

CHAPTER 1

INTRODUCTION

1.1 Chapter Overview

The chapter starts with a background of the study and provides a description of an existing problem, as well as the need to conduct a study to further understand the problem and related issues. This chapter addresses on the research questions and explain the research objectives then followed by the scope and significance of this study. The operational definitions of the research variables applied are discussed before the chapter ends with a summary.

1.2 Background of the Study

Generally, governments across the world are the main providers of the infrastructure – both financing and constructing – within their respective countries (Grimsey & Lewis, 2000). However, most governments are facing challenges in allocating their national budgets for this purpose due to limited resources, making it difficult for them to keep pace with the demand to both maintain their existing infrastructure and push for new development (Gurara et al., 2018). Furthermore, as economic development continues, the public sector consistently faces the challenge to provide for the increasing demand for public goods and services (Naidu, 2008). Nevertheless, considering the availability of the government's resources and its limited capacity to do so, the private sector often comes in to complement the government's efforts in providing public goods and services, based on economic returns and demand by consumers (Rouse, 2015).

The governments across the economies are now formulating mechanisms to tap the private sector's expertise and capital in efforts to minimise the deficit and meet consumer demands. In pursuing private sector participation, the government's role now shifts from being a "provider" of goods and services to becoming the "facilitator" or "enabler" (Hardcastle et al, 2006). Both sectors – public and private – now create a transformative relationship which is known as the Public-Private Partnership (PPP).

PPP is used worldwide for the purpose of reducing the infrastructure gap. The government encourages private sector involvement through PPP, but the degree of such commitment proves to be a challenge and is affected by several factors (Basilio, 2017). Hardcastle et al. (2006) reiterated that PPP is a smart partnership between the government and private sector in public infrastructure, community facilities, and related services at a much faster rate. Olufemi (2012) connotes that for the sake of economic development to advance to the next stage, this relationship has been successful in transforming the delivery of public and private goods as well as services pushing or leap-frogging beyond normal means.

Over the past few decades, the PPP model has been promoted as an alternative procurement method in providing public goods and services in many countries (Aziz et.al, 2011; Liu et al. 2016). Governments around the world have been using the PPP model as an alternative approach to the traditional procurement methods (Ball et al., 2000; Burger & Hawkesworth, 2011; Eaton & Akbiyikli, 2005; Grimsey & Lewis, 2005; Parker, 2009), due to the benefits gained from private sector participation, which include: alternative financing (Ball et al., 2000; Dewulf et al., 2012; The World Bank, 2014; Yescombe, 2007); positive impact on quality and efficiency (Clive, 2003;

Murphy, 2008; Son, 2012; World Bank Institute, 2012); as well as providing value for money (HM Treasury, 2008a; World Bank, 2012; Yescombe, 2007).

In the Malaysian context, the private sector is a prominent partner to the public sector in developing the economy. In the 1980s, the Malaysian experience of engaging with the private sector on public infrastructure development started with the incorporated programme and privatisation. The Private Finance Initiative (PFI) has been introduced in 1991 as an enhancement of its privatisation programme for providing infrastructure development and services. In 2009, PPP was introduced as a continuation of the special relationship of public and private sector from the experienced of privatisation and PFI. The collaboration between the public and private sectors, and their respective roles in Malaysia's development, were successfully strengthened through this policy (Aziz et.al, 2011).

Unit Kerjasama Awam Swasta or UKAS (2009) in its policy paper highlighted that the private sector needs to be the engine and front runner for the growth of the economy, while the public sector will facilitate them in performing that role in terms of creating a favourable environment for business or investment in Malaysia. In this case, the implementation of PPP means transferring responsibility of financing and managing assorted capital investments and services – which includes the constructing, managing, maintaining, refurbishing and restoring public goods, for example, buildings, infrastructure, equipment, and other facilities, and has paved ways and initiated many standalone businesses. In this regard, the private sector operates the projects by raising its capital, either funding the whole or part of the asset, and deliver the services based on the performance deliverables that have been agreed (Aziz et.al, 2011). The services

being delivered will usually be paid by the public sector, but in some PPP projects, part of the payment may come directly from the public users. Hamsa (2014) connotes that PPP is recognised as one of the best Malaysian government procurements for infrastructure projects due to its attractive features such as gaining value for money by optimising government debt and/or expenditure and risk-sharing.

The Malaysian National Development Strategy (MyNDS) is a key policy in the planning and preparation of programmes formulated under the 11th Malaysian Plan (11MP), for the period of 2016 to 2020. It stresses the optimal usage of limited resources by focusing on high-impact projects at low cost and efficient and rapid implementation. Thus, in line with the MyNDS measures, PPP positions the private sectors as the front runner, with the public sector facilitating, where both parties aim to strengthen the partnership to facilitate any PPP initiatives (Lee and Chew, 2017). The main infrastructure projects listed under the MyNDS, namely expressways, will be implemented through PPP. The construction of toll expressway projects became a highly popular pattern of PPP in Malaysia (UKAS, 2017). Despite an abundance of PPP related studies being carried out in the past, only a small portion of them look the private sectors' intentions and factors influencing their participation in PPP projects (Zhang et al. 2018) which this is the focus of this study.

Despite an abundance of PPP related studies being carried out in the past, only a small portion look at the private sectors' intentions and factors influencing their participation in PPP projects (Zhang, et al. 2018). Subsequently, the understanding of decision makers' behavioural culture in the private sector such as attitude, perceived

behavioural control, subjective norms and intention are required to be explored to see its significant influence towards the involvement in PPP projects.

Wibowo and Alfen, (2015) and Osei-Kyei (2016) connote on the government role as the initiator and chief regulator of PPP and thus it is important to look on the significance of its influence perspective in the decision makers' behavioural into involvement in PPP. Russo and Schoemaker (2002) stated that decision-making is the process involving issue-framing, intelligence-gathering, coming to conclusions and learning from experience. Thus, it is vital for any project proposal those involving huge capital expenditure, to have the feasibility study document be thoroughly scrutinised when assessing their viability (Osei-Kyei and Chan, 2015; Ullah et al, 2017). The viability of the proposed projects could play a significant factor into influencing decision makers' behaviour towards getting them to be involved. In the perspective partnership, Grotenbreg et al (2014) stated that the presence of trust is a pivotal role for the smooth execution and functioning of partnerships. Due to that, it is unlikely that any parties will engage in risk-taking behaviour without having considered this element of trust in their deliberations (Klijn, Edelenbos & Steijn 2010; Nooteboom 2002). Thus, this study focuses to look at all these elements whether they are significant or not towards influencing the decision makers' behavioural intention for PPP involvement

This study could provide insights to facilitate the government formulating effectual policies or undertake institutional reforms to foster the private sectors involvement in PPP projects. In this regard, it is crucial to examine the decision makers' behavioural and explore other influencing factors that could derive higher involvement or participation of private sectors in PPP project. The study focused on one particular

sector i.e. PPP toll expressway projects in Malaysia as a case study could also pave the way for its replication as a successful PPP model to be emulated in other sectors.

1.3 Problem Statement

Despite the toll expressway concessions in Malaysia have a chequered history; there seem to be the same bidders for new concessions. It is interesting phenomenon in Malaysia to observe that the same corporations want to undertake an expressway development project costing billion of ringgit, knowing that it comes with a long break-even period – usually 10 years or more. According to Nambiar (2009), the failure of Malaysian privatisation projects is due to lack of good governance and competition. Zou et al., (2008) and Kwak et al., (2009) stated that the lack of competition in the procurement process is a key factor contributing to many cases of PPP failure. There are usually some loopholes in ensuring a competitive environment for awarding PPP contracts although selecting a private partner is vital to achieving value for money (United Nations, 2008).

The Malaysian Highway Authority (MHA) records, as of 2019, shows that Malaysia has thirty-six (36) toll concessionaires on expressway, comprising thirty (30) expressways which are already in operation while the remaining six (6) expressways are still under construction. PLUS Malaysia, the expressway arm for UEM Group Berhad, has eight (8) concessions in its stable, and is currently the largest toll road concessionaire in the country. PLUS Malaysia is a wholly-owned unit of Malaysia's sovereign wealth fund Khazanah Nasional Bhd, in which UEM Group Bhd has a 51% stake, while the remaining 49% is held by the Malaysian Employee Provident Fund

(EPF) (Ghazali et al., 2017). Construction giant and conglomerate, Gamuda Berhad controls 43.66% of Lingkaran Trans Kota Holdings Berhad popular known as LITRAK and holds the four (4) concessionaires – the Lebuhraya Damansara-Puchong (LDP), Syarikat Mengurus Air Banjir dan Terowong Sdn. Bhd (SMART), Sistem Penyuraian Trafik KL Barat Sdn Bhd (Sprint Highway), and KESAS Sdn Bhd (Shah Alam Expressway). Also notable is IJM Corp Bhd, who owns Besraya Sdn Bhd, the concession operator of Besraya Highway, Sungai Besi Highway, New Pantai Expressway (NPE) and Lebuhraya Kajang–Seremban (Jose, 2018).

Permodalan Nasional Berhad (PNB) which owns 100% of other toll concessionaires namely Projek Lintasan Kota Holdings Sdn Bhd – which operates the Ampang-Kuala Lumpur Elevated Highway (AKLEH); Prolintas Expressway Sdn Bhd – which operates the Guthrie Corridor Expressway; Projek Lintasan Shah Alam Sdn Bhd – which operates Lebuhraya Kemuning Shah Alam; and Sistem Lingkaran Lebuhraya Kajang Sdn Bhd – which operates the Kajang Silk Highway. The only expressway concessionaire owned by an individual is Maju Expressways Bhd under the flagship Tan Sri Abu Sahid Mohamad (Kana, 2018).

Based on the above list, government-linked companies (GLCs) and Malaysia's sovereign wealth funds such as Khazanah Malaysia, PNB and EPF own almost 70% of the toll concessionaires in the country. The government's approach and intent for the introduction of PPP to spur more participation of private companies in PPP toll expressway projects are debatable. Private sector participation and involvement in toll expressway concessionaires remain a challenge. Many private sector players are still hesitant and employ a "wait and see" attitude although it has been almost three decades

since the first toll expressway using the PPP model was introduced in Malaysia (Ward and Sussman, 2005).

The government, on the other hand, needs to get reliable consortiums or local private companies to participate in PPP toll expressway concession projects (Jomo, 2004). In closing this gap, it is therefore vital for the government to scrutinise the critical factors affecting decision makers' behavioural in the private companies towards participation in PPP toll expressway projects and to understand the motivations and considerations that influence their decision making.

The PPP model allows governments to benefit from the private sector's skills and expertise in undertaking sustainable and modernised public infrastructure projects (Chan et al. 2009; Menard & Peeroo 2011). Private investors also reap huge benefits hugely from the government's financial support and guarantees in PPP arrangements (Osei-Kyei et al. 2014). Unfortunately, even with all the apparent benefits of the public and private sectors, there has been slow progress in the development of PPP policies and in their implementation, particularly in countries in the developing world. On top of that, there is also an increasing number of failed or distressed PPP projects. Chan et al. 2010; Liu & Wilkinson 2011; Osei-Kyei, Chan 2016; World Bank 2015; Zhang 2005). Hayllar (2010), Helmy (2011), and Suhaiza (2013) reiterated by stating that "the government is not only the initiator of PPP projects, but also plays the role of the main regulator of the PPP market". Based on this, governments can play a significant role – through its activities and policies – in influencing the decision-makers in the private sector to participate in PPP projects.

One of the biggest challenges faced by the government is promoting PPP as an attractive investment opportunity to potential investors (Economic Planning Unit, 2010). Among the issues to be addressed before embarking on financing a toll expressway project are the viability of projects, and the way potential investors and lenders evaluate the projects before coming on board (Babatunde et al. 2012; Hwang et al. 2013; Li et al. 2005; Suhaiza, 2013; Zhang, 2005). It should be noted that potential investors would mainly focus on project economies and look at the internal rate of return (IRR), net present value (NPV) and the payback analysis, which are usually collected through toll charges (Kahwajian et al., 2014). The challenges of implementing toll expressway projects highlight the necessity to assess toll expressway projects and assign, for example, a relative risk profile, timeliness in debt service payment and access to capital markets (Vining et al. 2004). This assessment will provide relevant disclosure and information to enable potential project sponsors and financial advisors to consider various financing options and propose accordingly. In addition, the term of the concession agreement must take into consideration the opinion by of parties in the contract. It is also vital to be put any non-relevant differences aside as each party has its specific role in delivering the PPP contract (Grimsey and Lewis, 2002).

Taking the decision to participate in a PPP toll expressway project exposes the private sector party to several challenges and risks in multiple project areas including construction, operational and maintenance costs, traffic volume, inadequate concession period, toll rate charges, road alignment, environmental impact assessment (EIA) and social impact assessment (Al-Tmeemy et al. 2011; Bryde and Brown 2005; Thomas et al., 2003;). To maintain effectiveness in highly competitive markets, the performance of PPP project needs to be properly evaluated (Love and Holt, 2000). The measurement

of performance is important to allow the realisation of the benefits of PPP, and is essential for the project's success (Gunasekaran and Kobu 2007; Liu et al. 2014). Having these parameters in place should encourage and promote enhanced future decision making on issues related to toll expressway projects for which the targeted critical success factors (CSFs) could be realised, as well as increase effectiveness in managing those projects which have already been embarked upon.

Das and Teng (2001) claimed that the perception of risks influences the performance of PPP and two mechanisms which are trust and control could reduce these risk perceptions. Sako (2000) connotes two levels of trust – first, trust based on the contractual agreements and second, the notion of goodwill trust. According to Grimmelikhuijsen and Meijertrust (2014), trust is considered a prerequisite for participation, although the economic perspective is also considered. In the Malaysian context, after the events of 9 May 2018, toll concessionaires found themselves in a dilemma – there was an apparent trust perception towards the newly-appointed government, particularly in the continuation of upholding existing concession agreements.

Malaysians experienced the power of the ballot on 9 May 2018, where the country, for the first time witnessed the change of its 62-year-old government from Barisan Nasional (BN), a party that had governed since Malaysia gained independence in 1957, to Pakatan Harapan (PH). One of the key factor's contributing to PH's remarkable victory was anchored on its pledge to “review all toll expressway concession agreements, and take over every toll concession with the ultimate aim of abolishing, in stages, toll expressways. The trust and goodwill towards PH as a new

government to uphold existing concession agreements within the toll concessionaires gives an overall view of the confidence level of corporates, investors and capital markets players towards PH. Thus, while toll concessionaires are hopeful that the PH government would honour the sanctity of their contracts in any decision making with regards toll expressways, they are still uncertain of the direction of the government in relation to the abolishment of tolls. Adding more to the uncertainty sentiments on the country's economic development, in an interview with Star-biz, AmBank Group chief economist Anthony Dass stated that the government needs to address the alarming decline in private sector investments – which shows a decline from 6.9% in the Fourth Quarter (Q4) of 2018 to 0.4% in the First Quarter (Q1) of 2019. Mohd Afzanizam Abdul Rashid, Bank Islam Malaysia Bhd's chief economist added that private investment has been "lethargic". Based on this trend, and in line with the Purchasing Managers' Indexes (PMI) for Malaysia, this is an indication that companies are most likely reluctant to expand their production capacity as the demand outlook is highly uncertain (Dhesi; The StarOnline, 2019). From these statements, we can see that the government plays an active role in economic development, and in the context of this topic, speedier decisions or directions on the execution of infrastructure projects can generate a multiplier effect on economic development.

Even though many studies on PPP in existing literature, very few studies have been conducted on PPP toll expressway projects in the Malaysian context. Furthermore, according to Ghazali et al (2017), limited researches have investigated the critical factors that have influenced the intention of the private sector to participate in PPP projects, particularly in toll expressway projects. Therefore, this study will enhance the existing literature by examining the influence factors on decision makers' behavioural

towards the involvement in PPP, specifically in toll expressway projects. It will help fill the gap in the literature on the decision makers' behavioural in the private sector in deciding to participate in PPP projects in Malaysia, provide a strong evidence and guidance for the government in issuance of relevant policies or implementation of reforms to attract more private sectors participation in such projects.

This study addresses the gaps mentioned above by proposing a conceptual framework based on the underpinning theories, Social Exchange Theory (SET) and Theory Planned Behaviour (TPB) model as a theoretical model – and will test it with empirical data collected from Malaysian PPP participants that involve in the decision-making process in toll concessionaires' companies. The framework aims to explain the relationships of certain factors towards influencing the behavioural intention of the decision makers in the private sectors and investigate the role of trust in moderating the relationships between decision makers' behavioural intentions into involvement in PPP (actual behaviour).

1.4 Research Questions

The study addresses the following questions based on the problem statement in the previous section:

- i. What are the effects of decision makers' attitude towards their behavioural intention to participate in PPP toll expressway projects?
- ii. What are the effects of subjective norms towards the behavioural intention of the decision makers in the private sector to participate in PPP toll expressway projects?

- iii. What are the effects of perceived behavioural control over the behavioural intention of the decision makers in the private sector to participate in PPP toll expressway projects?
- iv. What are the effects of governmental influence towards the behavioural intention of the decision makers in the private sector to participate in PPP toll expressway projects?
- v. What are the effects of project viability towards the behavioural intention of the decision makers in the private sector to participate in PPP toll expressway projects?
- vi. What are the effects of behavioural intention of the decision makers in the private sector on their involvement behaviour in PPP toll expressway projects?
- vii. Does trust moderate the effect of the behavioural intention of the decision makers in the private sector with regard to their involvement behaviour in PPP toll expressway projects?

1.5 Objectives of the Study

Precisely, the aim of the study is to establish the significant factors that influence on the participation and involvement private sectors in PPP toll expressway projects.

To achieve that, this study strives to fulfil the following seven (7) main objectives:

- i. To investigate the effects of decision makers' attitude towards their behavioural intention to participate in PPP toll expressway projects.

- ii. To investigate the effects of subjective norms towards the behavioural intention of the decision makers in the private sector to participate in PPP toll expressway projects.
- iii. To investigate the effects of perceived behavioural control over the behavioural intention of the decision makers in the private sector to participate in PPP toll expressway projects.
- iv. To investigate the effects of governmental influence towards the behavioural intention of the decision makers in the private sector to participate in PPP toll expressway projects.
- v. To investigate the effects of project viability on the behavioural intention of the decision makers in the private sector to participate in PPP toll expressway projects.
- vi. To investigate the effects of the behavioural intention of the decision makers in the private sector on their involvement behaviour in PPP toll expressway projects.
- vii. To investigate whether trust moderates the relationship between the behavioural intention of the decision makers in the private sector and their involvement behaviour in PPP toll expressway projects.

1.6 Scope of the Study

This thesis focuses on studying the significant factors that influencing decision makers' behavioural into involvement in PPP toll expressway projects. The research will explore the characteristics of the behavioural intention of the decision makers in the private sector towards PPP participation, and how it determines to the actual

behaviour/action. The scope of study is explained below in the following aspects – geographical coverage, sector being studied and methodology applied:

1.6.1 Geographical Coverage and Sector Being Studied

The research is conducted in Malaysia that focus all thirty-six (36) private toll concessionaires consists of thirty (30) are operational and six under construction. There are twenty-six (26) toll concessionaires' companies that responsible in managing all these thirty-six (36) toll concessionaires. Thus, the research focuses on data gained from top and middle-level management from these twenty-six (26) companies that are directly involved in PPP. PPP projects in Malaysia vary amongst the different sectors. However, this research focuses on the PPP model in the toll expressway projects in Malaysia.

1.6.2 Methods

This research is quantitative in nature. The questionnaire is generated through adapting and adopting techniques from previous studies and literature. The purposive sampling technique has been used whereby certain criteria are set to be the basis of selection. The IBM SPSS Statistics 23 Version and IBM SPSS AMOS 24 Version software have been used in the data analysis.

1.7 Research Significance and Contributions

The World Bank (2018) report forecasts that to keep pace with the profound economic and demographic changes across the globe, the global infrastructure investment needs will reach \$94 trillion by 2040, with over half of these investments

projected to be in Asia. The report states that 4.5 percent GDP will allow developing countries to achieve their infrastructure-related Sustainable Development Goals (SDGs). In light of this, policymakers are finding it increasingly challenging to balance the rising infrastructure demands with the constraints and limitations on both human capital and financial resources. On top of that, Osei-Kyei and Chan (2015) suggest that PPP model is seen as a strategy for the government to control their budgetary constraints through the involvement of private sector parties to take on or share the burden of budgetary allocation and risk management.

This study aims to look on the perceptions and evaluations that have been made by some Malaysian PPP experts on the influencing factors and motivations of the decision makers 'behavioural in the private sector on the involvement in PPP toll expressway projects in Malaysia. The research aims to test the effect of certain factors on the behavioural intention of the decision makers in the private sector towards participation and involvement in PPP projects. This study is a proactive initiative and its results aims to provide a framework and guidance that could be used as a reference to facilitate the decision making by policymakers to improve overall private sectors participation in PPP projects, especially in toll expressway projects. This study could also assist PPP experts in their assessment of CSFs for PPP toll expressway projects in Malaysia. It is hoped to be able to identify significant risks which may affect the implementation of PPP toll expressway projects in Malaysia and propose appropriate mitigation measures which can be proactively taken by policymakers and implementers to minimise and mitigate these risks before and during project implementation.

With regard to the existing literature, studies on Malaysia's PPP projects are limited, and those that exist mostly focus on the challenges and CSF's of PPP's in general. The completion of this research is hoped to contribute to the knowledge gap as follows:

- i. many of the previous studies focused on PPP projects in general or different sectors, not on toll expressway projects;
- ii. limited studies employed a theoretical approach, while this study aims to explore two underpinning theories (SET and TPB) to see the relationship between independent variables and a dependent variable;
- iii. many of the previous studies conducted only use factor analysis and a ranking of the factors using SPSS whereas this study applies a Structural Equation Modelling (SEM) using Analysis of Moment Structure (AMOS) as an analysis tool;
- iv. many of the previous studies use secondary data to investigate PPP projects, while this study is uses primary data from a questionnaire;
- v. limited studies on PPP projects in Malaysia although PPP currently plays a vital role in national development policy and budget; and
- vi. lack of studies on PPP use moderator variables while this study tests trust as a moderator.

1.8 Operational Definitions

The operational definitions below explain the variables that are identified in this study to ensure a common and mutual understanding of its meaning within the context of this research. Public-Private Partnership (PPP), toll expressway, decision makers in

the private sector, attitude on PPP, subjective norms, perceived behaviour control, behaviour intention of the decision makers, governmental influence, project viability, trust, and involvement are terms used for the variables throughout this study.

1.8.1 Public-Private Partnership (PPP)

The definition of PPP presented by the European Commission (2004) is a form of cooperation between public authorities and the world of business which aim to ensure the funding, construction, renovation, management or maintenance of an infrastructure or the provision of a service. PPP has been defined by Hodge and Greve (2007) as a cooperative institutional arrangements between public and private sectors. Declercq (1999) defined PPP as a collaboration between public and private company for a specific period. The public partner known as government that represents whether from federal, local or state. While the private partner can be a privately-owned business, public corporation or consortium of businesses with a specific area of expertise (Van Ham & Koppenjan, 2001). Thus, for the operational in this study, PPP is defined as an instrument of government's procurement which aim to have smart partnership arrangement between public and private sector at agreed period of time to develop product or services by allocation of risks, cost and resources in order to achieve realisation value for money and effective allocation of risks.

1.8.2 Toll Expressway

The definition of expressway road in Malaysia is a high-speed route with a minimum of four lanes, made up of two lanes in each direction with either limited or partial accessibility on which tolls are collected (Malaysian Highway Authority; 2017).

It is also known as a turnpike, which is a road that typically has toll plaza or booth, or special lane equipped to collect tolls electronically. In Malaysia, toll expressway can be categorised into three (3) types; inter-urban expressway, intra-urban expressway and urban expressway.

On the other hand, highway in Malaysia is the complement of the national network of expressways and federal roads that built under JKR R5 rural highway standard. Relatively the highway is high design of the speed limit of 100km/h but allowing the maximum speed limit of 90 km/h. Thus, toll expressway definition in the context of operational definition of this study strictly applied from the Malaysian Highway Authority's definition which include all listing under toll highway.

1.8.3 Decision-Makers in the Private Sector

According to Schoemaker and Russo (2016), decision-maker is an individual, group or organization reaches conclusions about what future actions to pursue given a set of objectives and limits on available resources. They added the process of decision making which often iterative consisting of four key phases: (1) framing, (2) intelligence-gathering, (3) choice and (4) learning from feedback.

Nevertheless, in the context of operational definition in this study, decision maker in the private sector is an individual in the in private entity who are directly involve and influence in the process of decision making which normally this individual been assigned either from top or middle management in the organisation.

1.8.4 Attitude on PPP

In the context of human behavioural, Ajzen (1991) explained that attitudes are determined by the accessible beliefs on certain act or behaviour. While a belief in this context known as the subjective probability that the act or behaviour will produce a certain outcome. Then, the evaluation of this behavioural outcome derives the attitude from the direct proportion of the person's belief. In this way, it is seen as a variable that links belief, attitude, opinion, and expectation. Thus, in this study, the application attitude of the decision makers in the private sector on PPP is mainly measured by their perception and believe of the benefits and outcomes that they could gain and derived from participation and involvement in PPP projects

1.8.5 Subjective Norm

Ajzen (1991) connotes that subjective norm is the perceived influence by others also known as social or pressure either to involve or not to involve in that act or behaviour. Subjective norms also known as social norms refer to the belief of others that could influence or approve in supporting a particular behaviour. The subjective norms basically determined by the social pressure from others or third parties for individual or organisation to act or take action on certain manner and their motivation to comply with those people's views. Typically, the subjective norm measured through identifying to what extent that "significant others" would endorse the act or behaviour. In operational definition for this study, the subjective norms or "significant others" mainly are refer to the industry associations, financial institutions, competitors, local government and those organisations have experiences in PPP projects.

1.8.6 Perceived Behavioural Control

Originally the knowledge of the role of perceived behavioural control is derived from self-efficacy theory that introduced by Bandura. It is the belief on the ability to control the circumstances, succeed in specific situations or to accomplish a task (Ajzen; 1991). Here, perceived behavioural control (PBC) refers to the perception that an individual or organisation has ability to perform well on a given situation and behaviour.

Nevertheless, PBC in this study means the decision makers in the private sector believed that they have competitive advantage element in pursuing or engaging any business project. This variable refers to the presence of the necessary resources and opportunities for a particular behaviour and is influenced by a number of factors, such as previous experiences related to the expertise, knowledge and capacity, performance perceptions, perceived monetary accessibility, perceived time management, and other factors, that increase or decrease the perceived level of feasibility of this behaviour. Thus, specifically, in this operational definition PBC indicates of having capability and competency which comprises all the requirement elements to perform in PPP such as strength in financial, technical expertise, adequate knowledge and resources.

1.8.7 Behavioural Intention (BI)

TPB illustrates that behavioural intention known as “indication of an individual's readiness to perform a given behaviour.” The behavioural intention seen to be immediate premature of behaviour that could be derived from attitude, subjective norm, and perceived behavioural control (Ajzen; 1991). The assumption is that behavioural intention captures the inspirational and vitalize factors that influence the

behavioural pattern of an individual or organisation. It looks into the effort and willingness towards – including the planning to exert, to get involve and to perform – the actual behaviour. Thus, in the operational definition of behavioural intention, it focused on the decision makers' willingness and readiness to participate, engage, involve and perform a final actual behaviour or act.

1.8.8 Governmental Influence

According to Bryan and Jon L. (2013), the role of governments can help foster entrepreneurship and economic growth, where a majority of initiatives to stimulate business creation and expansion are driven by government policies as it had a significant influence on economic growth and new business formation. The support of the government for a given industry provides a powerful incentive for banks and financial institutions to provide favourable terms of financing to those industries. This government support and preferential treatment results in more capital and resources being allocated to the development of the industry, giving it a strong comparative advantage (Jacobson and Choi, 2008). Therefore, the operational definition on governmental influence in this study, mainly on the exercise of public authority to make and enforce official decisions on public policy and the effect of the policies towards the markets and influence the decision makers' behavioural in the private companies.

1.8.9 Project Viability

Project viability refers to the evaluation and assessment of whether the project can achieve its objectives and generate significant economic and financial gains for the stakeholders, and to the socio-economy in general. Basically, project viability depends

on several factors and is not restricted to economic ones. The decision to proceed or not with a project will depend on multiple criteria and factors (Meidute and Paliulis; 2011). In order to evaluate the criteria of smart partnership, Ngahu et al (2018) stated that we would need to understand the basis of consideration for entering into PPP from the perspective of public and private sector. It is natural to assume that any criteria for evaluation would need to be tangible rather than intangible.

The viability element in the perspective of decision makers in the private sector refer to those factors that attractive and beneficial towards their organisations i.e. have a strong business case or satisfy key commercial terms includes economic, financial and technical perspectives (Ngahu et al., 2018). Thus, in this study the operational definition scope of project viability on PPP consists of three main feasibility; (i) economic; (ii) financial; and (iii) technical.

1.8.10 Trust

Trust is the result of the developing of shared values, beliefs and goals among the members of a network. It emerges between the network partners when they form a solidary community (Fukuyama, 1995; Parson, 1969). It can thus be said that the basis for trust to materialise is the internalisation of shared norms between the stakeholders in the network. Sako (2000) also reiterated that trust also implies a form of competence, where it is essential to have a positive expectation on the other partner's capabilities of delivering what is stated in a contract. The definition of trust can be elaborated as the expectation that an actor as follows;

- i. Rely to fulfil the obligations (Zaheer et al., 1998);

- ii. Act or behave according to the predictable manner (Anderson & Weitz, 1989); and
- iii. Negotiate and act fairly when the possibility for opportunism is present (Anderson & Narus, 1990; Bromiley & Cummings, 1995).

1.8.11 Involvement

Basically, in the dictionary indicates that “involve” derives from the Latin word “involvere” that can be defined as “to roll or wrap up”. It also provides various other meanings including “to connect, to bring into close relation, to enfold, to envelop”. Refer to the Cambridge Dictionary Online (2017), involvement is defined as “the act or process of taking part in something” which means it refers to the act of participating in something. Judy (1998) stated that in the recent years, such words “participation” and “engagement” have merged as synonyms of meaning of an organizational nature for the word “involvement”. She also added that some scholars suggested that involvement can lead to “empowerment” and thus the organizational involvement have a temporal dimension, as connoted by “sustained” versus “temporary” involvement, and a close relationship with “commitment” and “sharing.”

In this research, involvement refers to the engagement of the decision makers in the private entities or companies in the PPP concession agreement, encompassing all contract stages – pre, during and post construction. Thus, the operational definition, involvement behaviour can be defined as an actual behaviour within an environment in which the decision makers are actively participate and leads to the achievement of the goals in an efficient and effective manner.

1.9 Conclusion

This chapter presents a strong justification and gives the rationale on why this study is required. It provides information on the research in terms of the study's background, problem statements, research questions, study objectives, scope of the study, the significance and contributions and finally substantiates by providing the operational definitions of concepts to be used throughout the study. The thesis will be further organised and structured into five (5) chapters as follows;

- (a) **Chapter 1** - introduces the study, covering its background, research problems and questions, research aims, objectives, scope and significance and finally operational definitions of concepts. It consequently provides conspectus of the structure;
- (b) **Chapter 2** - is a comprehensive literature review, application of selected theories and explains the development of the study's conceptual framework;
- (c) **Chapter 3** - presents the methodology of the research that being employed in conducting of the study;
- (d) **Chapter 4** - details out the analysis and findings of the research; and
- (e) **Chapter 5** - discusses the implications of this study, highlights the contributions to the field of research, makes suggestions for future research and provides recommendations for moving forward, as well as the study's overall conclusion.