

**AN EXPLORATORY STUDY ON THE  
IMPLEMENTATION OF VALUE  
MANAGEMENT AMONG ENGINEERING  
PROFESSIONALS IN THE KLANG VALLEY**

**FONG CHONG YIT**

**SUBMITTED TO THE  
GRADUATE SCHOOL OF BUSINESS  
FACULTY OF BUSINESS AND  
ACCOUNTANCY  
UNIVERSITY OF MALAYA, IN PARTIAL  
FULFILLMENT OF THE REQUIREMENT  
FOR THE DEGREE OF  
MASTER OF BUSINESS ADMINISTRATION**

**2012**

## **TABLE OF CONTENTS**

<b>ABSTRACT .....</b>	<b>1</b>
<b>CHAPTER ONE .....</b>	<b>2</b>
<b>INTRODUCTION.....</b>	<b>2</b>
1.1    Background of Study .....	2
1.2    Problem Statement .....	4
1.3    Purpose and Significance of Study.....	5
1.4    Research Questions .....	6
1.5    Research Objectives .....	7
1.6    Limitations of Study .....	8
1.7    Scope of Study.....	8
1.8    Organisation of the Study .....	9
1.9    Summary .....	9
<b>CHAPTER TWO .....</b>	<b>11</b>
<b>LITERATURE REVIEW.....</b>	<b>11</b>
2.1    Introduction to Value Management.....	11
2.2    Job Plan of Value Management.....	12
2.3    Reasons for Applying Value Management.....	16
2.4    Resources to Value Management .....	19
2.4.1    Time.....	21
2.4.2    Budget .....	22
2.4.3    Relevant Experiences .....	23

2.5	Team Dynamics.....	24
2.5.1	Owner’s Participation.....	25
2.5.2	Leadership .....	27
2.5.3	Teamwork .....	28
2.5.4	Communication .....	29
2.5.5	Knowledge.....	30
2.5.6	Training.....	32
2.6	Approach Strategy .....	33
2.6.1	Objectives.....	34
2.6.2	Organisational Culture .....	35
2.6.3	Perceived Benefits.....	36
2.6.4	Methodology.....	37
2.7	Awareness .....	38
2.8	Research Framework.....	39
2.9	Summary .....	39
<b>CHAPTER 3 .....</b>		<b>40</b>
<b>RESEARCH METHODOLOGY .....</b>		<b>40</b>
3.1	Introduction .....	40
3.2	Research Design .....	41
3.3	Research Instrument .....	41
3.4	Selection of Measurement Scale .....	42

3.5	Questionnaire Design .....	43
3.6	Part A: Implementation of Value Management.....	43
3.6.1	Adoption of Value Management.....	43
3.6.2	Resources .....	44
3.6.3	Team Dynamics .....	45
3.6.4	Approach Strategy.....	46
3.6.5	Awareness .....	47
3.7	Part B: Demographic Profile of the Respondents .....	47
3.8	Population of the Study .....	48
3.9	Development of the Research Hypotheses .....	48
3.10	Unstructured Interview .....	51
3.11	Data Collection Procedure / Sampling Method.....	52
3.12	Data Analysis Techniques .....	53
3.13	Summary .....	54
<b>CHAPTER 4 .....</b>		<b>55</b>
<b>DATA ANALYSIS AND FINDINGS.....</b>		<b>55</b>
4.1	Profile of Respondents .....	55
4.2	Mean, Standard Deviation and Normality Test.....	58
4.3	Reliability Test .....	59
4.4	Testing of Hypotheses .....	61
4.4.1	Multiple regression analysis.....	61
4.4.2	Hierarchical Multiple Regression Analysis .....	65

4.5	Summary .....	73
<b>CHAPTER 5 .....</b>		<b>74</b>
<b>DISCUSSION AND CONCLUSION .....</b>		<b>74</b>
5.1	Discussion of the Findings .....	74
5.1.1	Research Objective 1.....	75
5.1.2	Research Objective 2.....	76
5.1.3	Research Objective 3.....	77
5.1.4	Research Objective 4.....	78
5.1.5	Research Objective 5.....	79
5.1.5	Research Objective 6.....	80
5.2	Limitations of the Research.....	81
5.3	Suggestion for Future Research.....	81
5.4	Implications and Conclusion .....	82
<b>BIBLIOGRAPHY .....</b>		<b>85</b>

***LIST OF TABLES***

Table 3-1: Summary of Dependent Variable and Reference Sources

Table 3-2: Summary of Independent Variable (Resources) and Reference Sources

Table 3-3: Summary of Independent Variable (Team Dynamics) and Reference Sources

Table 3-4: Summary of Independent Variable (Approach Strategy) and Reference  
Sources

Table 3-5: Summary of Moderating Variable (Awareness) and Reference Sources

Table 4-1: Profiles of Respondents

Table 4-2: Summary of Reliability Test

Table 4-3: Summary of Multiple Regression Analysis

Table 4-4: Summary of Hierarchical Multiple Regression Analysis

Table 5-1: Summary of Hypothesis Testing Results

Table A-1: The Evolution of Value Management

Table D-1: Summary of Dependent Variable and Reference Sources

***LIST OF FIGURES***

Figure 2-1: Preliminary Research Framework

Figure 4-1: Moderating Effects of Awareness on the Relationship between Team  
Dynamics and Adoption of Value Management

Figure C-1: The Common Value Equation

Figure C-2: The Dell’Isora Value Equation

Figure D-3: The Evolution of Value Management

## **ACKNOWLEDGEMENTS**

First and foremost, the author would like record his special appreciation to the Almighty God, parents, brother and relatives for their kind love, care and support during the duration of this study. With this support, the author believed that completion of this study would not have been possible.

The author would like to take the opportunity here to express his utmost gratitude to his supervisor for this research, Dr. Chan Wai Meng. This study would not have been completed without her continuous guidance and support in this study.

Special thanks would have to be directed to Dr. Ivy Chai, Mr. Yong Jing Ren and Mr. Lee Weng Chew for their advice, encouragement and support throughout the duration of the research study.

The author would also like to extend his appreciation to Graduate School of Business, Universiti Malaya for the kind cooperation especially procedural assistance which led to the completion and submission of this study.



**ABSTRACT**

It is foreseen by the Malaysian government that the implementation of Value Management through the 10<sup>th</sup> Malaysia Plan will be the guiding light towards better project management and delivery which will ensure greater values realisation to the general public. Engineering professionals being the front liners in supporting the implementation of public projects would be among the important stakeholders involved in the implementation of Value Management.

A conceptual model is developed to determine the effects of resources, team dynamics and approach strategy towards the adoption of Value Management among engineering professionals in the Klang Valley with awareness acting as a moderator. Based on the responses from 105 participants, it was proposed that approach strategy is a significant predictor of the adoption of Value Management among engineering professionals in the Klang Valley while awareness moderates the effects of team dynamics towards the adoption of Value Management among engineering professionals in the Klang Valley.

It is envisaged that the findings from this study will enable the stakeholders in promoting Value Management to strategise their efforts to ensure better acceptance of the notion of Value Management and subsequently ensure a more effective and efficient project management and delivery system.