

THE EFFECTIVENESS OF CRITICAL SUCCESS FACTORS IN REGIONAL DEVELOPMENT PROGRAMMES MANAGEMENT

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ABSTRACT

In ensuring an effective implementation and maximum impact of regional development projects and programmes, the element of Critical Success Factors (CSFs) should also be considered. East Coast Economic Region (ECER) is one of five regional economic corridors established in Malaysia to facilitate the socioeconomic transformation of this region towards becoming a high-income nation by 2025. East Coast Economic Region Development Council (ECERDC) was established in 2008 as a statutory body under the East Coast Economic Region Development Council Act (Act 688) to drive the implementation of ECER Master Plan. ECERDC also came out with a list of CSFs that serves as a guidance to achieve all the expected goals. The purpose of this study is to investigate the effectiveness of ownership at all levels, creation of ECER Development Council, complementation among ECER states, complementation of ECER towards other regional developments, and private and public sector partnerships in the implementation of various regional development programmes and projects by ECERDC. This study used qualitative method which utilized in-depth interviews with 10 key informants. The obtained findings demonstrated that ECERDC has practiced all five CSFs effectively and as a return, the implementation of various regional development programmes has brought positive outcomes to the organisation. The result should help understand which factors must be given priority by the stakeholders, especially in maximising the impact of the government development projects that benefit the local community.

Keywords: Critical success factors, ECER, ECERDC, regional development programmes.

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1. INTRODUCTION

Critical Success Factors (CSFs), also known as Key Success Factors, are important in development programmes. In ensuring effective implementation and maximum impact of government projects and programmes, the element of Critical Success Factors (CSFs) should also be considered. Generally, projects or programmes are implemented to meet specific objectives. In the government context, these objectives are to achieve balanced socio-economic growth. The practice of CSFs in the implementation of government projects or programmes is vital to increase the success rate, reduce costs and prevent any unexpected negative outcome (Fryer et al., 2007). Besides, a clear list of CSFs by the government would help them to meet their expected impact. It could be the basis for competency development in specific areas where improvements are required to maximise the expected outcome (Amoatey & Hayibor, 2017).

In the management of a programme, repeatable success comes from several factors effectively practised by an organisation. Although the use of critical success factors is always dominated by private sector companies, its impact on federal and local government development programmes should not be ignored (Almarri & Boussabaine, 2017). According to Dobbins and Donnelly (1998), several government agencies have reported the practice of critical success factors for their organisations. However, none of their published reports provided any details on the measurement process of the CSFs. Thus, it can be concluded that the practice of CSFs by government agencies still at a preliminary stage.

East Coast Economic Region (ECER) is one of five regional economic corridors established in Malaysia to facilitate this region's socio-economic transformation towards becoming a high-income nation by 2025. It covers the states of Kelantan, Terengganu, Pahang, and the district of Mersing in Johor. The high-impact projects and human capital development programmes are implemented to decrease the socio-economic inequalities, eliminate poverty as well as improve the income and wealth distribution sustainably (East Coast Economic Region Development Council [ECERDC], 2009). Regarding this matter, ECERDC has been established in 2008 as a statutory body under the East Coast Economic Region Development Council Act (Act 688) to drive the implementation of the ECER Master Plan. ECERDC plays a vital role in producing a proper direction, suitable policies and dynamic strategies related to the development of this region. ECERDC also came out with a list of CSFs that serves as guidance to achieve all the expected goals.

1.1. Critical Success Factors by ECERDC

ECER is an economic growth corridor established to bring the states' socio-economic transformation in the east coast part of Peninsular Malaysia. It consists of the state of Pahang, Terengganu, Kelantan and Johor (district of Mersing). Geographically, ECER covers 51% of Peninsular Malaysia with a total area of over 66,000 square kilometres. In 2009, the population of ECER was 3.9 million representing 14% of the total Malaysia population. The vision of ECER is to achieve the status of a developed region by 2025. In the short term, the ECER mission is to eradicate the hard-core poverty among the states in the region. Various development programmes and projects have been aimed at increasing household incomes as well as providing new jobs and entrepreneurial opportunities for the local populace.

As a statutory body responsible for the ECER development, ECERDC also possesses several critical success factors outlined in the ECER Master Plan. There are five critical success factors identified and practised by every ECERDC member, regardless of their level and job scope. These critical success factors are uniquely designed specifically for ECERDC. ECERDC believes that these key variables will have a huge impact on maximising the impact and fulfilling the targeted goals. Among the factors involved are ownership at all levels, creation of ECER Development Council, complementation among ECER states, complementation of ECER towards other regional developments, as well as private and public sector partnerships.

The first factor outlined is ownership at all levels. The ECER Master Plan is established for the people in the ECER region. Hence, a sense of ownership and participation from all levels is essential (ECERDC, 2016). By definition, it requires all employees to feel and take ownership of their job and be responsible. The ownership feeling must be empowered and trained at all levels so that everyone would understand their roles toward people in ECER. The second factor is the creation of ECERDC. ECERDC is empowered to develop the proper direction, policies, and strategies related to the ECER development, which is responsible for implementing and monitoring all ECER projects. In addition, ECERDC also provides coordination between government agencies in matters regarding the promotion of trade, tourism and development activities within the ECER.

The third factor is complementation among ECER states. In the ECER Master Plan, a regional approach has been taken to achieve its objectives. This approach leverages the strengths and resource base of each ECER state. For example, Kelantan serves as the principal East Coast cross-border trading and tourism centre due to its geographical advantage. The people in this state also possess entrepreneurial talent. It is different from Pahang as this state will be the ECER's main industrial and logistics hub. The focus is largely on resource-based downstream manufacturing activities such as wood-based and rubber-based industries. The ECER uses the strength of each state to ensure balanced socio-economic development in the region.

The next factor is the complementation of ECER towards other regional developments. There are five regional economic corridors established in Malaysia. Besides ECER, it includes the Iskandar Development Region (IDR), Northern Corridor Economic Region (NCER), Sabah Development Corridor and Sarawak Corridor of Renewable Energy (SCORE). Each corridor has its unique focus and specialisation. Although every regional economic corridor owns a different focus and specialisation areas, ECER must complement other corridors. The last factor is public and private partnership. One of the important roles of ECERDC is looking at a mutual partnership with the private sector. This partnership contributes to investment and new economic activities in ECER. In regards to this matter, ECERDC is responsible for putting in place physical, infrastructure and transportation projects to support the key development initiatives planned (ECERDC, 2016).

Studies on the CSFs in Malaysia have mainly focused on identifying CSFs in an organisation, either in the private or public sector. In his study, Abdul Aziz (2010) identified the CSFs in Public-Private Partnership (PPP) for the housing sector. The study managed to examine a total of 15 CSFs. In the following year, Abdul Aziz and Kassim (2011) conducted a similar study, but the study's objective was extended to the success and failure factors. Ismail (2013) studied the CSFs for PPP implementation in Malaysia without focusing on any specific sector or project. More recently, a study to investigate the CSFs for effective project stakeholder management has identified the top five CSFs that should be prioritised by the local government (Amoatey & Hayibor, 2017). Despite

a few prior studies on the CSFs, studies on the practise of CSFs, particularly in the implementation of regional development programmes, remain scarce. ECER was chosen as the case study as this is the only economic corridor that has identified and outlined the CSFs in their Master Plan compared to the others regional economic corridors established in Malaysia. Hence, this study aims to fill the gap by investigating the effectiveness of Critical Success Factors practice by ECERDC on the successful implementation of various regional development programmes and projects across the ECER region.

2. LITERATURE REVIEW

This section discusses the concept of critical success factors and their effect on project or programme management's quality and impact. Apart from that, this section explains the past studies on the relationship between the practice of critical success factors and successful implementation of various programmes and project both in government and private sectors.

Every organisation should possess the critical factors that contribute to its success. Griffin (1996) defined Critical Success Factors (CSFs) as the limited number of areas focused by an organisation, in which, if the results are satisfactory, will determine successful competitive performance. The factors are limited to a manageable number of key areas that will help the growth of an organisation. Once identified, it can help stakeholders to focus on their priorities, develop measurable goals and establish a teamwork culture to achieve the factors. This is vital as these factors determine the health and vitality of an organisation. To realise the critical success factors, continual support, attention, and evaluation from the organisation manager are essential.

A good practice of CSFs will give a direct and huge impact on the effectiveness, efficiency and viability of a project or program, even to the whole organisation. Activities related to the CSFs must be prioritised and excellently performed by all organisation members to achieve the intended goals. In other words, the CSFs, also known as Key Success Factors (KSF) or Key Result Areas (KRA), depend on the practice of an organisation. A study by Siddique (2016) suggested that CFSs affect the successful implementation of government policies. By setting proper CSFs during the project or programme planning, the government would be able to conduct effective implementation, which indirectly leads to achieving the intended impact.

Alias et al. (2014), in their study, discussed that different studies identified different success factors. There was a lack of consensus among the previous researchers on the criteria influencing a project success and the factors that determine the success of a project. Furthermore, several studies have observed the impact of CSFs on project effectiveness. Some of the factors can be considered critical, while some of the other factors are related to success. A study comprising 200 managers from various economic sectors showed the significance of critical factors in improving project management quality and impact in Ghana. Among the factors were top management support, clarity of project purpose and goals, effective communication and stakeholder involvement (Ofori, 2013).

CSF's practice can successfully identify the government's key concerns, especially in developing strategic plans and overcoming critical issues during the implementation process. In development programmes, the CSF can help government agencies to achieve high performance and act as

guidelines for monitoring the implementation activities. Jiwasiddi and Mondong (2018), in their study, found that CSF has a significant impact on federal government programmes management. Based on the observation and in-depth interviews, the organisational aspect is vital in ensuring a successful implementation. The most critical factors were the support from top management, proper training, and change in management.

A study by Ika et al. (2012) found there were several CSFs that highly important during the implementation of World Bank project such as monitoring, coordination, training, design, and institutional environment. According to the finding, the beneficiary view is rather important to be considered when delivering project compared to delivering on time, on budget, and according to the scope (Morris, 2013). This factor is significant and directly influenced the successful implementation of any development programmes by government.

Another study by Yalagama at al. (2016) found the relationship between critical success factors and successful implementation of Community-Driven Development (CDD) projects in Sri Lanka. Based on micro-view perspective, there were three identified CSFs which took into consideration community perspective during the project execution; enabling community environment, measurable project management outcomes by village organization and community project management engagement. Besides, a study by Zaman et al. (2022) confirmed that the CSFs factors such as in the direct relationship, technical factors, and organization communication positively and significantly affect the success of sustainable project by government in Pakistan.

Theory of organization support also confirmed that there was a positive and significant relationship between critical success factor of organizational support and the sustainable success of development projects or programmes implemented (Cheng et al., 2005; Zhou et al., 2020). Moreover, organizational factors such as organizational commitment and worker support have dual roles. In an organization, project-based workers are also members of the organization and they are responsible to improve their creativity to meet individual performance and thereby improve their organizational competitiveness.

Gemunden et al. (2018) in their study indicated that the clear and concise communication with the key stakeholders was the important CSFs in order to deliver a project within the stipulated cost and time. In addition, the relationship between CSFs and their impact on the successful of public and private partnership projects were accurately examined. The CSFs were divided into three phases of operation, construction, and transfer due to wide range of key success factors (Ahmadabadi & Heravi, 2019). An empirical study on the influence of critical success factors in development projects in Kenya revealed that there were six CSFs that relevant to be practiced for the implementation of development projects in developing countries. These CSFs were examined and found to be effective in determining the successful of a development project (Das & Ngacho, 2017).

The latest study by Alsolami (2022) showed that CSFs have influenced the implementation of Value Management activities in Saudi Arabia construction industry. The experts suggested ways to enhance the adoption of value management was by thoroughly defining all 25 CSFs that affected the implementation of Value Management of construction industry. The CSFs will improve the efficiency of Value Management practice and development of future policies related to value management by organization.

3. METHODOLOGY

The study used an interpretive paradigm through inductive logic. Inductive research began by making generalisations through observations on cases of CSFs practice by ECERDC. It started with data collection through in-depth interviews, observations as well as document analysis from the organisation, focusing on the elements of CSFs. This study investigated the practice of critical success by ECERDC in the implementation of regional development programmes by combining primary and secondary data for achieving the objective. For the primary data, this study used a qualitative method that utilised in-depth interviews with ten informants. They were chosen among the decision makers and implementers of regional development programmes across ECER. Literally, they were directly involved in the decision-making process and responsible for executing all the CSFs stated in the Master Plan.

This study used purposive sampling for selecting the population. The sample was not intended to be statistically representative in which the chances of selection for each element is unknown, but instead, the characteristics of the population were used as the basis of selection. For this approach, the criteria to select the participants, settings or other sampling units were based on purposive sampling (Mason, 2002; Patton, 2002). The informants comprised five informants from the policymaking level and the remaining five informants from the implementation level. The policymaking level involved the Director of Outcome Evaluation at the Implementation Coordination Unit (ICU), Director of Regional Development Section from Economic Planning Unit (EPU) of the Prime Minister Department, and three officers from the EPU in the states of Terengganu, Pahang, and Kelantan. As for the implementation level, this study involved the directors and officers from each ECER state. The chosen sample units possessed the features or characteristics needed by the researcher, which enabled a detailed understanding and exploration of the central themes and puzzles intended to be studied.

The interviews and discussions were translated and transcribed. Each interview session took between 45 minutes to one and a half hours; the researcher recorded all the conversations. Among the questions asked to determine the effectiveness of CSFs practised by ECERDC were how effective the participation by all parties at all levels, the roles played by ECERDC (in terms of investment, infrastructure and human capital development) as well as the activities involving ECER states and other regional economic corridors. In this study, thematic analysis was used to organise the qualitative data. The data were organised systematically by coding and coordinating the data into themes. In systematically evaluating the transcriptions, the semantic method was employed to analyse the content of the statements from informants. This method is useful to scrutinise, interpret and understand the issue examined in a study. In the coding process, the researcher did not only focus on the transcribed data but also included the secondary data such as ECERDC annual reports, government official reports, journals, books and field notes from observation.

Primary and secondary data were analysed and extracted into three themes: basic themes, organisational themes and global (Attride-Stirling, 2001). The basic theme is a theme derived from the data text. On the other hand, the organisational theme categorises the basic themes to formulate the theme's assumptions to reveal what is happening in the text. The text here refers to verbatim data and data taken from secondary documents. Organisational themes can structure the main ideas and can parse the underlying theme assumptions. Meanwhile, the global theme refers to the final

theme that concludes the text. This theme is an affirmation of the issue or reality being studied. This theme is a macro theme that encompasses all the other themes, which are the basic theme and the organisational theme. The data analysis method used in this study was by combining two such data in an exploratory method to explain in detail a case studied. In the end, the themes created were capable of answering the objectives of this study.

4. RESULTS AND DISCUSSION

Generally, the findings were divided according to the five CSFs as described in the previous section. It focused on the practice of CSFs by ECERDC and how these CSFs maximising the impact and fulfilling the targeted goals of various regional development programmes implemented across the region.

4.1. Results

4.1.1. Ownership at All Levels

The ECER Master Plan focuses on the local people in the region, which reflect the sense of ownership and participation of the populace at all levels for a successful implementation of development programmes. Based on the observation, the participation of all parties involved was very good. The participants expressed satisfaction with the information provided before, during, and after implementing the programmes. They did not have any issue with ECERDC. The ECERDC officers were revealed to be very understanding and maintain good relationships with one another.

According to one of the informants, ECER demonstrated commitment to ensuring good relationships among all parties involved in the development programmes. It is important to ensure that all participants understand and actively take part in the implementation process. The communication and coordination between the ECERDC officers are also vital to ensure an effective policy implementation, explaining why the council was established at the federal and state levels. Accordingly, at the federal level, the council is chaired by the Prime Minister, whereas the council is chaired by the Chief Minister of the state at the state level. In addition, an implementation committee was also established to ensure smooth implementation of every plan and that all parties play their roles effectively. The following excerpt explains the above notion:

“In terms of commitment, one of the uniqueness of ECER is that we always engage with the local leaders. We have KPI on this matter. Means that in the aspect of choosing the participants and the courses that we intended to offer, we will get approval from them to ensure they can give full support. We also engage with state leaders and the federal government. Prime Minister is our Chairman and Finance Minister also involved in the council. Even all the four Menteri Besar take part in the out council. At the state level, Menteri Besar is the Chairman for the implementation committee...”

(Informant No. 3, Kuala Lumpur)

ECERDC also have a good relationship with other government agencies. It is very important to ensure that every programme implemented will receive full supports from them. The main government agencies have become good partner of ECERDC.

... We do not want to compete with each other, but we complement each other. Ministry of Rural Development, Amanah Ikhtiar Malaysia, Tekun Nasional, and Malaysia Development Bank, all of them are our partners at various levels. In fact, at the district level, we also have an implementation committee. So we have good engagement. Let say we want to implement a program, MARA can help in terms of capital, TERAJU can provide equipment assistance. If the participant is poor, Amanah Ikhtiar Malaysia can provide a soft loan. If not, they can ask for a loan from Tekun or Agro Bank.”

(Informant No. 3, Kuala Lumpur)

For example, ECER Kelantan functions effectively where the state government fully supports every development programme's implementation within the state. The appointed service provider is also highly motivated to achieve their KPI. Based on the observation, the participants of empower ECER expressed satisfaction with the efforts taken by the service provider during the handholding process. At least, the participants receive the necessary guidance on business registration, marketing tips, and bookkeeping management.

“So far, we have a good relationship and assistance from state government and government agencies, and they give full support for any program implemented. We get full cooperation starts from the highest, which is Menteri Besar to JKKK. The service provider also has KPI to be fulfilled. If we are not satisfied, we will change to a better one. UPEN and JPP so far have a good relationship with us. They are involved in every programme planned in Kelantan. ECER Kelantan has a close relationship with Kelantan State. No gap or issue between us.”

(Informant No.10, Kelantan)

The collaboration between ECERDC and educational institution is vital to ensure maximum impact of the development programmes. As of now, four public universities serve as the service providers for these human capital development programmes. Other than that, there is a collaboration between research and development to ensure that the implemented programme becomes an impactful initiative for the socio-economic development of the ECER. Given the above, one of the informants revealed the following:

“ECER also involves the Education Department and universities. The same players are involved in the programmes implemented by the state government. It is the same government agencies, but with different program participants. When ECER existed, we could have a bigger capacity, and it could benefit more people.”

(Informant No.8, Terengganu)

4.1.2. The Roles of ECERDC

Essentially, the establishment of ECERDC ensures that the ECER Master Plan is implemented effectively. ECERDC plays three main roles within this region. Firstly, the role of investment. ECERDC introduces numerous initiatives to promote this region. For example, the accumulated private investment for ECER during the Eighth Malaysian Plan (2001–2005) recorded only RM 23.5 billion. After the establishment of ECER, the accumulated investment after the Ninth Malaysian Plan (2006–2010) and the Tenth Malaysian Plan (2011–2015) increased to RM 84 billion (ECERDC, 2018).

Secondly, the role of physical projects. In order to attract foreign and domestic investors, ECER focuses on providing modern and complete infrastructures. For instance, a project to upgrade and equip Kuantan Port City with the latest logistics-related facilities to boost trade with China, ASEAN, and East Asia regions as well as to become an integrated terminal and logistics hub for the petrochemical, palm oil, automotive, and container markets.

Thirdly, the role of human capital development, which is to improve the socio-economic status of the local people in this region. As a people-centric initiative, the ECER Master Plan also benefits the local people by eradicating extreme poverty and creating job opportunities. Inadvertently, this also increases the household income and improves their standard of living. One of the initiatives that specifically aim to eliminate extreme poverty within the region is the agropolitan project, also known as a poverty eradication programme. The following excerpt explains the above description of the most important role of ECER:

“ECERDC has three main roles. First, in term of investment, this is to bring investment into this economic corridor. Second, in terms of physical project, we have many public infrastructure projects, including roads and so forth. The last one is human capital development, and this is the main role of ECER, I guess.”

(Informant No.8, Terengganu)

The office buildings of ECERDC are located in Kelantan, Terengganu, and Pahang. One of the uniqueness of ECERDC lies in the limited number of officers in every state, but that does not deter their management from implementing numerous projects and programmes. Based on the observation, this may be due to their strategy of appointing service providers to implement various human capital development programmes. For instance, the service providers for empower ECER in Terengganu are Universiti Malaysia Terengganu (UMT) and Universiti Sultan Zainal Abidin (UniSZA). Given the above, one of the informants described the following:

“ECER is an organisation with limited officers. Even at a state level, we only have three or four officers, but if you realise, we managed so many projects, and we brought in huge investment to this region. The total of our participants is about 61,000 people. As for me, the lack of staff is not an issue. If we are smart, we do not need many people, but we have to really care for our staff and service provider. Suppose we have innovative ideas and implement them effectively, together with NBOS strategy, not necessarily with the private sector but involving the government sector and everybody involved. In that case, I am sure we can bring this region to be a develop region soon.”

(Informant No. 3, Kuala Lumpur)

Adding to that, ECERDC also served to monitor the participants after the completion of the programme. ECERDC has taken the initiative to sustain the involvement of participants in entrepreneurship. The handholding process was added to the model, which sets this agency apart from other Malaysia agencies that practice monitoring and handholding process. ECERDC guides the participants until they are capable of starting their own business. These participants received assistance from ECERDC to increase their business’s productivity and profitability, such as machine. However, ECERDC has the right to take the machine back if there is any misuse. Hence, this would ensure that the participants commit to their business. One of the informants revealed the following:

“ECERDC is different from other agencies. They are like touch and go, giving RM 10,000, and nothing happened after that. Some of them resell back the machine given, but ECERDC is much better than that. We never let them without monitoring. We will help them to ensure they can go further. We monitor them every month. For the training classes, we take attendance. The potential participants will be listed for TERAJU. That is our role and responsibilities to keep our programmes succeed.”

(Informant No.10, Kelantan)

Meanwhile, in Pahang, one of the informants described how ECERDC serves the local community:

“If we want to talk about ECER roles, firstly, we managed to bring in foreign investors to develop this state. By having a well equip port, we can attract many investors. We also have MCKIP, and we improve Pahang tourism through Taman Negara Endau-Rompin. We make sure we have good facilities for investors. Automatically, it has created many job opportunities for local people. ECER roles in Pahang are holistic. It starts with school students to unemployed single mothers until megaprojects. We have involved in all aspects. We give projects to the district council to open stall and business space to create successful entrepreneurs.”

(Informant No.9, Pahang)

Many high-impact projects are currently progressing well, focusing on human capital development programmes, which have contributed a positive socio-economic impact on the local community. In particular, at the decision-making level, the following informants viewed ECERDC as an important body for wealth distribution across these states in the east coast region:

“First, I can see that the main role of ECER is to attract investment into the region. After that, they are responsible for developing infrastructures, and the last one is human capital development. Yes, ECER plays an important role in the socio-economic development of this region. As for infrastructure development, maybe people cannot see the impacts now because it takes four or five years, which is very costly. People only can see the impacts in another ten years. In terms of human capital development, with such a low cost, it can give benefits to many people. After that, it can improve their socio-economic status, especially in terms of income.”

(Informant No.1, Putrajaya)

“ECERDC roles are very significant. They hold the mandate to bring development to the east coast region, especially in the less developed areas. In terms of management, we always have good cooperation with ECERDC, but sometimes, we have to be strict with them.”

(Informant No.2, Putrajaya)

“I felt ECERDC had played a very positive role, and it has driven transformation towards ECER.”

(Informant No.5, Pahang)

4.1.3. Cooperation Among the ECER States

There are seven key development areas in the ECER Master Plan according to the resource base and strength of each state of ECER. In order to realise the objectives of the Master Plan, all states

must complement one another. There should be no competition between these states, as each state has a different direction.

The cooperation between ECER states has been good. However, project collaboration cannot be realised at this point because the direction of every state varies. For instance, ECER Pahang focuses on the automotive industry, whereas ECER Terengganu focuses on the oil and gas industry. Based on the observation, despite the differences, ECER branding across the states is a common element, as these states strive to deliver impactful ECER branding through the implemented programmes. As a result, this study's observed local community recalled and expressed a good impression towards ECER, particularly empower ECER that has been very close to their heart. Given the above, several informants revealed the following:

“So far, we have no problem. Collaboration between all the ECER states is quite hard for us because the direction for every state is different. Like us in ECER Terengganu, we have good cooperation with UPEN. The same goes for Pahang, they have their own, but we do not have problems cooperating with each other because we also have to meet together and channel for sharing information between these three states.”

(Informant No.8, Terengganu)

“We always have good interaction. They are our colleagues. Whatever they know, they will share with us and vice versa. Our concept is ECER as one. We exist as a team to develop the east coast region. As a General Manager of ECER Kelantan, I have no problem with it.”

(Informant No. 10, Kelantan)

“I do not see any project between states, but we always interact with each other. So far, there is none project cross ECER states has been implemented. Complement each other is yes and very good for us. We do not want competition. For instance, the output from this state will be an input for another state. Ideally, we prefer like that.”

(Informant No. 9, Pahang)

4.1.4. Cooperation With Other Four Corridors

As every state of ECER has specific areas of specialisation and unique focus, the cooperation between ECER and the other four regional economic corridors encounters similar concern. Concerning that, the direction of ECER should complement the Northern Corridor Economic Region (NCER), Iskandar Development Region (IDR), Sarawak Corridor of Renewable Energy (SCORE), and Sabah Development Corridor (SDC). Every corridor has its recommended key programmes and projects that are achievable within a specific timeline. The cooperation between ECER and the other four corridors has been positive, although there is no project collaboration between these organisations so far. Nevertheless, ECER remains open for any future collaboration. For instance, NCER visited ECER to learn about empower ECER that is seen as an impactful human capital development programme. ECER, as a pioneer for this programme, has shared the model used and successful stories of the participants of empower ECER. Given the above, several informants revealed the following insights:

“With other corridors, in terms of economic focus, it is very different. Like in Iskandar Corridor, they are more towards the private sector. If we depend on the private sector, it is a problem because the attraction is still not strong. As for the Northern Corridor, they look great due to the many industries there. However, we always have a good interaction with each other. Look if we can learn something from them. So far, we have no collaboration projects with other corridors because of different region and, of course, in a different direction.”

(Informant No.3, Kuala Lumpur)

“Other corridors such as NCER has paid a benchmarking visit to see the implementation of our programmes in ECER. The program, like empower, other corridors have planned to bring this programme into their region. We have good information sharing. “

(Informant No.8, Terengganu)

“So far, there is no cooperation between the economic corridors, but we are looking forward to that as it is our vision.”

(Informant No. 2, Putrajaya)

4.1.5. Private and Public Sector Partnership

The mutual partnership between the public and private sectors is essential to increase investment and new economic activities in the ECER. The government serves to establish various physical, infrastructure, and transportation projects, which reflect its commitment and support on the implemented initiatives. An attractive incentive specifically has been designed to accelerate investment in the region.

The accumulated public investment from the federal government amounted to RM 7.8 billion. A total of RM 1.4 billion was used for various development projects during the Ninth Malaysian Plan. Subsequently, RM 4.8 billion was used during the Tenth Malaysian Plan, and another RM 1.6 billion was allocated for the implementation of projects during the Eleventh Malaysian Plan. In return, ECER successfully attracted private investments of RM 111.6 billion at the end of 2017, which exceeded the investment target of RM 110 billion by 2020 (ECERDC, 2018). In other words, the investment target was achieved three years ahead of schedule. The Foreign Direct Investment (FDI) contributed 54.0% of the total private investment, while the Domestic Direct Investment (DDI) emerged as a key contributor to the remaining 46.0%. Apart from that, Bumiputera investment also made a significant contribution, which contributed 14.0% of the total private investment in ECER.

In the year of 2021, ECERDC garnered RM13.4 billion worth of committed investments for the East Coast Economic Region (ECER), exceeding its initial target of RM12 billion. It was the highest yearly achievement under the ECER Master Plan 2.0 (EMP2.0) since 2018 (Abdullah, 2022). The investment would create more than 11,000 jobs and another 680 entrepreneurs' opportunities to the community in ECER region. It demonstrated the good partnership of ECERC with government in term of in strategic infrastructure projects and extension of tax incentives. It has resulted in increasing the region's competitiveness as choice of investment destination.

Among all three states of ECER, Kelantan is the state with the lowest percentage of foreign private investment, which is mainly contributed by the local people in the state. The lack of completed

basic infrastructures is the main reason why this state failed to attract foreign investment. Hence, ECER Kelantan has made an effort to attract potential foreign investment from Holland, South Korea, and Singapore. Unfortunately, many refused to invest as the infrastructures and logistic facilities were incomplete. Referring to the above, one of the informants further elaborated:

“Actually, in Kelantan, we have Halal Park, but it is quite hard to get outside company to join us here. Most are from local Kelantanese investors. We tried to bring important investors from abroad, but still, it does not seem easy. They questioned where our port is, the issue of small roads, and no train railway to bring containers and big cargo. The basic infrastructure needed is not there. We got potential investors from Holland, Korea and Singapore but failed. Even if we want to sell land, only local Kelantanese are interested in buying.”
(Informant No. 10, Kelantan)

4.2. Discussion

This study’s objective was to investigate the CSFs practice by ECERDC and its influence on the successful implementation of regional development programmes. The obtained findings in the results demonstrated that the practice of CSFs by ECERDC have influenced the implementation of various regional programmes positively. The first identified CSF was the sense of ownership from the top level to the implementation level, which has been good. All participants under the ECERDC were found to understand well and support one another, especially when implementing programmes and projects. The relationships and communication among ECER officers, the federal government, the state government, and the community leaders have been positive. As a result, it becomes easier to coordinate programmes’ development since the relevant parties can fully participate in the development process. The implementation of various development programmes also became smooth and effective.

The second identified CSF included the roles of ECERDC as the responsible body for the development of ECER. Based on the obtained findings, ECERDC has significantly executed its three main roles and contributed positive returns to the region. In terms of investment, as of the Tenth Malaysian Plan (which ended in 2015), ECERDC managed to attract about RM 84 billion worth of investment into the region, which was significantly higher than the investment gained (RM 23.5 billion) during the Eighth Malaysian Plan (2001–2005). The mega-physical projects such as Kuala Terengganu City Centre and the upgrading of Kuantan Port City have proved their commitment to implement initiatives that provide modern and complete infrastructures for the region. Furthermore, the implementation of various human capital development programmes has improved the socio-economic status, including reducing poverty across the states of ECER. Generally, the practice of this CSF has brought about positive outcomes and impacts on the investment, job opportunities, and socio-economic status of the local community in ECER.

As for the third and fourth CSFs, ECER continuously receives good cooperation from each state of ECER and the other four regional economic corridors. Generally, each state of ECER and regional economic corridors have a unique focus and areas of specialisation. However, to date, no collaboration exists, but ECER is open to any good collaboration. For instance, the NCER intended to apply empower ECER programme in their region.

The final identified CSF by ECER was the partnership between the public and private sectors. As previously discussed, (referring to the second CSF), ECER managed to attract a total investment of RM 111.6 billion, which surpassed the investment target of RM 110 billion by 2020. As for the comparison between states, Kelantan is the state that received the lowest amount of foreign investment due to the infrastructure and logistic issues. Most of the investment came from the local people in Kelantan instead, given the extensive entrepreneurship activities. Again, this CSF practiced by ECERDC has resulted a positive impact on the secured private investment for this region.

A prior study has demonstrated the significance of the practice of CSFs for the successful implementation of government policies (Siddique, 2016). In particular, a successful implementation is attained when an organisation managed to meet the established targets of its strategic actions. Success factors are the basic components that increase the chances of achieving successful outcomes of an introduced policy. Through the practice of CSFs, ECERDC managed to meet positive impacts of various programmes implemented. It is in line with finding of a study by Latip and Othman (2021) found the development programmes by ECER have increased the job opportunities and investment in the region. It cannot be achieved without the practice of CSFs by ECERDC particularly on their roles and partnership with public and private sector.

Meanwhile, Alias et al. (2014) indicated that these CSFs offer an organisation added competitive advantage and prompt the organisation to be more responsible in implementing a project or programme. The obtained findings of this study provided empirical evidence on how ECER has prioritised all these factors to achieve impactful development projects and programmes for the local people in the region. For instance, good communication and coordination clearly gave ECER the advantage of successfully implementing the projects and programmes, as all relevant bodies fully cooperated and understood the planned projects and programmes well. In return, the overall impact of the implemented human capital development programmes has led to the improved socio-economic status of the local community.

5. CONCLUSION

Conclusively, the effective practice of CSFs had resulted in the successful implementation of various high impact projects and human capital development programmes across the ECER region. All relevant parties were involved, and ECERDC has served important roles in implementing regional development programmes in the region. Other than that, the states of ECER and the other four corridors have cooperated well, although no project collaboration has been implemented for now. Finally, ECER managed to secured a huge amount of investment through the public and private partnership practiced by this organization.

This paper has contributed to the growing body of knowledge related to the effectiveness of critical success factors in the implementation of regional development programmes in Malaysia. Based on the findings, ECERDC has practised all CSFs accordingly, particularly on the factors of ownership at all level, their roles and partnership with public and private sector. As a return, the implementation of various regional development programmes has brought positive outcomes to the region. The planned programmes also have been delivered successfully. The result should help understand which factors must be given priority by the stakeholders, especially in maximising the

impact of the development projects that benefit the local community. Attention should be given to the CSFs such as collaboration activities between ECER states and other regional economic corridors to strengthen their synergy, despite differences in specialisation and unique focus. Further, the finding could be the basis for ECERDC to review their achievement after 12 years, specifically on areas where improvements are required to achieve a developed region status by 2025.

This study also has some limitations that can lend direction to future research. The scope of data collection was limited to the policymaker and policy implementer only. The findings will be more interesting if the study can involve interviews with the project or programme stakeholders to perceive the CSFs practice in their organisation. Then, the general manager will know the influence of these CSFs from the perspective of project manager. It is hope that the findings from this study will demonstrate the importance of the CSFs practice in various development program and projects by government.

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