund is a fund reserved fund collected from all proprietors for future expenditure for example less predictable and cost a lot more than the usual costs in maintaining and managing the strata building such as large-scale painting, replacing roof, replacement of major plant and equipment within common areas and others (Karr Wei, 2022). If all proprietors fail to pay charges and sinking fund, the MC will have no fund to spend for any maintenance and management which will lead to building malfunctioning.

Thus, MC had the power to sue proprietor who fail to make payment 14 days after demand notice delivered. The MC may proceed to bring this case to court which is Strata Management Tribunal (SMT) in order to recover the unpaid amount. The meaning of defaulters is defined in the Third Schedule of Strata Management Act 2013 (2019), defaulter is a proprietor who fail to fully pay his or her charges and sinking fund for his or her parcel within 14 days after MC delivered the demand notice. Furthermore, the MC had the power to states that the proprietor is having a criminal offence for fails to comply with the demand notice of 14 days expiry date without reasonable reason. Upon conviction, the proprietor can be fined not more than RM5,000 or jail not more than 3 years or both (PropertyGuru, 2020a). The MC can state the amount to be claimed and details of the defaulters in Form 1 upon submission to the tribunal (Strata Management (Strata Management Tribunal) Regulations 2015, 2015).

1.1 Problem Statement

The most common problems or challenges faced by property manager is poor collection of maintenance charges (Noraziah, 2006). The main issue is that some owners fail to pay their maintenance fees or other charges related to the upkeep and maintenance of the common areas of the property. Furthermore, the owner admits to delay payment of their service charges also

due to inappropriate service charges fees to the quality of services provided and unclear disbursed of charges.

Not only that, during Movement Control Order (MCO) time, the challenges faced by property manager on collection of service charges had increased as owners refused to pay and claim that the common area facilities could not use during the pandemic (Azian et al., 2022). Furthermore, many companies were forced to shut down their operations due to their inability to sustain operations costs without revenue. Due to this situation, the owner's sources of income have been impacted. According to Tawil, N. M. (2011), MC or property management company claimed on having difficulty with service charge collection where only 50% of the residential complexes collect half of their fees on time.

However, as mentioned in SMA 2013, the owners are responsible to pay charges and sinking fund regardless any reason. In order to increase the collection of service charges, property management should take legal action against owners. It is important for property management company to collect service charges to ease their maintenance work which will deliver the better services and facilities to owner. As mentioned previously, the property manager or management bodies utilised the contribution of services charges by owners to carry out the daily maintenance works and also manage it in good condition. The maintenance charge is being utilised for hiring security guards, management office staff, cleaning and landscaping services, minor repair works at common area and many more. While the sinking fund is a fund reserved for emergencies uses such as damage due to flood and major works including repainting and refurbish of common property.

The biggest consequence of having defaulter is that the finance or income of the property development is strained. When the owner default on their payment, it can strain the finances of the property and which lead to a reduction in quality of the common property. This is because the property manager had lack of fund to purchase any equipment or tools to maintain and manage the common property as well as had insufficient money to pay for suppliers or contractors. The contractors might include the cleaners, landscapers, technicians, swimming pool service technician, securities and others. In return, it will result in reduction of the value of property due to less of attractiveness to potential buyers or tenants. This will also be affecting the quality of life of all residents as all of the common property failed to function and cause facilities cannot being utilised and enjoy.

Not only that, but the property manager can also file a case to SMT in order to claim back the outstanding amount from owner. The Majlis Perbandaran Subang Jaya (MPSJ) is the first local authority in Malaysia who took legal action using the SMA 2013 to against maintenance fee defaulters. This is because there were few lawsuits were filed by the MPSJ via Commissioner of Building (COB) and the Subang Jaya Magistrate's Court convicted and fined one of the defaulters RM5,500 with a month of jail (EdgeProp, 2020).

Thus, it is important for owners to pay for the maintenance charges and contribution to sinking fund or any payable amount charge by the management body to ensure the effective management and maintenance of the property for the benefit of all owners and residents.

1.2 Research Questions

Based on this study, in order to further explore the factors contributing to default in service charge payment for residential in Klang Valley, two questions shall be answered from the research:

1. What are the factors contributing to default in service charge payment for strata residential in Klang Valley?
2. What are the factors that affect the most to default in service charge payment for strata residential in Klang Valley?

1.3 Research Objectives

The research aim is to investigate the factors contributing to default in service charge payment for residential in Klang Valley. The main objectives of the study can be summarized as:

1. To identify the factors contributing to default in service charge payment for strata residential in Klang Valley.
2. To analyze the factors that affect the most to default in service charge payment for strata residential in Klang Valley.

1.4 Significance of the Study

Property management is acting behalf of the Joint Management Bodies (JMB) or MC which comprises elected volunteer parcel unit owners (Hartamas, 2021). The main objective of property management is to maintain and manage the building and common properties of a strata development project. Property management company collected service charges fees in order to perform daily maintenance and management of property and common area property. Thus, it is important for property management to collect all charges from owners which enable them to provide daily repairs and upkeep around the property. If most of the owner remain default in service charge payments, the property management will be facing difficulty when maintaining and short in funds. As a consequence, the quality of services provided will be poor and facilities will be poor managed. This will cause the images of property to decrease and reduce the selling price as well as lower return on investment for landlord. This study is to increase the awareness of owners on the importance of paying maintenance charges in order to maintain the common property and also increase the knowledge of property manager on the reason of owners remain default and thus can address the concerns by the owner by convincing them to pay.

1.5 Chapter Layout

The report is divided into five (5) major chapters. This chapter 1 introduces stating its goals and objectives as well as providing a broad summary of the study. The second chapter defines maintenance fees and sinking funds, along with property management, management bodies, defaulters, the Strata Management Act (SMA), strata residential and others. The chapter 3 concerns study methods and procedures. This chapter also explains the data collecting and analysis method. The gathering of data by questionnaire survey is illustrated in Chapter Four, along with tables and figures, as well as data analysis. Chapter 5 discusses the outcomes or study findings. The conclusion, which satisfies the stated objectives, as well as recommendations for future research, will be explored in Chapter Five.

1.6 Conclusion

At the end of this chapter, the main objective of this study is to identify the factors contributing to default in service charges payment for strata residential in Klang Valley and to analyze the factor that affect the most to default in service charge payment for strata residential in Klang Valley. The detail explanation of main keywords such as component of service charge, defaulter, strata residential, property manager, management bodies and more will be presented in the next chapter.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

In this chapter, literature review is introduced to determine the factor contributing service charges to remain default for residential in Klang Valley. Fundamentally, the content will be assembled through different types of resource such as journal, article, books, web and others. Discoveries the portion of past investigates will be considered in this chapter with understanding arrange to get it and basically analyze the research background. Lastly, conclusion will be construct as summarize of this chapter.

2.1 Definition

2.1.1 Strata Residential

According to Cambridge Dictionary (2022), residential is an adjective which defined a residential building is one in which people live. While Law Insider (n.d.) defined residential as a suite of rooms which form a living unit that is exclusively used for human habitation purposes, or a multiple number of such units on a property, excluding a hotel, commune, boarding and lodging undertaking, hostel and place of instruction. A residential is the provision of more and better housing to accommodate additional households (Whitehead. C., 2015).

According to Maslow's hierarchy, the first human needs is the physiological needs which including breathing, food, water, shelter, clothing and sleep. The residential provided a shelter and place to sleep. Not only that, residential also provided the safety and security to human by providing security services (guarded and gated). Furthermore, the residential provided the sense of connection with neighbourhood or can having communication with others when enter to the common area properties. The basic needs for a residential building is each unit or room should get enough light, air and utility which including water, electricity and sewerage.

The term of 'strata' was legally introduced in Strata Titles Act 1985 (STA). Strata property is a scheme where the building or land is divided up into individual lots with

common property (PropertyGuru, 2021). Strata title is one of the title structures of ownership and control over property. It is usually applied to subdivided buildings or complexes such as high-rise buildings, town houses, duplexes, flats, apartments, condominiums and mixed-development buildings (Kim Loong, C., 2021). Each parcel unit in the building is owned by an individual owner, who has the exclusive right to use and occupy that unit,

In a strata residential arrangement, each parcel unit is privately owned by a resident, while the common property such as elevators, playground, gym room, swimming pool or common area carpark are collectively owned by all residents. The common property refers to any areas of land or buildings that are not divided as being within a parcel. When there is a strata title towards the property, the owner or purchaser of the parcel unit is responsible and required to pay the maintenance charges and contribution to sinking fund which used to cover the expenses of maintaining and managing the common property.

Strata residential ownership offers a range of benefits to residents which include the ability to own a private residence (gated and guarded) while still having access to common property and services. Strata residential ownership can also offer a sense of community and shared responsibility among the residents of the building. However, it also comes with certain responsibilities such as adhering to the rules and regulations (by-laws) set forth by the SMA or management bodies as well as contribution to the service charge payment and upkeep of the common property. If the residents failed to follow the rules and regulations, he or she may result in fines with the maximum of RM200 per breach of by-law.

2.1.2 Common Property

According to SMA 2013 section 2, the common property is not comprised in any parcel and is used or capable of being used or enjoyed by occupiers of 2 or more parcels. The example of common property including swimming pool, playground, basketball court, clubhouse and others. The management bodies are responsible to carry out any necessary maintenance and management of the common property. They can also make additional by-laws for common property such as the restrictions, operation time, rules

and regulations and etc. All proprietors are allowed to enjoy all common property unless name being listed on the defaulters' list or breach of additional by-laws.

The limited common property was taking effective from June 2015 in order to overcome the unfairness of owner on "couldn't access to all property, but still have to pay" in the case of mix development project. The definition of limited common property is the part of the common property in a lot which is for the exclusive benefit of the proprietors of two or more but not all parcels. Thus, the subsidiary management corporation (SMC) is created in order to taking care of the limited common property. The MC will maintain the common property that owned by all owner's while the SMC will only maintain the common property that only owned by certain owner. Hence, proprietors need to pay maintenance charges to MC and Sub MC (for those having limited common property only). According to STA 1985 section 17A, only MC had the power to designate limited common property and create one or more SMC only for the purpose of representing the different interest of parcel proprietors by way of comprehensive resolution conducted under the SMA.

For example, the building in a mixed-use development which consists of residential and commercial use. The MC will manage common property such as carpark and security points while office SMC will manage lifts, lobbies and centralised air-conditioning meant exclusively for office owners and residential SMC will manage swimming pool, gym and lifts meant exclusively for residents.

2.1.3 Service Charge Payment

The service charges in SMA 2013 are including maintenance charges and sinking fund or also known as management fee. Maintenance charges are the costs charged to owner or proprietor of the property for maintenance and operations of the common area facilities (The Economic Times, n.d.). It covers elements of property management like gardening, repairing common areas, security and keeping the place clean. In the other hand, sinking fund is a money prepared against future expenditure which including the large scale of repairs and major works on a building. For example, repainting of common area property, upgrading common area facilities and refurbishment of the common area property. Developer is responsible to establish maintenance account and

sinking fund account which mentioned in SMA 2013 Part IV Section 10 and section 11, developer to establish maintenance account and sinking fund.

According to SMA 2013 Part IV Section 12, purchaser and developer to pay charges, and contribution to sinking fund. Subsection 1 mentioned each purchaser should pay the charges and sinking fund of his parcel to developer for the maintenance and management of the buildings, lands and common property such as playground, basketball court, swimming pool, gym room and others. However, if the parcels of the development area have not been sold, the developer should pay for the charges and sinking fund. Developer can recharge the total amount paid from purchaser once the parcel had been sold.

The maintenance fee is shared among purchasers and will be divided among the units based on their share unit. The amount of sinking fund to be paid is 10% of the total charges to be paid. The fees to be paid is different with other property developments as the location, share units and services and facilities provided are differ. The share units are calculated based on the area, usage, size and location of the parcel using the formula stated in the strata title of each state (Stephanie, C., 2022). All share units must be determined before any sales of property which allowed purchasers acknowledge their share of payment.

By proposing the share units of each parcel, developers must file the schedule of parcels with the Commissioner of Buildings and apply for the Certificate of Share Unit Formula or also known as Sijil Formula Unit Syer (SIFUs) from the Pejabat Tanah dan Galian (PTG) from respective state. By referring the standard formula under Forth Schedule of the Strata Titles Act 1985 (Act 318), Rules & Orders, developer can acquire the share unit in a strata scheme.

2.1.4 Property Management

Based on Investopedia (2022), property management is the daily oversight of residential, commercial or industrial real estate by a third-party company. Property managers provide services to client based on their requirements and expectations and will get service payment in return based on the type and number of services delivered (Miller, D., 2019). Generally, property managers take responsibility for day-to-day

repairs and ongoing maintenance, security and upkeep of properties. Their main roles are to manage routine tasks delegated to them by the owners and to preserve the value of the properties they manage while generating income.

Not only that, but property manager is also responsible to handle complaints and emergency situations. For example, if there is any fire happened to the property, the property manager should carry out the following steps which included call 999, evacuation everyone nearby, helped to claim insurance and others. Hence, he or she must be aware of the safety precautions taken at the property.

2.1.5 Developer

Property developers explore possibilities in land and property and add value to it by converting them to various purposes such as residences, shopping malls, or business buildings (JobStreet, n.d.). They collaborate with consultants and contractors and communicate with government agencies about design and permissions. According to SMA section 9 (1), the developer must continuously manage and maintain the development area until other management bodies take over his or her responsibility of management of building after the completion of construction. This also known as the developer's management period (DMP).

The DMP will starts from the date of delivery of vacant possession (VP) and will be dissolved one month after the establishment of joint management body (JMB) or one month after the first annual general meeting (AGM) of JMB is being conducted by developer (MahWengKwai Associates, 2020). The developer must ensure that an area from common property is set aside as the administration office. Since the DMP only for a year, thus, developer cannot enter into any contract relating to the maintenance and management of the building for any period.

Based on SMA 2013 section 10, it is the responsibility of developer to open 1 maintenance account (MA) and 1 sinking fund account (SFA) with a bank before the delivery of VP and before charges are collected. All charges received by purchasers and developer in respect of those parcels which have not been sold must be deposited into the MA and SFA account within 3 working days of receiving the moneys to prevent

misappropriation. The moneys in the MA and SFA shall not form part of the property of the developer as mentioned in SMA 2013 section 10(4).

Before the expiry of DMP after the first AGM of JMB, developer must hand over management to JMB. Once expiry, the developer's rights, liability and responsibility towards management will also end. At the final stage of DMP, developer must transfer all moneys, after deducting expenses in the MA and SFA and the management office, audited accounts of MA and SFA, documents related to the property as well as all assets of the development area.

2.1.6 Joint Management Body (JMB)

The Joint Management Body (JMB) is a body corporate having perpetual succession and a common seal. It comprises the developer and the owners and is responsible for the maintenance and management of the building and common property in a strata development project (Ivan, C., 2018).

The JMB period appeared after a year of developer period and before the strata title being issued to the development project. Based on SMA 2013, section 17 (1), the JMB should be established during the AGM which will be conducted by the developer. The subsection 4 indicated that the JMB must consists of one member from developer and purchasers. If the strata title being issued before establishment of JMB, the first AGM of JMB shall not be assembled and the establishment of MC should be carried out by the developer.

Before the first AGM had been held, the developer shall give written notice to all purchasers not less than 14 days before the AGM. A copy of the notice should be displayed at a noticeable place of the development project which being mentioned in section 18 (3). Once the JMB had being established, it shall notify and register with the Commissioner or Local Authority the name of the JMB within 30 days from the date of the first AGM as stated in section 20 (1). After the application approved, the Commissioner will issue a certificate by certifying that the JMB is duly established under the SMA 2013.

JMB had the powers to collect the charges and sinking fund from purchasers based on the allocated share units. Apart from that, JMB should also effecting the insurance for strata building in accordance with SMA. JMB should ensure auditing of financial record. They must ensure all accounts are audited and to provide audited financial statements to all purchasers during AGM. JMB can also carried out all maintenance and management in the development project by using the charges paid by purchasers; while the large scale of repair, major improvements such as repainting of common area building, it should utilize the sinking fund. During the AGM, the additional by-laws will be established based on the common property available and agreed by all purchasers. Thus, JMB can perform everything that is reasonable and necessary under SMA and the by-laws. All these powers were clearly mentioned in SMA 2013 section 21(2). In the other hand, section 21(3) clearly stated that the JMB shall not enter into any contract relating to maintenance and management of any building or land for any period exceeding 12 months as they are temporary body to take care the development.

2.1.7 Management Corporation (MC)

Management Corporation (MC) consists of all proprietors as its members and manages the strata building on behalf of its members. MC has perpetual succession and its own common seal. It can sue and be sued in its own name. MC consists of the owners who are eligible to attend the AGM and being voted by other owners who attend the AGM of a strata development. MC only can be established after strata titles of the development have been issued by the land office and at least a quarter (25%) of the aggregate share units has been transferred from the developer to the unit owners. The JMB is automatically dissolved within three months from the date of the first AGM of the MC. The committee should consist of no less than 3 owners and not more than 14 owners.

The duties and powers of MC are almost similar with JMB, but MC had an additional power which can borrow money and creating securities or charges for loans that indicated under SMA 2013 section 59. MC must ensure that the overall effect of management will not be for the benefit of some proprietors and to the detriment of others. It has to be beneficial to everyone.

2.1.8 Defaulter

According to Third Schedule of Strata Management Regulations (SMR) (2015), By-laws 6, defaulter is defined as any proprietor who has not fully paid any debt owed to MC at the expiry of the period of 14 days of receiving a notice from the MC. In order to encourage proprietor to pay their maintenance charges and sinking funds before the deadline, MC can impose interest of 10% per annum on a daily basis or at such rate as shall be determined by the MC during the general meeting until the date of actual payment of the sum due. MC are allowed to prepare a defaulter's list showing the names of the defaulting proprietors and displaying the list on notice boards that will be updated every month.

Other than that, MC had the power to restrict defaulter from using the common facilities including any car park bay in common property that has been designated for use of the defaulter. The MC can disable access card or other electromagnetic access device, upon expiry of 14 days from written demand and force defaulters to enter the grounds as a visitor (sign in and out). They can impose a charge not exceeding RM50 to reactivate access. If the defaulter wishes to pay off his or her debt, MC may enter into instalment scheme or accept payment by charge, assignee, successor-in-title, lessee, tenant or occupier.

However, MC cannot restrict defaulter to enter their home and using their carpark (accessory parcel) as it is their rights to enjoy it. MC also cannot cut the electricity or water supply as mentioned in section 35 Strata Title Act. This is because the access to drinking water is a basic human right and there shall be an implied right of support and a right of service for each parcel.

The Strata Management Tribunal (SMT) or Tribunal is a body established under the SMA to hear and decide on certain matters relating to stratified properties (Donovan & Ho, 2019). The SMT was established to dispute about strata management could be solved quickly, cheaply and efficiently. The SMA mentioned that the tribunal must decide the award as soon as possible which possible within 60 days of the first hearing day.

If the owner still remains unpaid after the 14 days' notice of demand delivered and action taken mentioned above, the MC may sue the owner to the SMT to claim back

the unpaid amount. The Form 20 must be delivered to owner before file case to SMT. The SMA 2013 section 78(3) stated that any proprietor who without reasonable excuse, fails to pay maintenance charges and contribution to sinking fund shall commit an offence and shall on conviction, be liable to a fine not exceeding RM5,000 or to imprisonment maximum of 3 years. Other than that, management body can perform the attachment of property which is cease the property by selling their assets or fittings as recovery of debt as mentioned in section 79 of SMA 2013. The developer, JMB or MC has the power to sign an application in Form 21 of SMR and submit the application to COB. The COB will issue a warrant of attachment with the name of person executing the attachment of Form A of Third Schedule of SMA. If management bodies facing difficulty, they may ask COB for assistance; if COB has difficulties, they can request Inspector of Police to accompany them to do so. If any tenants, sub-tenant or occupier who wants to avoid the attachment can pay the debt of the owner and shall treated as rental payment. The assets or movable properties will be sold by auction and sell at the highest price. The amount sold will be paid for all expenses and the surplus money and any property unsold will be returned to the owner.

2.1.9 Klang Valley

Klang Valley is an urban conglomeration in Malaysia that is centered in the federal territories of Kuala Lumpur and Putrajaya and includes its adjoining cities and towns in the state of Selangor (DBpedia, n.d.). The early development of current Klang Valley was located close to the Klang River. In fact, it was the development of tin mining towns in the late 19th century that would collectively become ‘Klang Valley’, which were dotted closely to the river. From the 19th century onward, the area developed quickly, expanding in East KL (Gombak) and Westerly (Port Klang) directions, with urban areas growing towards the North (Rawang) and South (Negeri Sembilan). The area that can be considered as Klang Valley are Kuala Lumpur, Putrajaya, Petaling, Klang, Gombak and Hulu Langat.

Klang Valley is the highest population in Peninsular Malaysia which is around 9 million people and the car volume is expected to be over 7 million. However, since the number of cars is almost equal to the population, it resulted in serious traffic jam in Klang Valley areas. When it happens, it will stretch kilometres of highways and make driving

exhausting during peak hours. In order to afford high population and number of cars, numerous of expressways, highly developed road network and an enhanced integrated rail transit system (MRT, KTM, LRT, BRT, Rapid KL, Monorail) cross the metropolis which making cars and people the most convenient way to travel around (Klang Valley 4 Locals, n.d.).

2.1.10 Theory of Planned Behaviour

The theory of planned behaviour (TPB) is a theoretical framework developed by Icek Ajzen and Martin Fishbein (Keiba L., 2016). It is used to understand and predict human behaviour in various contexts. The theory suggests that people's actions are primarily determined by their intentions which are influenced by three factors including attitude, perceived behavioural control and subjective norms. According to the TPB, these factors combine to shape an individual's behavioural intentions, which will then influence their actual behaviour.

2.1.11 Attitude

Attitude is the result of experience or upbringing. It is the manner, disposition, feeling and position about a person or thing, tendency or orientation, especially in mind (iEduNote, 2020). It has a powerful influence over behaviour and affect how people act in various situations (Cherry, K., 2023). Attitude is a learned tendency to evaluate things in a certain way which include evaluations of people, issues, objects or events. The evaluations usually in positive or negative or also can be uncertainty. Attitudes are formed primarily based on underlying values and beliefs. While attitude is the predisposition to act in a particular way towards an object or situation, opinion is the expression of an individual's judgment about a particular set of facts. Attitude is a kind of habit, is it the usual way of doing things. Everything is an organization will get better if the attitude of everyone gets better. The succession and failures of actions or decisions depend upon the attitude of the individuals. Attitude can also be shaped by various factors such as personal experiences, cultural norms, social influences and cognitive processes. For example, if an individual is exposed to negative information about an

event that dislike, they may develop a more negative attitude towards it. In contrast, measuring attitudes can be challenging, as attitudes are often implicit and difficult to observe directly.

2.1.12 Hardworking

Hardworking refer to constantly, regularly or habitually engaged in earnest and energetic work (Merriam Webster, 2023a). The act of putting in a lot of effort and time into an activity or goal is referred to be hardworking. Being focused, dedicated, and determined to attaining achievement via constant and persistent work is required. Individuals that work hard are noted for their strong work ethic, drive, and ability to stay focused on their goals. They are willing to put in the work required to attain their objectives, even if they experience problems or roadblocks along the way. People that work hard are frequently praised for their drive, endurance, and eagerness to learn and grow.

2.1.12 Confidence

Confidence is defined as a sense of self-assurance, belief, and faith in one's own talents, traits, and judgement. It is a mental state in which a person feels capable, competent, and in command of their actions and judgements (Psychology Today, 2015). Positive emotions such as optimism, excitement, and a can-do attitude are frequently related with confidence. It enables people to take chances, follow their dreams, and establish themselves in social and professional settings. Confidence may be gained via experience, knowledge, and skill development. People who believe in themselves and their talents are more likely to succeed in their personal and professional life because they can face obstacles, manage criticism, and recover from failures with resilience.

2.1.13 Emotional

The state of being influenced or affected by emotions or feelings is referred to as emotional. It refers to a variety of human emotions such as happiness, sorrow, anger, fear, enthusiasm, and others. Emotional people are those who are aware of their emotions and express them in a healthy and productive way (Longman, n.d.). They can recognise and comprehend their own emotions as well as the feelings of others, and they may utilise this understanding to build healthy connections and create positive changes in their life. Emotional intelligence is an important aspect in personal and professional success because it enables people to communicate effectively, settle disputes, and manage stress and anxiety. Emotions are a natural and normal part of being human, and learning to manage and express emotions in a healthy way is essential for general well-being and enjoyment.

2.1.14 Dishonest

Dishonesty is the practise of speaking or acting in a fraudulent, untruthful, or false manner. It is the deliberate misrepresentation, lying, or withholding of facts with the goal of deceiving others for personal advantage or to escape unwanted repercussions (Cambridge Dictionary, n.d.). Cheating, stealing, fraud, or violating agreements or obligations are all examples of dishonest behaviour. It is regarded unethical and can lead to mistrust and strained relationships, as well as legal ramifications in some cases. Honesty is an essential value in both personal and professional interactions, and practising it may lead to increased trust, respect, and success in all aspects of life.

2.1.15 Overlook Billing

The term of 'overlook' is to fail to notice something and it might due to being distracted or not paying close attention (Dictionary.com, n.d.). While the meaning of 'bill' is a document that requesting payment for goods or services rendered. Overlook billing refer to the act of deliberately ignoring or not paying attention to a bill or invoice that

is due. This might occur if a person or business is experiencing financial difficulties and cannot afford to pay their bills or if they simply choose not to pay.

2.1.16 Financial Issue

Financial troubles are problems or difficulties in managing money, assets, or debts (Law Insider, n.d.). Personal financial mismanagement, economic downturns, unanticipated spending, or changes in income can all cause financial problems. Financial problems may lead to stress, worry, and other negative effects on mental and emotional health, as well as relationships and general quality of life. Some common financial issues including debt, income, budgeting, investment and emergency.

2.1.17 Education Status

Education status refers to a person's level of education or academic accomplishment, which is commonly defined by the highest degree or level of education completed (Definitions.net, n.d.). Education level may have a significant impact on a person's professional possibilities, economic potential, and general quality of life. Higher levels of education have been linked to more options for personal and professional development, higher earning potential, and better health outcomes. Education status can be measured in a variety of ways including secondary school, diploma, degree, master, PhD and doctor. Access to education varies according to socioeconomic class, geographic location, and other circumstances, and can have an influence on an individual's educational standing and future chances. Improving access to education and promoting possibilities for lifelong learning can foster more equality and social mobility.

2.1.18 Income

The amount of money made or received by an individual or family over a period of time, often a year, is referred to as income (P. Scott, 2022). Salary, earnings,

investments, and government aid programmes are all sources of income. It determines an individual's level of life, access to products and services, and overall financial stability. The types of income can include earned income, investment income, passive income as well as government assistance. Education, career, geography, and economic conditions may all have an impact on one's income. Income disparity may be a major problem, with some people and households earning much more or less than others. Addressing income disparity and supporting policies and programmes that create greater economic opportunity and financial stability for all individuals and households is critical.

2.1.19 Occupation

The sort of labour or profession that a person engages in to earn a livelihood is referred to as occupation (Surbhi, 2018). It can be characterised in a variety of ways, such as by industry, skill level, or educational level. Doctors, teachers, engineers, salespeople, and many more vocations are examples. Occupation has a significant impact on a person's career path, financial prospects, and general quality of life. Different vocations need varying degrees of education and expertise, as well as varying compensation ranges, perks, and prospects for promotion. Some vocations may be in higher demand than others, depending on variables such as the economy, technology advancements, and shifting social and cultural trends. Gender, race, ethnicity, and financial level are all social and cultural elements that might impact occupational standing. Some groups may suffer impediments to admission or development in specific occupations, whilst others may have higher success chances. Understanding the role of employment in individual and societal well-being is critical for establishing policies and programmes that promote greater economic opportunity and social mobility. This might involve giving access to education and training, decreasing prejudice and bias, and assisting with initiatives to establish more diverse and inclusive workplaces.

2.1.20 Perceived Behavioural Control

The perceived behavioural control is influenced by the presence of adequate resources and ability to control barriers to behaviours. The more resources and fewer obstacles' individuals perceive, the greater their perceived behavioural control and stronger their intention to perform behaviours (Azjen I., 1986). It is the extent to which an individual believes that they have the necessary resources, skills and opportunities to perform a behaviour successfully. On a conceptual basis, perceived behavioural control is similar to self-efficacy as both constructs refer to the person's belief that the behaviour in question is under his or her control. However, perceived behavioural control is often assessed by the ease or difficulty of the behaviour; while self-efficacy is operationalized by the individual's confidence in being able to carry out the behaviour in the face of extenuating circumstances (Wallston, K., 2001). Perceived behavioural control can be influenced by a variety of factors such as past experience, social and environment factors, modelling, expected support as well as potential obstacles (Thompson, J. K., 2012). Thus, understanding perceived behavioural control is important for predicting and changing behaviour as it can help individuals to identify and overcome obstacles to behaviour change.

2.1.21 Content Evaluations

Content evaluations are the process of reviewing the quality, accuracy, and relevance of information offered in various kinds of media, such as articles, films, photographs, or social media postings (Bono Group, n.d.). It entails investigating the legitimacy and dependability of the sources employed, as well as the context in which the information is delivered. Content assessments are critical in today's digital age, when the volume of information available online may make distinguishing between correct and fraudulent information challenging. Individuals who evaluate material can make more educated judgements, avoid misinformation or disinformation, and protect themselves from online frauds or hazardous content. Common content evaluation factors include the author's credentials and skills, the reputation of the newspaper or website, the sources cited or referenced, and the general tone and slant of the content.

2.1.22 Standard

A standard is a collection of standards, criteria, or expectations that are developed in various businesses or professions to assure uniformity, quality, safety, or compatibility. Government bodies, professional organisations, or business groups may adopt standards to provide a consistent language, procedure, or approach for reaching a certain objective (Kohn LT, 2000). They can be applied to goods, services, processes, or systems, and they can address a variety of challenges such as environmental impact, safety, quality control, performance, or interoperability. Standards can assist to boost efficiency, minimise waste, foster innovation, and build trust in products and services. Standards compliance may also be mandated by law or regulation, particularly in areas like as health and safety or environmental protection.

2.1.23 Bad Performance of Third Party

The bad performance of third party is a company or individual has hired a third party to perform a service or complete a task and the third party fails to deliver the expected level of performance (Linsley, 2019). This can manifest in different ways such as quality issues, delays, communication problems and others. When a third party's performance is deemed inadequate, it can have significant consequences for all parties involved. The client may suffer financial losses or damage to their reputation, while the third party may face legal action or reputational harm.

2.1.24 Irresponsible of Third Party

The irresponsible of third party refers to the behaviour in a manner is not responsible or ethical (Mohd Yusof, 2020). For example, the third party may behave in a manner that is unprofessional or unethical such as engaging in discriminatory practices or violating privacy laws. Furthermore, the third party may act negligently which failing to take appropriate safety precautions or not following industry best practices.

2.1.25 Legal Action

Legal action refers to the process of taking a dispute or complaint to a court of law, administrative agency, or other legal forum in order to seek a resolution or enforce a legal right (Merriam Webster, 2023b). Legal action may be taken in response to a wide range of issues, including contract disputes, personal injury claims, property disputes, employment discrimination, and criminal charges. Legal action typically involves filing a lawsuit or legal complaint, which outlines the details of the dispute or complaint and seeks a specific remedy or outcome. The other party will have an opportunity to respond to the lawsuit, and the case may then proceed through various stages, such as discovery, pre-trial motions, and trial. Legal action can be complex, time-consuming, and expensive, and it is not always the best option for resolving a dispute. Alternative dispute resolution methods, such as mediation or arbitration, may be more appropriate in certain situations. Additionally, individuals and businesses may seek legal advice and representation from attorneys in order to navigate the legal system and achieve a favourable outcome.

2.1.26 Services Provided by Third Party

Third party services are the services that are provided by a company or individual that is not directly employed by the client. Third-party services can take many forms and are used by businesses and individuals to supplement their own capabilities or to outsource certain tasks (BAP Software, 2023). The services provided can be beneficial for businesses and individuals as they provide access to specialised skills and expertise without the need to hire and train staff.

2.1.27 Subjective Norms

Subjective norms are the beliefs about what other people think the individual should do and the individual's motivation to comply with the opinions of others (Frances, 2017). In other words, subjective norms reflect the degree to which people believe that others in their social environment expect them to perform or not perform a specific action. These norms can either be perceived as positive, which can encourage the behaviour; or negative which can discourage it. For instance, an individual believes that their family and friends will approve them pursuing a particular action, this positive subjective norm might encourage them to pursue that action. Conversely, if they believe that their peers would disapprove of them engaging in a certain activity, such as smoking or excessive drinking, this negative subjective norm might discourage them from engaging in that behaviour. In short, subjective norms are an essential component of TPB as it is widely accepted model for predicting and understanding human behaviour.

2.1.28 Family

A family is a group of individuals who are linked by blood, marriage, or adoption who have a similar history and a sense of belonging (Barnard, 2023). Families occur in a variety of shapes and sizes, ranging from nuclear families made up of parents and children to extended families made up of grandparents, aunts, uncles, and cousins. Families are an individual's major source of emotional and social support, offering a feeling of identity, purpose, and stability. They have an important role in passing down cultural values, customs, and beliefs from one generation to the next, as well as affecting children's growth and well-being. Family dynamics may be complicated and difficult, but strong and healthy connections within families can create resilience, encourage beneficial behaviours, and improve overall quality of life.

2.1.29 Friends

Friend is defined as a mutual tie of affection, trust, and support. They are people with whom we share common interests, experiences, and activities, and with whom we may confide and seek emotional support and counsel (Vocabulary.com, n.d.). buddies can come from a number of backgrounds, including childhood buddies, schoolmates, colleagues, or strangers. They are a vital part of social life since they provide opportunity for friendship, fun, and personal development. Friendships can range from casual acquaintances to lifetime partnerships in terms of intensity and longevity. Friendships can improve mental and emotional well-being by providing a sense of belonging, validation, and purpose. Strong friendships involve work, communication, and mutual respect, but the benefits may be immense.

2.1.30 Neighbours

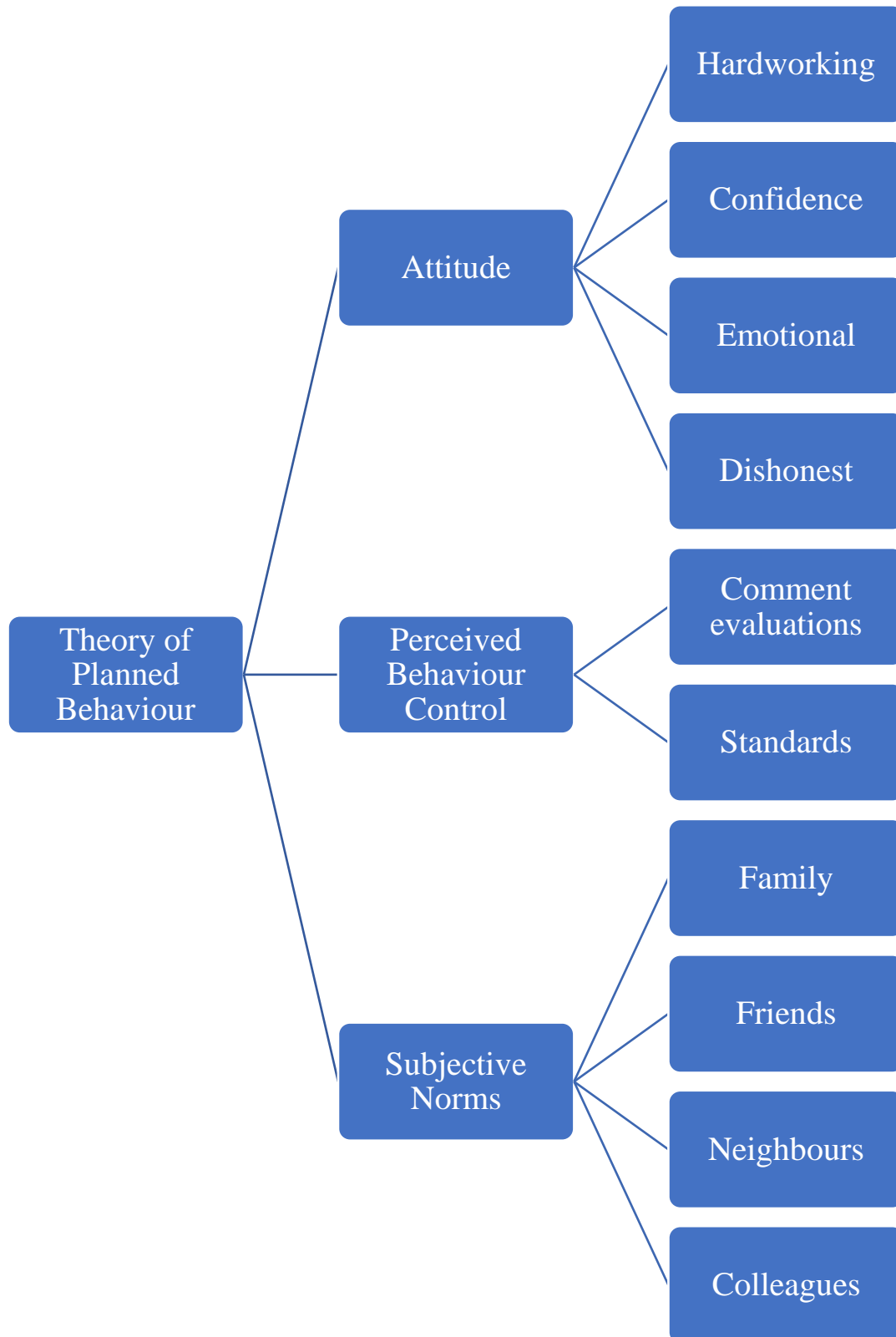
A neighbour is someone who lives in the same community or neighbourhood as you (Oxford Learner's Dictionary, n.d.). They may be a source of comfort, companionship, and help, as well as a cause of strife. Neighbours can create a sense of belonging and connection to the community through sharing same interests, concerns, or beliefs. They may also contribute to the neighbourhood's safety and security by keeping an eye out for suspicious activities and reporting any concerns to local authorities. Building excellent connections with neighbours can improve overall quality of life and contribute to the formation of a more cohesive and supportive community. Simple gestures like greeting each other, offering to assist with modest jobs, or joining in community events and activities can help. Maintaining healthy relationships with neighbours requires effective communication and mutual respect.

2.1.31 Colleagues

Colleagues are persons with whom we share a professional or corporate environment, such as a workplace, industry, or organisation (Macmillan Dictionary, n.d.). They can be people with diverse degrees of knowledge, experience, and job responsibilities who work together to achieve a shared objective or aim. Colleagues can cooperate inside teams or departments, or they might collaborate across departments or organisations. Working connections with co-workers are critical to attaining organisational goals and can contribute to a healthy work environment. Positive connections with co-workers may promote collaboration, trust, and open communication, as well as increase individual and team productivity. They can also give possibilities for professional development and learning as co-workers share their knowledge, skills, and expertise. It is critical to set clear expectations and boundaries with co-workers, as well as to treat one another with respect and professionalism.

2.2 Review of Relevant Theoretical Models

Figure 2.1: Theory of Planned Behaviour and Willingness to Pay



Source: López-Mosquera, N., (2015).

The figure 2.2 depicted above illustrates the theoretical framework of planned behaviour and willingness to pay, as studied by López-Mosquera (2015). This framework identifies three key factors of the theory of planned behaviour: attitude, perceived behavioural control, and subjective norms. The first factor, attitude, encompasses various attributes such as hardworking, confidence, emotional state, and dishonesty. The second factor, perceived behavioural control, includes factors such as feedback, evaluations, and standards that impact an individual's behaviour. The third and final factor, subjective norms, involves the influence of one's social network, including parents, friends, neighbours, and colleagues, on their behaviour.

2.3 Proposed Theoretical/Conceptual Framework

Figure 2.2: Factors Contribute to Default in Service Charges Payment of Strata Residential in Klang Valley

Factors to contribute default payment	Attitude	Usual defaulter	
		Fail to utilize common property	
		Overlook billing	
		Facing financial issue	
		Dissatisfied with management	
		Education status	
		Income	
		Occupation	
		Perceived Behavioural Control	Bad performance of developer, JMB or MC
			Irresponsible of property manager on reminding owner to pay bill
Fail to take legal action on defaulters			
Services provided by property manager			
Subjective Norms	Parents		
	Friends		
	Neighbours		
	Colleagues		

Source: Developed for the research, (2023).

The figure 2.3 presented above illustrated the proposed framework for the research. This research aims to analyze the factor contribute to default in service charges payment of strata residential in Klang Valley. The first factor contribute to default is attitude such as usual defaulter, fail to utilize common property, overlook billing, facing financial issue, dissatisfied with management office, education status, income as well as occupation. Besides, the perceived behavioural control is also one of the factors contribute to default which including bad performance of developer, JMB or MC, irresponsible of property manager on reminding owner to pay bill, fail to take legal action on defaulters and services provided by property manager. Lastly, the subjective norms including parents, friends, neighbours and colleagues might contribute to default in service charges.

2.4 Conclusion

In a nutshell, strata residential proprietors are responsible for paying maintenance fees and contributing to the sinking fund. These payments contribute into maintaining and taking care of the common and limited common property. It is the proprietor's responsibility to pay these charges on time in order to avoid late payment penalties and legal action. Failure to pay within 14 days after receiving a demand letter is an offence of By-law 6, and the property management may take legal action to collect the amount owed (Strata Management (Strata Management Tribunal) Regulations 2015, 2015). The purpose of this study is to analyse the attitudes, perceived behavioural control, and subjective norms that lead to service charge default in strata residential units in the Klang Valley.

CHAPTER 3: METHODOLOGY

3.0 Introduction

This chapter will outline the research methodology, procedure, and approach utilized in this study. The research technique will be utilized to address any problems that arise during the study and to thoroughly present the research findings. To achieve the objectives of the study, this chapter will detail the research design, data collection methods, sampling techniques, research instruments, construction of measurements, data processing and analysis methods, and strategies for presenting the research results.

3.1 Research Design

Research is a systematic investigation designed to develop or contribute to generalisable knowledge (Code of Federal Regulations, 2009). Research is widely known as the process of discovering new knowledge. Research may also be defined as a scientific and methodical search for pertinent information on a certain topic. In actuality, research is a study of science art that entails recognising and redefining issues as well as developing hypotheses. It is the scientific process as it is learned, analysed, compared, and experimented with. In a nutshell, research is the pursuit of knowledge through an objective and methodical approach to problem resolution. The goal of research is to find answers to problems via the use of experimental methodologies. The primary goal of research is to discover the outcomes that are intended to be obtained by performing research (Indeed Editorial Team, 2021). Creating strong research objectives can help to achieve the overall goals. Research objectives also help to narrow in on the focus of the research and key variables, guiding through the research process. There are three main purpose of research which consists of exploratory, descriptive and explanatory (Fleetwood, D., 2022). The exploratory studies explore numerous questions but the answers and analytics may not offer a conclusion to the perceived problem. While the descriptive research is to focus on expanding knowledge on current problems through a process of data collection and only one variable is required to conduct the study. Lastly, the explanatory research is conducted to understand the impact of specific changes in existing standard procedures such as running an experiment. All research will be begun by asking the appropriate

questions and choosing the most appropriate method to investigate the problem. After collecting all answers, the findings or observations can be analysed and have reasonable conclusions.

3.1.1 Quantitative Research

Quantitative research is the dominant research framework in the social sciences that refers to a set of strategies, techniques and assumptions used to study psychological, social and economic processes through the exploration of numeric patterns (UTA Libraries, 2023). Quantitative research aims to measure variables and relationships between them in a systematic, objective and replicable way. Thus, after collection of numerical data and analyses it using statistical methods to draw inferences and conclusions. Usually, the study will include a specific research question or hypothesis, a sampling strategy to select participants, and a data collection method that typically involves structured or standardised instruments, such as surveys, questionnaires, or tests. Quantitative research gathers a range of numeric data. Some of the numeric data is intrinsically quantitative, while in other cases the numeric structure is imposed such as using the scale from '1 to 5'. The acquired data is then analysed statistically to test the study topic or hypothesis. Quantitative research is frequently related with positivism, a philosophical approach that presupposes an objective world that can be measured and analysed through scientific methods. This indicates that the goal is to eliminate bias and subjectivity from the study process via the use of objective and standardised data gathering instruments and statistical analysis.

3.2 Data Collection Methods

Data is various kinds of information formatted in a particular way. Thus, data collection is the process of collecting information from all the relevant sources to find answers to the research problem, test the hypothesis and evaluate the outcomes (Dudovskiy, 2022). Accurate data collection is necessary to make informed business decisions, ensure quality assurance and keep research integrity. During the data collection, the types of data, sources of data and the methods used must be identify.

3.2.1 Primary Data

Primary data is the type of data that has not been around before which is the unique findings of the research. Primary data collection and analysis typically requires more time and effort to conduct compared to the secondary data research. Surveys, interviews, focus groups, experiments, and observations are all approaches for gathering primary data (Ajayi, 2017). This sort of data is thought to be unique to the research topic and can give extensive and specialised information on the research problem. Primary data has various advantages than secondary data. This is because it has control over the data gathering process, they may guarantee that the data is correct and relevant to their research topic (Prasanna, 2022). It may also be adjusted to the individual requirements of the research topic, allowing the researcher to collect data that is most relevant to addressing their research question. However, gathering primary data may be time-consuming and costly, and it may necessitate the use of specialised skills or resources.

3.2.2 Secondary Data

Secondary data is a type of data that had been published in books, newspapers, magazines, journals, online portals etc. There is an abundance of data available in these sources about the research area in studies, which is almost regardless of the nature of the research area (Hillier, 2022). This form of data is frequently available and may be more convenient and less expensive to get than original data. Secondary data can be analysed using a variety of approaches, including statistical analysis, content analysis, and meta-analysis. It may be used to support or disprove research ideas, as well as to give further information on a research topic. Thus, application of appropriate set of criteria to select secondary data to be used in the study plays an important role in terms of increasing the levels of research validity and reliability. The benefits of using secondary data are its availability, low cost, and capacity to analyse massive volumes of data (University College London, n.d.). Secondary data may also be used to compare and contrast results from other research or sources. However, there are several drawbacks to utilising secondary data, including a lack of control over the data gathering process and the possibility of biases or inaccuracies in the original data.

3.3 Sampling Design

Sampling is a process in statistical analysis where researchers take a predetermined number of observations from a larger population (Tuovila, 2020). The term "population" refers to any group of people who have a common set of characteristics. However, surveying the nation as a whole would be unproductive since it requires excessive funds and a period of time hence, it has to rely on the sample to allow success and innovation from a subset of the population.

3.3.1 Target Population

Klang Valley area is an urban melange in Malaysia with the population of roughly 9 million people (macrotrends, n.d.). In this research, the targeted population was the proprietors who are living in strata title residential in Klang valley area. Data statistic method will hence be used in this research.

3.3.2 Sampling Frame and Sampling Location

Sampling frame is a collection of course material from which the sample is chosen for the purpose of selecting the interested members of the target population to be interviewed or sampled for the analysis.

3.3.3 Sampling Elements

The respondents of the survey were purchasers who own and live in a strata residential in Klang Valley. The reason of choosing this sampling element is that most of the residential development are located at Klang Valley area as shown in Table 3.1, hence, it will have a better evaluation on the factors might contribute to default in service charge payment.

Table 3.1: Number of Residential Units in Malaysia

State	Number of Residential Units
Selangor	1,580,481
Johor	848,929
Pulau Pinang	522,272
Perak	494,515
Kuala Lumpur	492,848

Source: [PropertyGuru](#), (2020b).

3.3.4 Sampling Technique

Non-probability sampling technique is mainly used in this research. This sampling technique is where the selection of respondents is not based on randomization and the probability of selection is not known (Nikolopoulou, 2022). In the other word, the sample may not be representative of the population from which it is drawn and the result may not be generalizable to the larger population. Non-probability sampling technique is commonly used in situations where there is limited of time, resources, or access to a particular population. The convenience sampling is one of the types of non-probability sampling. This type of method involves selecting participants based on convenience or availability, rather than using a random or systematic sampling method (Galloway, 2005).

3.3.5 Sampling Size

Sample size is a research term used for defining the number of individuals included in a research study to represent a population (Kibuacha, 2021). Referring to Israel (1992), Yamane proposes a simple approach to determining sample sizes. In order to identify the sample of target respondents, a confidence threshold of 90% or 0.10 acceptable sampling errors were chosen (Doğan, 2018). This is due to the fact that it is frequently used to determine the sample size for research. Not only that, but a higher confidence level also such as 95% or 99% requires a larger sample size to achieve the same level of precision, which can be costly and time consuming (Open Library, 2022). Thus, the Taro Yamane formula is illustrated as below:

Figure 3.1: Taro Yamane Formula for Calculating Sample Size

$$n = \frac{N}{1 + Ne^2}$$

n = Sample Size

N = Population Size

e = Level of Precision or Level of Acceptable Level

Source: Determining Sample Size (Israel, G. D., 1992).

Figure 3.2: Calculation Working of Sampling Size

$$n = \frac{8,622,000}{1 + 8,622,000(0.10)^2}$$

$$n = 99.999$$

$$n \approx 100(\text{rounded})$$

To minimise sampling error, the total population in Klang Valley was estimated to be around 8,622,000 people using the 90% confidence interval. The result demonstrated that the sampling size required is 100 respondents to ensure the data is valid and precise. In this study, 100 sets of questionnaires would be given at randomised to the target respondents in Klang Valley.

3.4 Research Instrument

Research Instrument is a tool used to collect, measure and analyze data related to the research topic (Editage Insights, 2020). Research instruments can be tests, surveys, scales, questionnaires as well as checklists. It must be able to assist in answering the research goals, objectives and research questions as well as prove or disprove the hypothesis of the topic. In this research, the self-administrated survey will be used to collect answers from respondents. This is a data collection method in which the researcher remains silent while respondents complete the survey. In other words, it is intended to be completed independently of the researcher (Formplus, 2022). The majority of the questions in a self-administered survey are

open-ended, requiring respondents to openly articulate their opinions with few or no limits. The reason for using this survey is because it is more convenient for respondents because they do not have to fill out the questionnaire right away, which might increase survey participation rates. Respondents can take advantage of more time to consider each question and provide the best replies, which helps to increase the quality of study results. It is possible to collect data from a wide sample size dispersed over different geographical places and races by employing a self-administered survey. The questionnaire was distributed in order to collect primary data from respondents in addition to determine the factors that lead to strata residential service fee payment default in the Klang Valley area.

3.4.1 Design of Questionnaire

Effective questionnaire design is essential in achieving the research goals and requirements must be considered to ensure the participant's accuracy, validity and sustained participation such as order, questionnaire type, category inclusion, wording, interpretation and questionnaire duration. Questionnaire has been carefully designed to be reliable and efficient in obtaining the data. English is used as a questionnaire design language as it is an international language and it is a broad and appropriate language to communicate with different respondents. The questionnaire is also designed in such a way that makes it easier for the respondents to complete it. The approach helps the questionnaire to more accurately meet the target population. Cost and time are being minimized by using this approach to meet the large population.

A brief of introduction, main objective of conducting survey and description of survey layout is attached at the cover page. The questionnaire is divided into two sections. The section A is to fill in demographic information such as gender, age, ethnicity, marital status, employment status, income level, highest education level as well as location. In the other hand, section B is the measurement of the study where 3 factors which consists of attitude, perceived behaviour control and subjective norms. This section require respondent to answer according to their level of opinion by choosing any one option from likert scale as in 1: strongly disagree; 2: disagree; 3: neutral; 4: agree and 5: strongly agree.

3.5 Constructs Measurement

Measurement includes a variety of methods that may be employed in a study to elicit more information from respondents, such as segmenting surveys into specific sections. Building measurement aids in the identification of the component required in a given research. The measurement scales employed in this study were nominal scale, ordinal scale, and likert scale.

3.5.1 Nominal Scale

Nominal scale is a measurement scale which numbers serve as ‘tags’ or ‘labels’ only, to identify or classify an object. This scale deals with non-numeric or quantitative variables or where numbers have no value (Bhat, 2023). In this research, the nominal scale is used in for the questionnaire in order to obtain the respondent’s demographic information. For example,

Gender

- Male
- Female

3.5.2 Ordinal Scale

The second level of measurement is ordinal scale, which reflects the ordering and ranking of facts without identifying the degree of variance between them. The BYJUS (2019) defines ordinal data as qualitative or categorical data that may be organised, identified, and ranked. As a crucial aspect of the ordinal scale, there is a logical or organised link between each of the classes. This enables the computation of various degrees but not the specific difference number. Ordinal data examples include socioeconomic status, education level, income level, and so on. As an example,

Highest Education Level

- SPM and below
- Diploma / STPM

- Bachelor’s degree
- Master’s degree
- PhD Degree
- Professional

3.5.3 Likert Scale

The term "likert scale" refers to a measuring scale in which respondents are asked to rate each argument on a scale of one to ten. It is a one-dimensional scale used by researchers to gather the respondents' thoughts and views. This psychometric scale is frequently used by researchers to understand the ideas and perspectives on a situation or issue (Fleetwood, 2023). Since it is simple to use, the Likert scale is extensively used. The likert scale in this poll ranges from 1 (strongly disagree) to 5 (strongly agree). Thus,

1	2	3	4	5
Strongly Disagree	Slightly Disagree	Neutral	Slightly Agree	Strongly Agree

3.6 Data Processing

Data processing is the method of collecting raw data and converting it into usable information (Nikita Duggal, 2023). It is necessary to perform statistical analysis of the data as it helps to identify correlations, causal relationships and patterns in the data that may be used to draw meaningful conclusions and make predictions. Data processing is crucial in research as it enables researchers to transform raw data into meaningful information that can be used to draw conclusions, make predictions and inform decision making.

3.6.1 Data Checking

Data checking is a process of verifying the accuracy and completeness of data collected during research or data entry. It involves reviewing and validating data for inconsistencies, errors and missing values to ensure that the data is reliable and accurate.

Data checking is an important step in the data processing pipeline, as it helps to identify potential errors and inconsistencies that could affect the accuracy of the data analysis and results, which in turn improves the accuracy of the result obtained.

3.6.2 Data Editing

Data editing refers to the process of checking, verifying and correcting the collected data to ensure that it is accurate, consistent and complete. This process involves examining the collected data to identify any errors, inconsistencies or missing values that may affect the reliability of the data. During this process, the actions of identifying and correcting errors and inconsistencies in the data such as missing values, outliers and data entry errors. This is to verify that the questionnaire is correctly set up to be disseminated to the respondents. This stage addresses each question in the questionnaire in order to obtain trustworthy data that may be utilised to develop correct conclusions and make educated decisions.

3.6.3 Data Coding

Data coding refers to the process of assigning numerical or categorical codes to qualitative data. This is done to make the data easier to analyze and interpret statistically. Qualitative data is often collected through interviews, surveys or observations and is usually in the form of text, audio or video recordings. These types of data can be difficult to analyze quantitatively as they lack the structure of numerical data. Data coding involves breaking down the qualitative data into discrete categories, themes, or concepts, and assigning numerical or categorical codes to each of these categories (Strauss, & Corbin, 1990). In short, data coding is an important step in the research process for analysing qualitative data, as it allows to quantify the data and identify meaningful patterns and themes.

3.6.4 Data Transcribing

Data cleaning, also refer to as data scrubbing, is the process of removing, replacing or changing missing or inaccurate data after the data has been reviewed. Data analysis requires effectively cleaned data to produce accurate and trustworthy insights as well as avoiding mistakes occur (Will Hiller, 2021). It is essential to ensure data quality before transforming information from sources into a document of study. besides, the missing responses from respondents represent values of a variable that are unknown either due to their answers were not properly recorded or because respondents provided ambiguous answers.

3.7 Data Analysis

The process of data analysis should be conducted alongside the method of data collection. It involves refining, transforming, and processing raw data to extract actionable and relevant information that can aid in making informed decisions. This process helps mitigate the risks inherent in decision-making by providing valuable insights and statistics that are often presented using charts, images, tables, and graphs (Karin Kelly, 2023). The Statistical Package for the Social Sciences (SPSS) software is employed to perform data analysis. SPSS offers various types of equations for conducting statistical tests, including analysis for descriptive and bivariate statistics, numeral outcome predictions, and group identification predictions (Tech Target Contributor, 2018). To ensure the research yields accurate results, the statistical methods used must be acceptable and relevant descriptive statistics and graphs must be created. SPSS is a robust statistical-analysis and data-management system that transforms data into tables and graphs that illustrate data comparisons (Andrew Grath, 2008).

3.7.1 Content Analysis

Content analysis is a research technique used to assess the existence of specific words, topics, or concepts in qualitative data. Researchers can use content analysis to measure

and evaluate the existence, meanings, and correlations of certain words, themes, or concepts (Columbia University Irving Medical Center, n.d.). When the data has been analysed, the data input will be classified and summarised in this research. By implementing and categorising the data, this research might also aid to increase credibility. The qualitative data of the research may be transformed into quantitative data by analysing, classifying, and summarising the data.

3.7.2 Descriptive Analysis

Descriptive analysis in the research project includes the creation of a summary with tables and graphs, as well as an exploratory analysis to detect any unexpected outcomes. This statistic is meant to provide a more straightforward picture of the significant amount of values contained inside one parameter. A descriptive analysis's major goal is to display the entire dataset in the centre rather than the extreme values, also known as central tendency. The descriptive phase is an important metric of central tendency and dispersion in analysis. "A measurement of central tendency is a single value that aims to convey a collection of data through determining the centre location within that set of data," such as a mean, median, or mode (Australian Bureau of Statistics, n.d.).

3.7.3 Scale Management

Scales of measurement are the instrument through which data is explained and sorted. Ratio, interval, nominal, and ordinal scales are examples of measuring scales with unique qualities that characterise their suitability for conducting appropriate statistical analyses. This survey question's scale measurement is based on the nominal scale, ordinal scale, and likert scale.

3.7.3.1 Pilot Test

A pilot test is a small-scale preliminary study that is undertaken before a larger study to assess the feasibility and efficacy of a research approach or intervention. A pilot test

is used to detect and address potential difficulties, adjust research methodologies, and increase the study's quality (Wright & So, 2023). Based on Munyua (2016), a pilot test is necessary for testing the reliability of data collection instruments. Pilot study was conducted to detect weakness in design and instrumentation and to provide proxy data for selection of a sample. The sample size of pilot test is said as $N = 30$ (Machin et al., 2018). According to Junyong In (2017), it also mentioned that the recommended samples to be conducted for pilot test should be equal to or over 30 samples.

3.7.3.2 Reliability Test

Reliability testing is a statistical analysis used to assess the consistency and stability of a measurement instrument or test. It is used to evaluate whether the measurement instrument produces consistent and reliable results over time and across different situations (Livingston, 2018). Cronbach's alpha is a measure of internal consistency, that is how closely related a set of items are as a group. It is considered to be a measure of scale reliability. It is used to see if multiple question likert scale surveys are reliable. The reliability test is determining whether the research will truly measure that which it was intended to measure or how truthful the research results will be. The table 3.2 indicated the rule of thumb for the reliability test developed by Duangporn Kraiuth, (2017).

Table 3.2: Rule of Thumb for Reliability Test

Cronbach's Alpha Score	Level of Reliability
$\alpha \geq .9$	Excellent
$.9 > \alpha \geq .8$	Good
$.8 > \alpha \geq .7$	Acceptable
$.7 > \alpha \geq .6$	Questionable
$.6 > \alpha \geq .5$	Poor
$.5 > \alpha$	Unacceptable

Source: Duangporn Kraiuth, (2017).

3.7.3.3 Normality Test

A normality test is a statistical procedure used to determine whether the dataset or sample is normally distributed (Shukla, 2015). The normal distribution also known as the bell curve, is a probability distribution that is commonly observed in many natural and social phenomena. If the data set follow the bell-shaped curve and has a characteristic mean and standard deviation, it is normally distributed data. It is important to run normality test as if the data doesn't follow a normal distribution, the analysis may not be appropriate and may lead to incorrect conclusions or inaccurate results. If the data is not normally distributed, the appropriate statistical tests that are better suited for data can be chose or transform the data to better approximate a normal distribution before proceeding with the analysis. Thus, normality test is an important step to ensure the accuracy and validity of statistical analysis and conclusions based on the data.

The Kolmogorov-Smirnov (KS) test is a nonparametric test that is used to determine if a sample of data comes from a population that follows a specific distribution (Chakravarti, 1967). The KS test is used to compare the cumulative distribution function (CDF) of the sample to the CDF of a theoretical distribution, such as a normal or uniform distribution. If the p-value which quoted as the sig. for Kolmogorov Smirnov is .000, which reported as $p < .05$, therefore, the significant evidence shows to reject the null hypothesis that the variable follows a normal distribution (Korstanje, 2019).

3.7.4 Inferential Analysis

Inferential analysis is a statistical approach that uses sample data to infer conclusions about a population. Inferential analysis is used to derive and assess the reliability of conclusions about a population based on data collected from a sample of the population (Calvello, 2020). The purpose of inferential analysis is to estimate the characteristics of a population from a representative sample of that population using statistical methods. This entails testing hypotheses and drawing conclusions based on the likelihood of receiving specific findings if the null hypothesis is true.

3.7.4.1 Relative Important Index (RII)

The relative important index (RII) is a statistical tool for ranking the significance of various variables in a research project (Azman, 2019). It is a weighted average approach that calculates the average rank for each question and then derives the rank for each capacity from the average of the rankings of the questions grouped under that capability. While the RII range should be from 0 to 1 (Sakhare, 2019). Figure 3.3 below shows the formula for RII which developed by Kassem, (2020).

Figure 3.3: Relative Important Index (RII) Formula

$$RII = \frac{\sum w}{(A \times N)} = \frac{5n_5 + 4n_4 + 3n_3 + 2n_2 + 1n_1}{5N}$$

Source: Kassem, (2020).

n_1 = The number of respondents chooses the scale of strongly disagree;

n_2 = The number of respondents chooses the scale of disagree;

n_3 = The number of respondents chooses the scale of neutral;

n_4 = The number of respondents chooses the scale of agree;

n_5 = The number of respondents chooses the scale of strongly agree;

A = The highest range in the questionnaire (i.e., 5 in this case);

N = The total number of respondents (i.e., 100 in this case).

3.8 Conclusion

Chapter 3 of the research study provides a comprehensive overview of the research methodology used in the study, which encompasses the dissemination, collection, and evaluation of data from respondents. The chapter covers the research design, methodology, data collection techniques, sample design, and data processing in a concise manner.

In order to accomplish the objectives of the research study and gather primary data, qualitative research was employed, and an online survey was used to collect data. Secondary data was sourced from various publications, including textbooks, online newspapers, periodicals, and academic e-journals. A sample size of 100 respondents from the Klang Valley area was selected for the research, and self-administered questionnaires were employed as the research tool. The questionnaire was divided into two parts, with Section A featuring nominal scale questions, and Section B comprising likert-type scale questions. The questionnaire's reliability and accuracy were evaluated through pilot testing.

The data collected will be subjected to further examination through SPSS, a data analysis program. Chapter 4 of the research study will present and analyze the results.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

The data collected will be analysed in this chapter where the data of factors to contribute to default in service charge payments for strata residential in Klang Valley area will be identify. Data analysis is the summary of collected data and involves the interpretation of data gathered through the use of analytical and logical reasoning to determine patterns, relationships or trends. By identify the factors, the descriptive analysis which consists of respondent demographic profile and central tendencies measurement of constructs, scale measurement and inferential analysis will be clarify in this chapter.

4.1 Content Analysis

4.1.1 Attitude Factor

Table 4.1: Content Analysis for Attitude Factor

Factors Contribute to Default of Service Charges Payment	Author
Usual defaulter	Malaysian law, (2019), Michelle, (2009)
Common property utilization	Gourville, (2020)
Overlook billing	Loftsgordon, (2018)
Financial issue	Malaysian law, (2019), Kenyatta, (2016)
Dissatisfied of management office	Homburg, (2005), Tarigan, (2019)
Education status	Kypuros, (2009), Md Asrul, (2021)
Income level	Addae-Korankye, (2014), Kypuros, (2009)
Occupation	Kypuros, (2009)

Source: Developed for the research (2023)

People who default on loans or any payment are not willing or able to pay back the amount (Michelle, 2009). Most of them may not be willing or able to take the responsibility for their debt after defaulting any payment. The Malaysian Law (2019) also mentioned that if the construction company or developer used to default payment to the contractors or sub-contractor, they will tend to default in the future. This is because when this attitude is being accepted by the industry or society, it will become a culture. If the payment default has acknowledged as

one of the cultures in the construction industry, there somehow will cause the payment issue in the future. Besides, people tend to have the mindset of 'higher usage, higher payment' or vice versa of 'no usage, no payment' (Gourville, 2020). This is because this is a way to save money or avoid wastage of resources. If they are not actively using or benefiting from the common property or service, they may feel that the payment is unjustified. In addition, overlook of billing can lead to default in payment (Loftsgordon, 2018). The delay of payment on time or miss payments will cause the account to become delinquent or go into default. In the other hand, Kenyatta (2016) mentioned that the financial issue can cause default as it is difficult or impossible for defaulter to make payments on time. One of the causes of financial issue is due to poor budgeting which may overspend and facing shorts on funds when it comes time to pay bills. If the debt levels are high or have a lot of debt, people will also struggle to make payments on time and could end up defaulting on service charges (Malaysian Law, 2019).

Furthermore, dissatisfaction with a third party (management office or property manager) may cause default if it leads to a dispute or non-payment of a bill. This is because if the proprietor or people are unhappy with the quality of service received, they may refuse to pay the bill or delay payment until the issue is resolved (Homburg, 2015). According to Tarigan (2019), if the third party does not agree with the complaint or does not respond to the request for resolution, it can lead to dispute, which may result in non-payment or delayed payment. This can cause default if the payment deadline passes and the payment is still not made. Based on Kypuros (2009), education status can cause default if it affects the ability to repay service charges or manage finance. For example, if the proprietor has a low level of education or lack financial literacy, he or she may not fully understand the terms of service charges or how to manage the money effectively, which can lead to missed payments or default. Additionally, the education status also affects the job recruited and income received. If the proprietor unable to find a job that pays enough to cover all expenses including the service charges, he or she may struggle to make payments on time and could end up defaulting on service charges or other payments (Md Asrul, 2021).

At the same time, Kypuros (2009) also mentioned that the income level can cause default as if the income is too low or unstable, proprietor may struggle to make payment son time which can lead to missed payments and ultimately default. For example, if the proprietor loses the job or experience a reduction in income, he or she may not have enough money to cover the expenses. This can lead to missed payments and default. Besides that, Addae-Korankye, (2014) highlighted that if the proprietor has a high debt-to-income ratio, which mean that the debt

payments are a significant portion of the income, he or she will be more likely to default. If the proprietor is using a large portion of the income to repay debts, he or she may not have enough money left over to cover other expenses. Last but not least, occupation can cause default if it is low-paying or unstable, it will cause proprietor struggle to make payments on time (Kypuros, 2009). If the occupation is in the field that is subject to economic downturns or is experiencing a decline in demand, the proprietor may be at higher risk of default.

4.1.2 Perceived Behavioural Control Factor

Table 4.2: Content Analysis for Perceived Behavioural Control Factor

Factors Contribute to Default of Service Charges Payment	Author
Bad performance of third party	Hamzah, (2014)
Irresponsible to remind pay bill	Madrid, (2021)
Fail to take legal action	Sarvarian, (2021)
Services provided by third party	Hamzah, (2014)

Source: Developed for the research (2023).

Hamzah (2014) state that poor performance and inadequate services provided by third-party service providers can lead to default in service charge payments. This may occur when property managers or management bodies fail to address complaints, respond in a timely manner, perform unsatisfactory maintenance work, or neglect required maintenance. In such cases, proprietors may refuse to pay for services that are perceived as not worth paying for. Additionally, if property managers fail to remind proprietors to pay their bills, this can also contribute to defaults in service charge payments (Madrid, 2021).

While it is ultimately the responsibility of proprietors to pay maintenance charges and contribute to sinking funds, property managers have a responsibility to ensure that bills are paid on time, as it can impact the financial performance of the property and the ability of proprietors to meet their financial obligations. Furthermore, if property managers do not take legal action against defaulters, proprietors may be more likely to continue to default on service charges (Sarvarian, 2021). This may be due to the perception that there are no consequences for defaulting on payments.

4.1.3 Subjective Norm Factor

Table 4.3: Content Analysis for Subjective Norm Factor

Factors Contribute to Default of Service Charges Payment	Author
Parents	Kypuros, (2009), Kamalrulzaman, (2017)
Friends	Kamalrulzaman, (2017)
Neighbours	Kamalrulzaman, (2017)
Colleagues	Kamalrulzaman, (2017)

Source: Developed for the research (2023)

According to Kypuros (2009), parents will influence proprietors to default indirectly such as they may contribute to their child's financial difficulties and lead to default on service charges or any other financial obligations. While Kamalrulzaman (2017) mentioned that, since children will usually follow what their parents act and practice, thus, if their parents used to default in service charge payment and this will influence their children to do so as well. Not only that, but the author also stated that some friends will influence the proprietor to default especially bad friends. For example, friends may encourage each other to spend money on the things that they can't afford such as buying luxury items and if they spend beyond their means, they will struggle to keep up with service charges. Friends will also induce to default in service charges if they are defaulting in service charges as well. However, Kamalrulzaman (2017) claimed that neighbours may not a direct factor contribute proprietor to default in service charges payment but it could be indirectly contributed to default. Neighbours who show up to live a wealthy lifestyle can heap pressure on others to keep up, even if they cannot afford it. This might lead to proprietor overspending and eventually suffering financial issue which fail to pay for service charges. The last subjective norm which will contribute to default in service charges payment is colleague. Colleagues also can contribute to default indirectly such as offer bad financial advice, intentionally or unintentionally that leads someone to make poor decisions with their money. They might encourage the proprietor to invest in a risky venture or take out a loan that they can't afford (Kamalrulzaman, 2017).

4.2 Descriptive Analysis

Descriptive analysis is a type of data research that involves describing, presenting, and summarizing data points in a helpful manner so that patterns that meet the data's requirements can be identified. Descriptive analysis is considered to be more comprehensive than other quantitative methods and provides a broader perspective of an event or phenomenon. It can employ any number of variables, including a single variable, to perform descriptive research. This analysis is considered a superior method for gathering information that describes natural relationships and depicts the world as it is. This reason makes this analysis more realistic and relatable to human experience, as all trends are developed through research about real-life data behaviour. Throughout this research, a total of 100 sets of surveys were disseminated to the intended respondents, and data from the results were effectively obtained.

4.2.1 Respondent Demographic Profile

In this questionnaire, target respondents were required to answer 8 demographic questions under this section. The question included the gender, age, ethnicity, marital status, employment status, income level, highest education level as well as location.

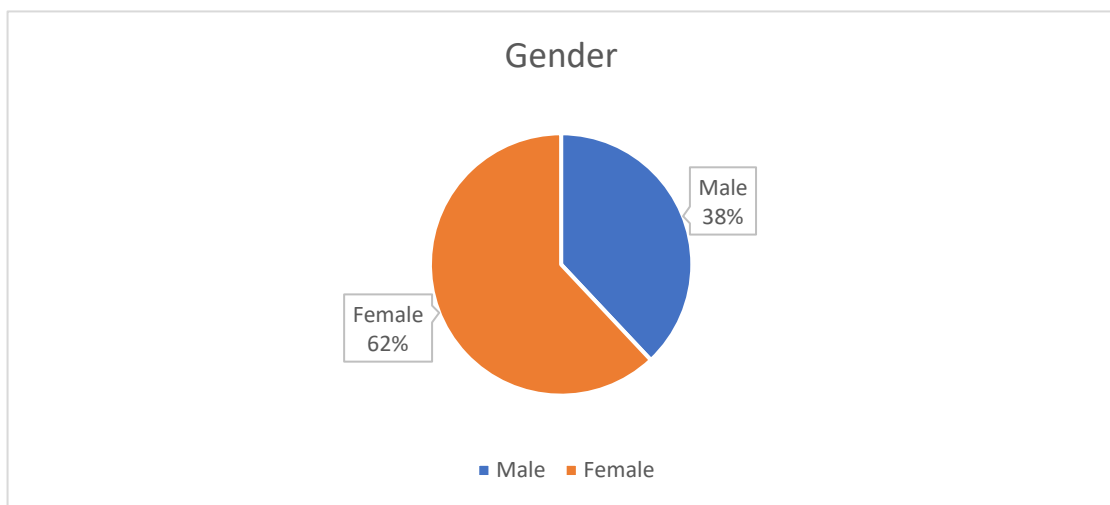
4.2.1.1 Gender

Table 4.4: Descriptive Analysis for Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	38	38.0	38.0	38.0
	Female	62	62.0	62.0	100.0
	Total	100	100.0	100.0	

Source: Developed for the research (2023)

Figure 4.1: Descriptive Analysis for Gender



Source: Developed for the research (2023)

Table 4.4 and Figure 4.1 portray the percentages of different gender among respondents. Based on the result above, it shows there is an imbalance of both genders as out of 100 respondents which were 38 and 62 for male and female respondents respectively.

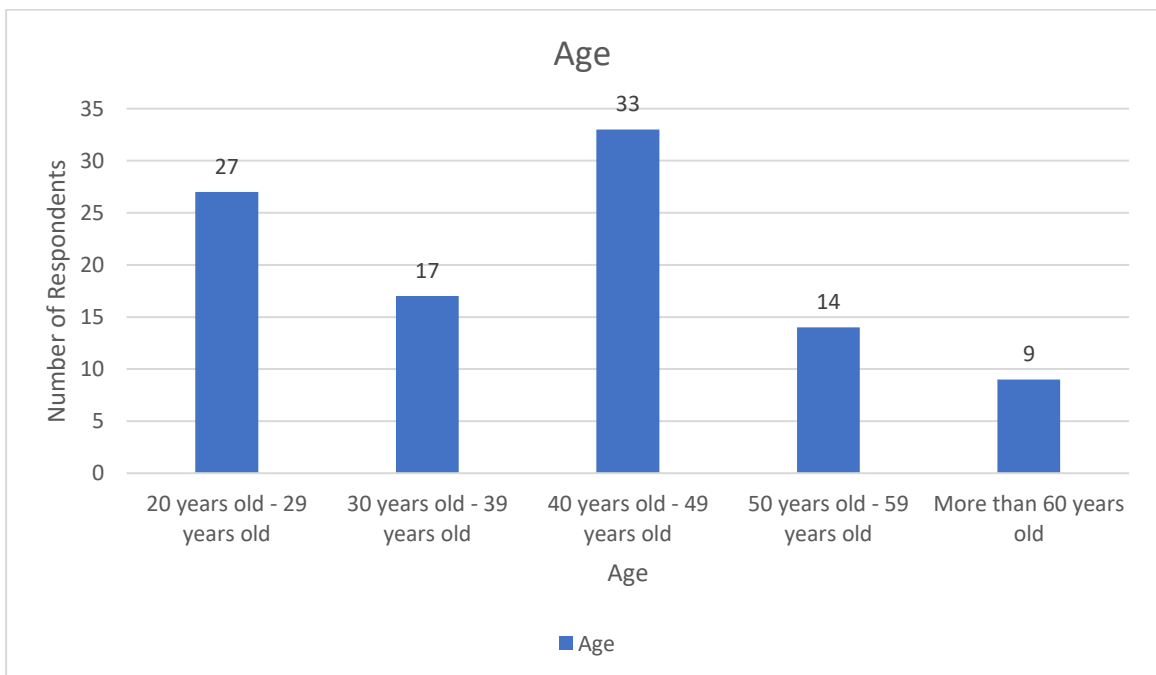
4.2.1.2 Age

Table 4.5: Descriptive Analysis for Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20 years old – 29 years old	27	27.0	27.0	27.0
	30 years old – 39 years old	17	17.0	17.0	44.0
	40 years old – 49 years old	33	33.0	33.0	77.0
	50 years old – 59 years old	14	14.0	14.0	91.0
	More than 60 years old	9	9.0	9.0	100.0
	Total	100	100.0	100.0	

Source: Developed for the research (2023)

Figure 4.2: Descriptive Analysis for Age



Source: Developed for the research (2023)

Based on Table 4.5 and Figure 4.2, the different age groups within 100 respondents were illustrated and categorized into 5 groups. The age of 40 years old – 49 years old has the highest ranking amongst which consists of 33 respondents. In the other hand,

the more than 60 years old age group of respondents ranked at the lowest frequency where there are only 9 respondents. The second highest ranking of age group is 20 years old – 29 years old which consists of 27 respondents, followed by age group of 30 years old – 39 years old which is 17 respondents and lastly age group of 50 years old – 59 years old which occupied 14 respondents.

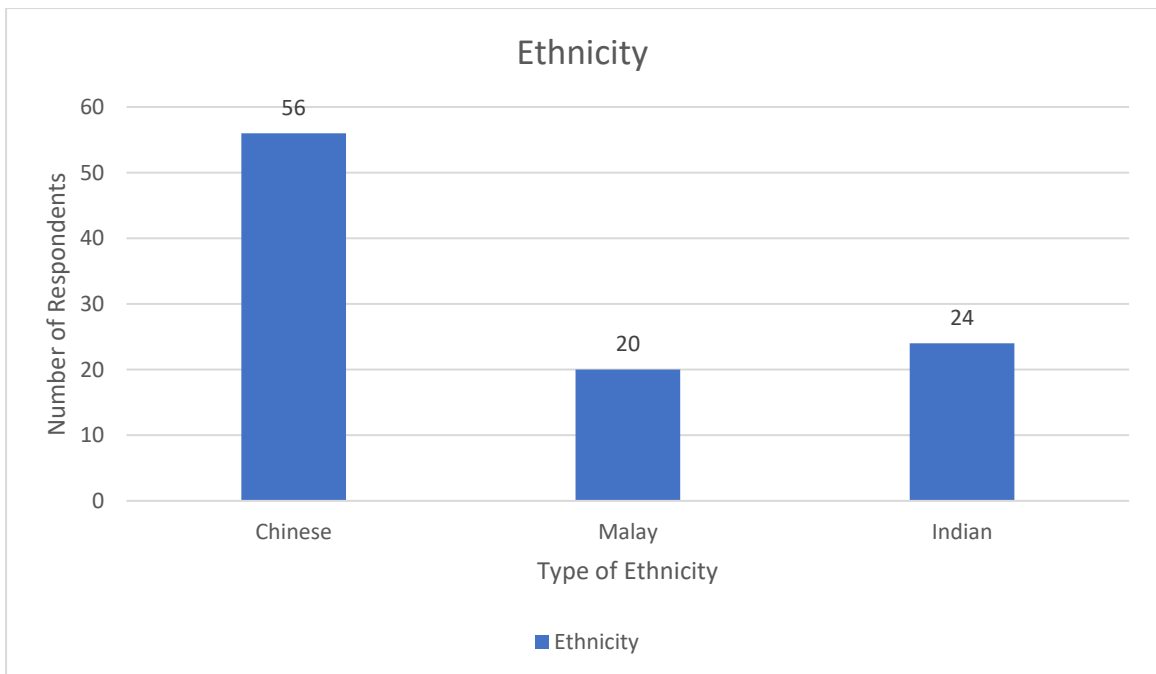
4.2.1.3 Ethnicity

Table 4.6: Descriptive Analysis for Ethnicity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Chinese	56	56.0	56.0	56.0
	Malay	20	20.0	20.0	76.0
	Indian	24	24.0	24.0	100.0
	Total	100	100.0	100.0	

Source: Developed for the research (2023)

Figure 4.3: Descriptive Analysis for Ethnicity



Source: Developed for the research (2023)

According to Table 4.6 and Figure 4.3, it shows the number of respondents based on the different type of ethnicity. The ethnicity of Chinese consists of the highest respondents which are 56 respondents over 100 respondents. The second highest type of ethnicity is the Indian, including 24 respondents and the Malay only consist of 20 respondents.

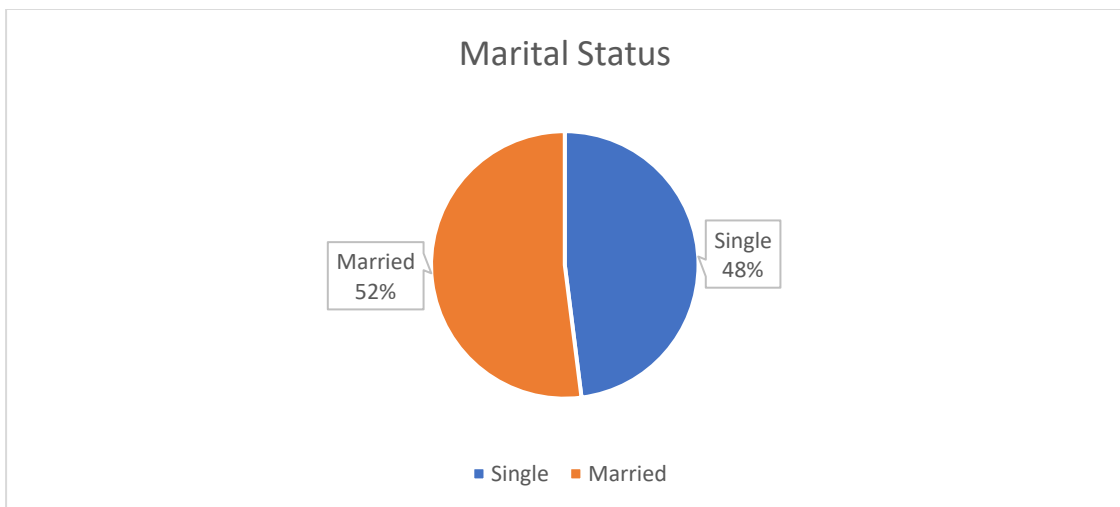
4.2.1.4 Marital Status

Table 4.7: Descriptive Analysis for Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	48	48.0	48.0	48.0
	Married	52	52.0	52.0	100.0
	Total	100	100.0	100.0	

Source: Developed for the research (2023)

Figure 4.4: Descriptive Analysis for Marital Status



Source: Developed for the research (2023)

Table 4.7 and Figure 4.4 show the different marital status in the 100 respondents. The result showed that 52% of respondents are married which falls in the highest rate in the survey. The respondents who are single accounted for 48%.

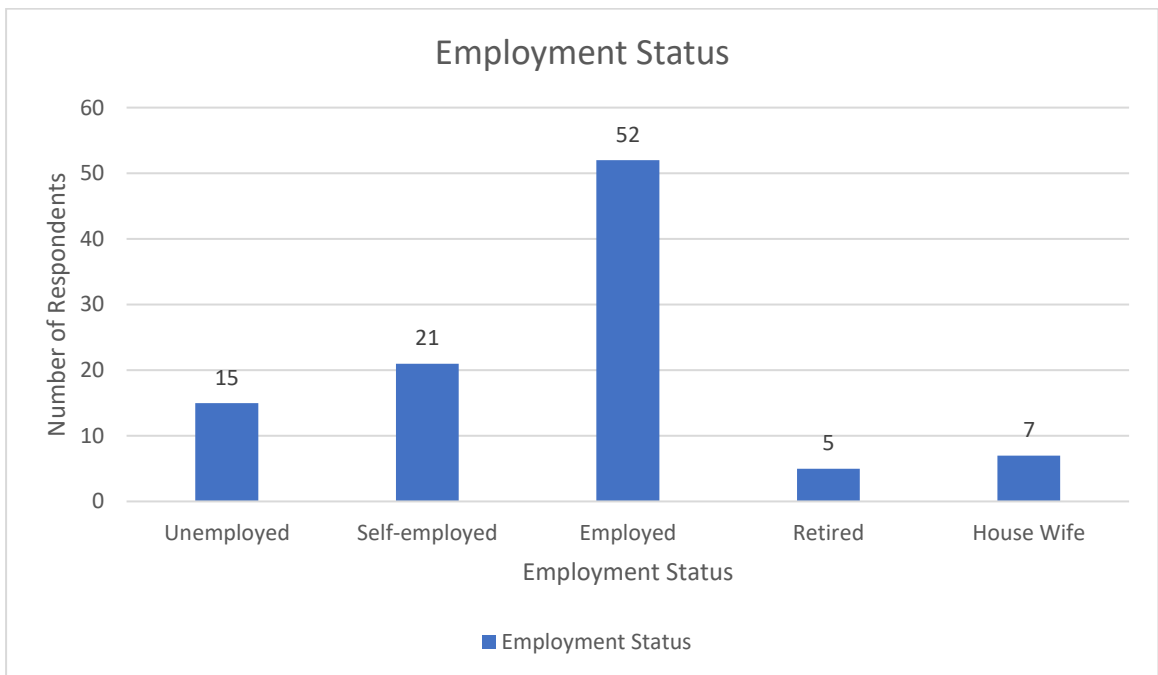
4.2.1.5 Employment Status

Table 4.8: Descriptive Analysis for Employment Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unemployed	15	15.0	15.0	15.0
	Self-employed	21	21.0	21.0	36.0
	Employed	52	52.0	52.0	88.0
	Retired	5	5.0	5.0	93.0
	House Wife	7	7.0	7.0	100.0
	Total	100	100.0	100.0	

Source: Developed for the research (2023)

Figure 4.5: Descriptive Analysis for Employment Status



Source: Developed for the research (2023)

Based on Table 4.8 and Figure 4.5 illustrated the employment status of 100 respondents with the result of employed is the highest ranking which contributed 52 respondents. Following with the self-employed consists of 21 respondents and the unemployed has 15 respondents. The house wife and retired have the lowest number of respondents among all which are 7 respondents and 5 respondents respectively.

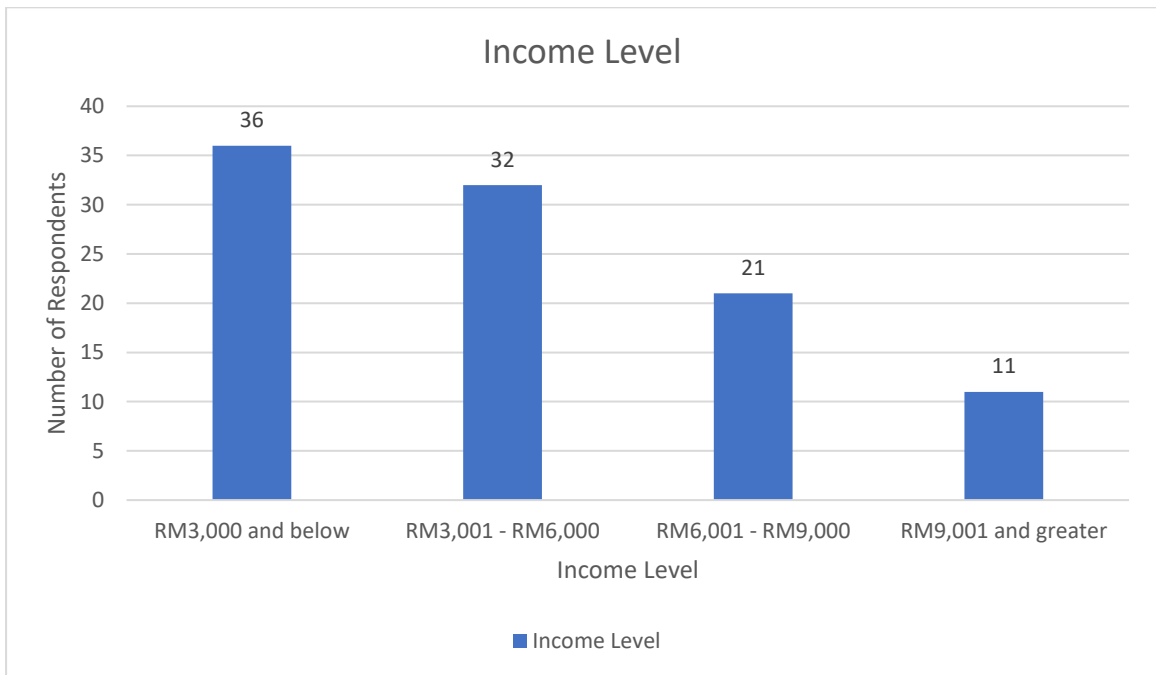
4.2.1.6 Income Level

Table 4.9: Descriptive Analysis for Income Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	RM3,000 and below	36	36.0	36.0	36.0
	RM3,001 – RM6,000	32	32.0	32.0	68.0
	RM6,001 – RM9,000	21	21.0	21.0	89.0
	RM9,001 and greater	11	11.0	11.0	100.0
	Total	100	100.0	100.0	

Source: Developed for the research (2023)

Figure 4.6: Descriptive Analysis for Income Level



Source: Developed for the research (2023)

Referring Table 4.9 and Figure 4.6. There indicated the different income levels among 100 respondents. The highest income level was to be the amount of RM3,000 and below as 36 respondents were able to earn this amount monthly, where as the lowest income level will be RM9,001 and greater where only 11 respondents were involved. Besides, a total of 32 and 21 respondents' income level were between RM3,001 – RM6,000 and RM6,001 – RM9,000.

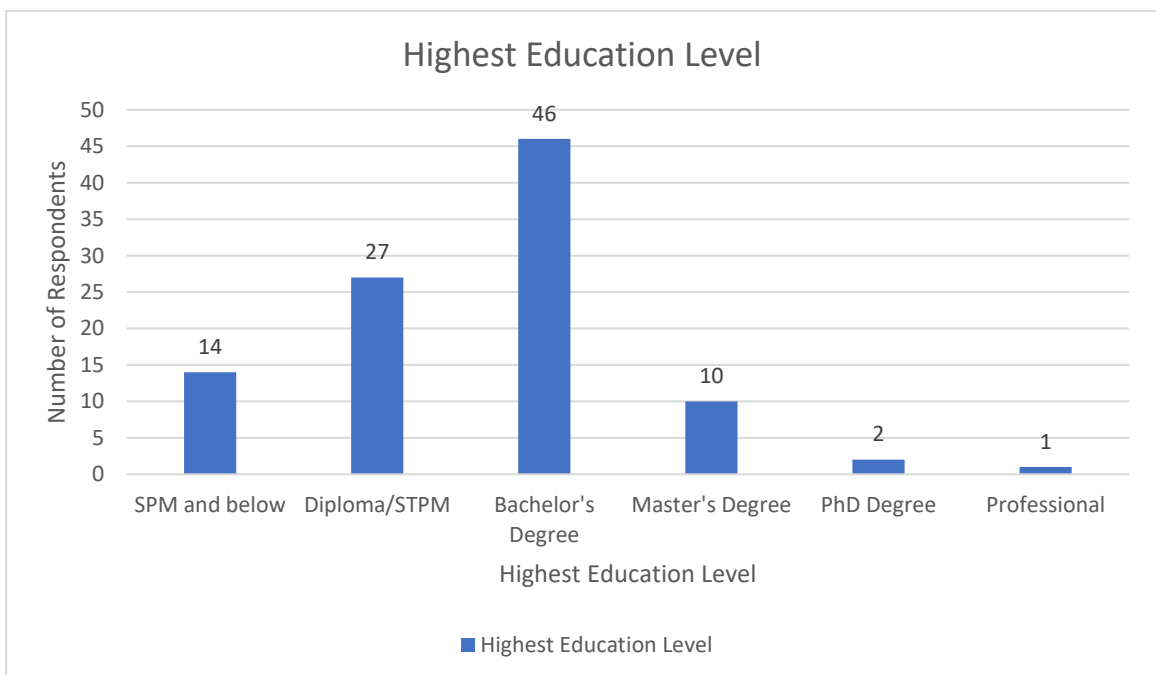
4.2.1.7 Highest Education Level

Table 4.10: Descriptive Analysis for Highest Education Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SPM and below	14	14.0	14.0	14.0
	Diploma/STPM	27	27.0	27.0	41.0
	Bachelor's Degree	46	46.0	46.0	87.0
	Master's Degree	10	10.0	10.0	97.0
	PhD Degree	2	2.0	2.0	99.0
	Professional	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

Source: Developed for the research (2023)

Figure 4.7: Descriptive Analysis for Highest Education Level



Source: Developed for the research (2023)

Table 4.10 and Figure 4.7 present the variation in the highest level of education attained among the 100 respondents. The results revealed that the largest proportion of respondents, comprising 46 individuals, held a Bachelor's Degree, while the smallest number of respondents were categorized as Professionals. Additionally, 27 respondents had a Diploma/STPM qualification, 14 respondents had only completed SPM or lower education, 10 respondents held a Master's Degree, and 2 respondents had a PhD Degree.

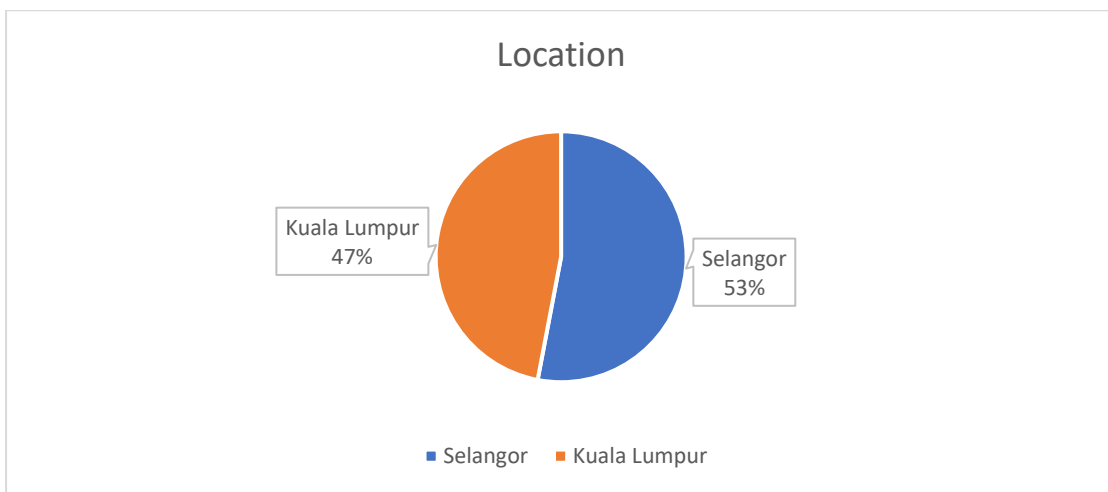
4.2.1.8 Location

Table 4.11: Descriptive Analysis for Location

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Selangor	53	53.0	53.0	53.0
	Kuala Lumpur	47	47.0	47.0	100.0
	Total	100	100.0	100.0	

Source: Developed for the research (2023)

Figure 4.8: Descriptive Analysis for Location



Source: Developed for the research (2023)

Based on Table 4.11 and Figure 4.8, it showed the percentage of respondents' location either Selangor or Kuala Lumpur. The result showed that the percentages of respondents who located at Selangor is higher than located at Kuala Lumpur, where there are 53% of respondents located at Selangor while 47% of them located at Kuala Lumpur.

4.2.2 Central Tendencies Measurement of Constructs

Central tendency refers to the middle or typical value of a set of data. In statistics, there are several measures of central tendency that are commonly used to describe the characteristics of a set of data. These measures include the mean, median, and mode. In

the context of constructs, which are abstract concepts that are difficult to measure directly, central tendency can be used to describe the most typical or average score on a particular measure of the construct. Mean is the arithmetic average of a set of numbers (Taylor, S., 2023). It is calculated by adding up all the numbers in the set and then dividing by the total number of values. In the other hand, median is when a group of numbers is organised from smallest to greatest, the median is the value in the centre (Tenny, S., 2022). If the set has an odd number of items, the median is the middle value. If the number of values is even, the median is the average of the two middle values. The mode is the most frequently occurring value in a set of numbers (Study.com, 2021).

4.2.2.1 Attitude Factor

Table 4.12: Central Tendency for Attitude Factor

	Mean	Median	Mode
Never paid for service charges will cause me to remain default.	3.41	4.00	5.00
Common property not being utilized will impress me to default in service charges,	3.39	4.00	4.00
Overlook of billing will cause me to default.	3.26	3.00	3.00
Facing financial issue especially during Covid-19 pandemic will lead me to default.	2.93	3.00	4.00
Dissatisfied of management office had an impact to me when paying service charges.	2.68	2.00	2.00
The education status will cause me to default in service charges.	2.15	2.00	1.00
The income influences me to default in service charges.	2.59	2.00	1.00
The occupation would affect me to default in service charges.	2.26	2.00	2.00

Source: Developed for the research (2023).

The never paid for service charges will cause proprietor to remain default had the average value (mean) of 3.41 and following by the common property utilization impress proprietor to default (3.39) and overlook billing (3.26). While there are only two median score at 4 which are usual defaulter and common property utilization. Besides, the usual defaulter is the only one mode that is at 5 which is the highest value. However, there are two elements score 1 for mode which are education status and income.

4.2.2.2 Perceived Behavioural Control Factor

Table 4.13: Central Tendency for Perceived Behavioural Control Factor

	Mean	Median	Mode
The bad performance of developer, JMB or MC will influence me to default in service charges.	3.47	4.00	4.00
The irresponsible of property manager on reminding to pay bill affected me to default in service charges.	2.98	3.00	4.00
Fail to take legal action on defaulter will influence me to default in service charges.	2.79	3.00	2.00
Services provided by property manager will influence me to default in service charges.	3.12	4.00	4.00

Source: Developed for the research (2023).

The highest mean in perceived behavioural control factor is 3.47 that is belong to the bad performance of developer, JMB or MC. While the lowest mean fails to take legal action on defaulter with the value at 2.79. In the other hand, the bad performance and services provided by management bodies and property manager had the median value at 4 while the remaining had the median value of 3. The majority value for mode is 4 that are belong to bad performance of management bodies, irresponsible of property manager on reminding to pay bill as well as the services provided by property manager.

4.2.2.3 Subjective Norm Factor

Table 4.14: Central Tendency for Subjective Norm Factor

	Mean	Median	Mode
My parents who are defaulter will influence me to default in service charges.	2.37	2.00	1.00
My friends who are defaulter will influence me to default in service charges.	1.98	2.00	1.00
My neighbours who are defaulter will influence me to default in service charges.	1.86	2.00	1.00
My colleagues who are defaulter will influence me to default in service charges.	1.76	2.00	1.00

Source: Developed for the research (2023).

The majority value of mean in subjective norm factor is lower than 2 which consists of friends, neighbours and colleagues who are defaulter will influence the proprietor to default in service charges. Surprisingly, the value for median and mode are same for all four elements which is 2 and 1 respectively.

4.3 Scale Measurement

4.3.1 Reliability Test

In this study, the Cronbach's Alpha coefficient was utilized during the pilot testing phase to evaluate the consistency and reliability of the collected data. The coefficient value was examined to determine the degree of consistency within the dataset. Prior to distributing the questionnaires to the target respondents, 30 sets of questionnaires were tested for efficiency during the pilot testing phase.

Table 4.15: Cronbach's Alpha Test

		N	%
Cases	Valid	30	100.0
	Excluded^a	0	0
	Total	30	100.0
a. Listwise deletion based on all variables in the procedure.			

Source: Developed for the research (2023)

Table 4.16: Reliability Statistic

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.888	.886	16

Source: Developed for the research (2023)

According to Table 4.12, a complete set of 30 questionnaire data was collected from the pilot test, achieving 100% completion in the processing summary. Sixteen items were tested and analyzed using Cronbach's Alpha, resulting in a value of 0.888. Based on the Rule of Thumb discussed in the previous chapter, an Alpha coefficient above 0.800 and below 0.900 is classified as having "Good" internal consistency, which

suggests that it provides more accurate scores. The results indicate that the respondents understood the questionnaire and provided dependable responses.

4.4 Inferential Analysis

Inferential statistics, also known as sampling statistics, is primarily concerned with two main types of problems: estimating population parameters and testing statistical theories to determine the validity of assumptions or hypotheses. The process of interpretation is mainly conducted based on inferential research. The primary objective of inferential research is to generate a database that can be used to infer population characteristics or relationships. This approach to research involves using sample data to make generalizations about the population from which the sample was drawn. By making statistical inferences based on the sample data, researchers can gain insights into the larger population without having to collect data from every individual.

4.4.1 Normality Test

Table 4.17: Kolmogorov-Smirnov (KS) Normality Test

	Statistic	df	Sig.
Attitude			
Never paid for service charges will cause me to remain default.	.236	30	.000
Common property not being utilized will impress me to default in service charges,	.234	30	.000
Overlook of billing will cause me to default.	.249	30	.000
Facing financial issue especially during Covid-19 pandemic will lead me to default.	.222	30	.001
Dissatisfied of management office had an impact to me when paying service charges.	.263	30	.000
The education status will cause me to default in service charges.	.202	30	.003
The income influences me to default in service charges.	.212	30	.001
The occupation would affect me to default in service charges.	.171	30	.025
Perceived Behavioural Control			
The bad performance of developer, JMB or MC will influence me to default in service charges.	.231	30	.000
The irresponsible of property manager on reminding to pay bill affected me to default in service charges.	.279	30	.000
Fail to take legal action on defaulter will influence me to default in service charges.	.205	30	.002
Services provided by property manager will influence me to default in service charges.	.339	30	.000
Subjective Norm			
My parents who are defaulter will influence me to default in service charges.	.180	30	.014
My friends who are defaulter will influence me to default in service charges.	.204	30	.003
My neighbours who are defaulter will influence me to default in service charges.	.237	30	.000
My colleagues who are defaulter will influence me to default in service charges.	.248	30	.000

Source: Developed for the research (2023)

Based on the table above, the normality test of Kolmogorov-Smirnov (KS) Test was carried out and the total number of 30 sets of questionnaire data is tested which is same respondents with the pilot test. The KS test was calculated based on each factor which

including the attitude, perceived behavioural control and subjective norm. All resulted not normally distributed as the p-value are smaller than 0.05 as mentioned in previous chapter. Thus, it can be concluded that, the null hypothesis shall be rejected due to the not normally distribution of data.

4.4.2 Attitude Factor

Table 4.18: Relative Important Index for Attitude Factor

Question Likert Scale	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	RII
Never paid for service charges will cause me to remain default.	18	6	21	27	28	0.6820
Common property not being utilized will impress me to default in service charge payment.	17	8	14	41	20	0.6780
Overlook of billing will cause me to default.	15	9	27	33	16	0.6520
Facing financial issue especially during Covid-19 pandemic will lead me to default.	20	17	23	30	10	0.5860
Dissatisfied of management office has an impact to me when paying service charges.	24	28	15	22	11	0.5360
The education status will cause me to default in service charges.	36	33	15	12	4	0.4300
The income will influence me to default in service charges.	27	25	19	20	9	0.5180
The occupation would affect me to default in service charges.	30	34	20	12	4	0.4520
Result:						0.5668

Source: Developed for the research (2023)

According to the data shown in Table 4.15, the attitude factor scoring of relative important index (RII) is 0.5668. In this factor, the highest scoring of RII is the usual defaulter will remain unpaid with RII of 0.6820, following by common property utilization, overlook of billing and facing financial issue holding RII of 0.6780, 0.6520 and 0.5860 respectively. While the dissatisfied of management office having RII of 0.5360. The least RII in attitude factor including income level, occupation and education status which were only 0.5180, 0.4520 and 0.4300 accordingly.

4.4.2 Perceived Behavioural Control Factor

Table 4.19: Relative Important Index for Perceived Behavioural Control Factor

Question Likert Scale	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	RII
The bad performance of developer, JMB or MC will influence me to default in service charges.	6	13	20	50	11	0.6940
The irresponsible of property manager on reminding to pay bill affected me to default in service charges.	18	21	18	31	12	0.5960
Fail to take legal action on defaulters will influence me to default in service charges.	14	32	23	23	8	0.5580
Services provided by property manager will influence me to default in service charges.	13	21	15	43	8	0.6240
Result:						0.6180

Source: Developed for the research (2023)

The perceived behavioural control factor scored at RII of 0.6180 as shown in the table above. In this factor, the bad performance of developer, JMB or MC stands at highest index of 0.6940, followed by services provided by property manager (0.6240), the irresponsible of property

manager on reminding to pay bill (0.5960) and lastly the fail to take legal action on defaulter scoring the lowest index at 0.6240.

4.4.3 Subjective Norm Factor

Table 4.20: Relative Important Index for Subjective Norm Factor

Question Likert Scale	Strongly Disagree (1)	Disagree (2)	Neutra l (3)	Agree (4)	Strongly Agree (5)	RII
My parents who are defaulter will influence me to default in service charges.	36	23	17	16	8	0.4740
My friends who are defaulter will influence me to default in service charges.	41	32	17	8	2	0.3960
My neighbours who are defaulter will influence me to default in service charges.	44	34	15	6	1	0.3720
My colleagues who are defaulter will influence me to default in service charges.	47	35	14	3	1	0.3520
Result:						0.3985

Source: Developed for the research (2023)

The value of subjective norms' factor scored at RII of 0.3985. Whereby the parents who are defaulter had the highest RII among this factor, which was 0.4740, followed with the friends who are defaulter contributed 0.3960 of index. Besides, the neighbours who are defaulter indicated an index of 0.3720 as well as the lowest index of 0.3520 belongs to the colleagues who are defaulter.

Table 4.21: Ranking of the Degree of Importance

Rank	Factors	RII
1	Perceived Behavioural Control	0.6180
2	Attitude	0.5668
3	Subjective Norm	0.3985

Source: Developed for the research (2023)

4.5 Summary

In summary, this chapter focused on analyzing the factors that contribute to default in service charge payment for strata residential in Klang Valley. A content analysis was performed to identify these factors, and descriptive analysis was used to present the demographic data of the respondents through tables and charts. A reliability test using Cronbach's alpha was conducted to assess the consistency of the identified factors. The Kolmogorov-Smirnov normality test (KS Test) was also used to assess the normality distribution of the data and accept the null hypothesis. Finally, an inferential test of Relative Important Index (RII) was conducted to calculate and interpret the factors that contribute the most to the default in service charge payment for strata residential in Klang Valley. Overall, these methods helped to provide a comprehensive analysis of the factors contributing to default in service charge payment in strata residential areas.

CHAPTER 5: DISCUSSION AND CONCLUSION

5.0 Introduction

In this chapter, it will discuss the key findings based on the statistical analysis performed in the previous chapter using descriptive and inferential analysis. These findings will be summarized, and major findings and their implications will be discussed for verification purposes. Additionally, we will address the limitations of this research project and provide recommendations for future research. Finally, we will conclude the chapter by providing an overall summary of the entire research project.

5.1 Summary of Statistical Analysis

Based on the results of the previous chapter, this part will cover an overview of descriptive analysis, scale measurement, and inferential analysis.

5.1.1 Descriptive Analysis

The demographic data profile of 100 respondents in this study was measured using descriptive analysis, which included gender, age, ethnicity, marital status, employment status, income level, highest education level, and location.

The demographic data was presented using pie charts and bar charts. Out of 100 respondents, 62 were female and 38 were male. Moreover, 33 respondents were aged between 40 and 49 years old, while only 9 were over 60 years old. Among the respondents, 56 were Chinese, 23 were Indian, and 21 were Malay. In addition, 52 were married, while 48 were single.

Regarding employment status, 52 respondents were employed, 19 were self-employed, and only 5 were retired. When it comes to income level, most of the respondents (36 out of 100) earned RM3,000 or less, while only 11 respondents earned RM9,000 or above. Furthermore, a majority of the respondents (36 respondents) held a Bachelor's Degree, followed by 1 holding

a Professional Certificate. Finally, 54 respondents were located in Selangor, while 46 were from Kuala Lumpur.

5.1.2 Scale Management

The study conducted scale measurement to analyse the data gathering technique, which was then classified and described. A reliability test on the independent variables was performed to assure the dependability of the data acquired. A total of 30 questionnaires were issued for pilot testing, with the findings suggesting a reliability score of 0.888, which is regarded good, indicating that the items are dependable for further research. The data was further checked for normalcy using the Kolmogorov-Smirnov (KS) test. The test yielded a p-value less than 0.05, suggesting that the data is not regularly distributed and that the null hypothesis should be rejected.

5.1.3 Inferential Summary

An overview of the results through Relative Importance Index (RII) according to the data collected.

5.1.3.1 Relative Importance Index (RII)

Based on the RII results, it can be concluded that perceived behavioural control and attitude factors are the most significant factors affecting default in service charge payment for strata residential in Klang Valley. This indicates that individuals who have a higher level of control over their behaviour and possess a positive attitude towards payment of service charges are less likely to default. On the other hand, subjective norm factor, which is the influence of others on an individual's behaviour, is found to have the least impact on default in service charge payment for strata residential in Klang Valley.

These findings suggest that property management companies and stakeholders should focus on promoting and enhancing the level of perceived behavioural control and attitude towards

service charge payment among strata residential owners in Klang Valley. Strategies such as education and awareness programs, incentives, and effective communication can be implemented to promote a positive attitude towards payment of service charges and increase perceived control over payment behaviour.

5.2 Discussion of Major Findings

5.2.1 Objective 1: To Identify the Factors Contributing to Default in Service Charge Payment for Strata Residential in Klang Valley.

The first objective of this research was to identify the factors that lead to default in service charge payment for strata residential in Klang Valley. This objective has been accomplished through the literature review in Chapter 2 and the content analysis conducted in Chapter 4. The factors that were found to contribute to default in service charge payment are attitude, perceived behavioural control, and subjective norm. According to Hamzah (2014), the performance and services provided by property manager, developer and management bodies will contribute owner to default in service charge payment. While Kamalrulzaman (2017) mentioned that parents, friends, neighbours and colleagues had indirect relationship to owner in contributing to default in service charge payment.

5.2.2 Objective 2: To Analyze the Factor that Affect the Most to Default in Service Charge Payment for Strata Residential in Klang Valley.

The second objective of this research was to determine the most influential factor that contributes to default in service charge payment for strata residential in Klang Valley. Through the data collection and inferential analysis, using the Relative Important Index (RII), the ranking of factors affecting default payment was obtained. The results showed that perceived behavioural control was the most significant factor, followed by attitude, and subjective norm. This objective has been achieved through the use of appropriate analysis methods and data interpretation techniques.

Referring to Table 4.18, the perceived behavioural control factor ranked the highest in the RII. According to Hamzah (2014), proprietor will be influenced or affected by the performance and services provided by property manager or management bodies. It will have a significant impact on proprietor and resident behaviour which affect their likelihood on defaulting on service charges payment. For instance, if the property manager fails to effectively maintain the property, residents may encounter problems such as water leaks, poor electrical wiring, or pest infections. These difficulties can cause discomfort and annoyance for proprietors, increasing their proclivity for defaulting on service charges payment. Similarly, if the property management does not respond swiftly to maintenance requests or tenant complaints, this may contribute to dissatisfaction and animosity, which can increase the chance of default. Proprietors who believe they are not obtaining appropriate value for their service charges payments may be more prone to delay payment. Not only that, one of the tasks of property manager is overseeing the payment of bills by proprietors which is they had the responsible to inform proprietor to pay bill on time either in email or phone call. They should also indicate the consequences of defaulting in service charge payments. If the property manager fails to communicate with the proprietor regarding unpaid bills, this can lead to confusion and misunderstandings which can create strained relationship between the proprietor and property manager. Thus, it is the responsibility of property manager to remind proprietor to pay bill before the deadline (Madrid, 2021). In addition, failure to take legal action against a defaulter might generate a sense of impunity, making it easier for the defaulter to continue their behaviour and, eventually, default (Sarvarian, 2021). If the proprietors are aware that the property manager is not taking legal action against a defaulter, they may also perceive this is a lack of enforcement of SMA. This can lead to a sense of unfairness and create an environment in which other proprietors are more likely to default on their service charges payment as well.

Apart from that, the second highest factor is the attitude. If the proprietor used to be a defaulter, they would usually continue to default in service charge payment (Malaysian Law, 2019). Since 'a leopard can't change its spots', proprietor will tend to maintain their bad attitude which is default in service charges payment regardless being convince by property manager to pay off (Michelle, 2009). Furthermore, most of the proprietor have the mindset of no utilize common property or services, no payment on service charges (Gourville. 2020). This is because the charges paid is to maintain and manage the common property and common property, thus, since they didn't enjoy the facilities, they tend to default the charges. Moreover, there are numerous of proprietors claimed that the reason of default is they overlook the billing and cause

they can't pay the service charges before the expired date (Loftsgordon, 2018). In addition, Malaysian Law (2019) and Kenyatta (2016) defined that when the proprietor facing financial issue, they will tend to default in service charges payment in order to reduce the expenses regardless the late payment interest. The dissatisfaction on management office will also contribute to default in service charge payment by proprietor (Tarigan, 2019). As the expectations of proprietor doesn't achieve by the property manager, they will refuse to contribute to service charges (Homburg, 2005). In addition, the education status contributed to default in service charge payment as the proprietor might lack of knowledge on the importance of the charges and might doesn't know how to manage their financial and expenses (Kypuros, 2009). If the proprietor had low education level, the occupation and income level will be differed with others. This is because Kypuros (2009) mentioned that the occupation might at lower position and the income is lesser and thus cause having problem to make payment on service charges. Addae-Korankye (2014) also defined that if the occupation of the proprietor is unstable or is highly rely to the economic condition, most of the time they have issue on financial and tend to default in service charges.

Lastly, the factor with lowest RII is the subjective norm factor. As mentioned in chapter 4 and by Kamalrulzaman (2017), the subjective norm had indirect relationship to contribute to default in service charges. This is because it is based on other's behaviour and opinion to make their own decision whether to default or not default. For example, if the proprietor perceives that defaulting on service charges is a common and acceptable behaviour among their parents, friends, neighbours or colleagues, they may be more likely to default themselves. Conversely, if they perceive that defaulting is frowned or stigmatized within their community, they may be more motivated to avoid default and maintain their financial obligations.

5.3 Implication of Study

The practical implications for parties engaged or linked to strata residential in order to establish the element contribute to default in service charge payment for strata residential in Klang Vally will be addressed in this section. As this research will serve as a guide for associated parties participating in the property and building management business, these parties are more likely to be the owners (proprietors), property managers, and management bodies. The findings of

this study will allow the parties involved to gain an awareness of the factors that contribute most to service charges default in Klang Valley strata residential.

In the beginning, this research can serve as a guideline and reference for present proprietors or potential home buyers who want to purchase a strata residential unit in the near future. This is because they may be unaware of their obligation to pay service charges to management organisations. During the early briefing, the purposes of management fees and sinking funds are not explicitly stated. This will give the proprietor the impression that the money paid is not being used appropriately. This study also emphasised the need of proprietors paying service charges to carry out daily maintenance work on common and limited property. Understanding these obligations is particularly crucial since failing to pay maintenance charges or contribute to the sinking fund might jeopardise the management bodies' or strata scheme's financial viability. This can have an effect on the value of individual properties as well as the scheme's overall financial stability. To avoid any undesirable consequences, proprietors should be aware of their obligations and ensure that they pay their service charges on time.

Not only that, but the property manager shall also understand and identify the factor contributing to default in service charge by proprietors as it is their responsibility to ensure the property is well-maintained and that the required funds are available to carry out maintenance work. Default in maintenance charges and sinking fund can result in financial issues for the property, which can negatively affect its value and appeal. Furthermore, by understanding the factors that lead to defaulting can help property managers communicate more effectively with the proprietors. They can explain the importance of the service charges and the consequences of defaulting, as well as address any concerns or issues that the proprietors may have. Besides that, this research can allow property managers to plan and budget accordingly. For example, they can revise the rate of maintenance charges to ensure that is reasonable and affordable for all proprietors. This also allow property managers to forecast the expected revenues from these service charges and plan maintenance work accordingly.

Lastly, this research can benefit the building management industry as the maintenance charges and sinking fund are essential for the financial sustainability of a building. If a significant number of proprietors default on the service charges, the building's finances will be severely impacted and the management may struggle to maintain the building's upkeep. The payment of maintenance charges and sinking fund are legally required for strata residential and failure to pay can lead to legal consequences. Building management must understand the factors that

contribute to default to ensure the legal compliance and prevent any legal issues that may arise due to non-payment. This is because the process to bring a case to SMT is a long process and required to pay for registration fee upon submission of documents. Moreover, when a building management team understands the factors that contribute to default in service charges, they can take appropriate steps to address the issue. This can also help prevent conflicts with proprietors, improve communication and transparency as well as increase proprietor or resident satisfaction.

5.4 Limitation of the Study

Throughout the course of this research, there were several limitations identified, such as the small sample size and the weaknesses of the quantitative method used.

One significant limitation was the small sample size, which refers to the number of respondents included in a research study. With only 100 respondents, the study's findings may not be representative of the larger population being studied. A larger sample size is generally preferred as it increases the representativeness of the population and improves the accuracy and reliability of the study's results. Therefore, it is recommended that future research studies utilize larger sample sizes to ensure the generalizability of the findings.

Another limitation was the weaknesses of the quantitative method used, specifically the Likert scale employed in the questionnaire. The Likert scale's limited response options (5 points in this case) can limit the variability of responses, making it difficult to detect subtle differences between groups or to detect changes over time. Respondents may also feel pressure to give socially desirable responses, as they are unable to provide a direct answer of 'yes' or 'no,' which may lead to bias in the data. Furthermore, while Likert scales provide a broad overview of a respondent's attitudes or opinions, they may not capture the complexity of the participant's thoughts or feelings. To address this limitation, future research studies may consider utilizing alternative quantitative methods or complementary qualitative methods to provide a more comprehensive understanding of participants' perspectives.

5.5 Recommendation for Future Research

Some recommendations are addressed to enhance and progress this study in the future.

To address the limitation of a small sample size in research, it is advisable to opt for larger sample sizes, as they can improve the accuracy, generalizability, and statistical power of the study. Another approach to consider is to use power analysis, which is a statistical tool that helps estimate the minimum sample size needed to detect a given effect size with a specified level of statistical power. It's important to note that the research in question was only conducted in the Klang Valley area, which represents only a fraction of residential properties in Malaysia. Therefore, the data collected may not accurately reflect the opinions and perspectives of the entire nation. To ensure greater accuracy and generalizability, it is recommended that future research be conducted in West Malaysia or even nationwide.

To address the weaknesses of the Likert scale, one possible recommendation is to limit the response options. Standard scales, such as the 5-point scale, may not offer enough granularity for participants to express their true opinions or attitudes. Therefore, using a larger number of response options, such as a 10-point or 11-point scale, may be considered to provide more nuanced data. In addition, to strengthen the reliability and validity of the Likert scale, multiple measures or alternative measurement approaches can be utilized. This can involve using different scales or items that tap into the same construct, conducting cognitive interviews or think-aloud protocols to assess participants' understanding of the items, or utilizing complementary methods such as qualitative interviews or observations. These approaches can help ensure that the Likert scale is measuring what it is intended to measure, and that the results are valid and reliable.

5.6 Conclusion

In summary, the researcher presents their findings and analysis of a questionnaire survey regarding the factors that contribute to default in service charge payment for strata residential properties in Klang Valley. Although the results were not as anticipated, the data obtained from this research is valuable for other researchers, property managers, and the public who seek a deeper understanding of the factors that affect default in service charge payment. The results can also serve as a guideline for future research. However, it is important to note that there are limitations to this research, which should be addressed in future studies. Additionally, the researcher recommends that future studies should explore other areas, such as Penang and Johor, which also have numerous residential developments. Ultimately, the researcher hopes that this study will help property managers and management bodies enhance their knowledge of the reasons for default in service charge payment and improve the services they provide to owners, thereby encouraging them to pay.

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APPENDICES

Appendix 1: Questionnaire

Introduction

Dear Respondents,

Wishing you a wonderful day. I am Wong Ruxin, a final year student pursuing Bachelor's Degree of Building and Property Management (Hons) in Universiti Tunku Abdul Rahman (UTAR). I am currently conducting a research project with the topic of "Factors contribute to default in service charge payment for residential in Klang Valley area".

You are invited to participate in this research by filling up this questionnaire.

This survey aims to identify the factors contributing to default in service charge payment for residential in Klang Valley. To help us have a better analyzing the factor affect the most to default in service charge payment for residential in Klang Valley, please take a few minutes to complete and return this questionnaire.

Your cooperation and honest response is highly appreciated for the success of my research.

Your response will be kept confidential, and we will only share the compiled information from the many questionnaires we collected.

For any suggestions or inquires related to this survey, please contact Wong Ruxin at ruuwong0717@utar.my or +6019-291 8826.

Thank you for your time and input in this research.

I hereby consent on my voluntary participation in this survey which will be conducted anonymously. (As proposed accordingly by Personal Data Protection Statement - UTAR)

- Yes, proceed to the questionnaire.
- No, thank you for your time.

Topic: Factors contribute to default in service charge payment for strata residential in Klang Valley area.

Section A: Please tell us more about your personal information.

1. Gender

- Male
- Female

2. Age

- 30 years old – 39 years old
- 40 years old – 49 years old
- 50 years old – 59 years old
- More than 60 years old

3. Ethnic

- Malay
- Chinese
- Indian
- Others: _____

4. Marital Status

- Single
- Married

5. Employment

- Unemployed
- Self-employed
- Employed
- Retired
- House wife

6. Income Level

- RM3,000 and below
- RM3,001 to RM6,000
- RM6,001 to RM9,000
- RM9,001 and above

7. Highest Education Level

- SPM and below
- Diploma / STPM
- Bachelor's degree
- Master's degree
- PhD Degree
- Professional

8. Location

- Selangor
- Kuala Lumpur

In this section described the factors that contribute to default in service charge payment for strata residential in Klang Valley, choose the answer that best described you based on the answer. [1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree].

To answer the Section B, please choose the numbers in the boxes (1 to 5).

From the number “1” refer to Strongly Disagree with the content stated.

From the number “5” refer to Strongly Agree with the content stated.

The number “3” refer to neutral with the content stated.

Section B:

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Content	Scale				
	1	2	3	4	5
Attitude					
1. Never paid for service charges will cause me to remain default.					
2. Common property not being utilize will impress me to default in service charges.					
3. Overlook of billing causes me to default.					
4. Facing financial issue especially during Covid-19 pandemic will lead to default.					
5. Dissatisfied of management office has an impact to me when paying service charges.					
6. The education status will cause me to default in service charges.					
7. The income influences me to default in service charges.					
8. The occupation would affect me to default in service charges.					

Content	Scale				
	1	2	3	4	5
Perceived Behaviour Control					
1. The bad performance of developer, JMB or MC will influence me to default in service charges.					
2. The irresponsible of property manager on reminding to pay bill affected me to default in service charges.					
3. Fail of taking legal action on defaulters will influence me to default in service charges.					
4. Services provided by property manager will influence me to default in service charges.					

Content	Scale				
Subjective Norms	1	2	3	4	5
1. My parents who are defaulter will influence me to default in service charges.					
2. My friends who are defaulter will influence me to default in service charges.					
3. My neighbours who are defaulter will influence me to default in service charges.					
4. My colleagues who are defaulter will influence me to default in service charges.					