

CHAPTER 1: RESEARCH OBJECTIVE AND METHODOLOGY

1.1 Education System in Malaysia

In Malaysia, an intense premium is placed upon making education increasingly relevant towards meeting challenges as Malaysia progresses into the twenty-first century. The education system in Malaysia is responsible not only to meet the challenges as envisaged in Vision 2020, but also to find ways of developing quality human resource for contributions to the balanced national development as stipulated in the National Development Policy of Malaysia.¹ Towards this aim, the Ministry of Education (MOE) has set the pace for better education in Malaysia through various policies in all levels of the formal school education.

Basically, the school education in Malaysia follows a ladder system with a 6-3-2-2 plan of organisation. The primary level covers a period of six years, the lower secondary has three years, followed by two years at the upper secondary and another two years at the post-secondary level. Students will sit for common public examinations at the end of primary, lower secondary, upper secondary and sixth form levels.

In addition to this, tertiary education – in both the academic and the professional fields – are provided by universities, colleges and other public and private institutions of higher education. This can be further classified into two major components:

- ❖ Public higher education (government-funded): for example, public universities, international university, polytechnics and teacher training colleges.
- ❖ Private (private funded) higher educational institutions: for example, private colleges, private universities and foreign university branch campus.

(Please refer Appendix 1 for the routes to higher education in Malaysia)

The private educational institutions offer nursery, pre-school, primary, lower secondary, upper secondary to post-secondary education as well as tertiary education leading to the award of certificate, diploma, undergraduate degree and postgraduate degree qualifications. Private higher educational institutions (PHEIs) – comprised of private colleges and private universities - play a significant role in fulfilling the needs of tertiary or higher education for the locals as well as foreign students. The PHEIs provide a wide range of internationally rated internal qualification programmes, foreign university awarded degree programmes, professional and semi professional and semi-professional courses as well as English courses.²

For this research paper, the emphasis will be on the private higher educational institutions offering postgraduate degree in business, notably Master in Business Administration (MBA).

1.2 The Purpose of this Research

The primary objective of this research paper is to analyse the business conduction of part-time Master in Business Administration (MBA) programmes in Klang Valley

within the framework of private higher educational environment. Pursuance to this, the understanding of the demand and supply side of the MBA business is extremely important. On other hand, this paper also provides a comparative study of the general features of the part-time MBA programmes and the candidates' preferences over the features of the MBA programmes. Having established the knowledge on this area, the ways of gaining competitive advantage within the industry are to be discussed through a case study. In this case, Stamford College in PJ has been chosen as the case study.

In short, the following areas are identified and incorporated:

- Political-legal, social, technological and economical factors that influences the private higher education industry and MBA education industry in particular;
- The characteristics of various type of part-time MBA and the decision making process of candidates in choosing an MBA;
- Various competitive forces surrounding the part-time MBA providers in Klang Valley and particularly in PJ;
- The comparative studies of the part-time MBA providers on the areas of tuition fees, duration of study, concentration area, assessment etc;
- Ways to improve competitive positioning in the market, and,
- General implications to the education policy in Malaysia.

1.3 The Scope of the Study

This paper is to discover the competition confronted by the private part-time MBA providers in attracting local students to pursue the courses. The competition forced by the other types of MBAs, such as full-time and distance / virtual learning

and the competition created by institutions abroad are kept to minimal. This step is taken to eliminate the "if" concepts and variables which will eventually distort the objectivity of this paper.

Chapter 1 will discuss on the education structure and policy in brief. This then follows by looking the key aspects of this study inclusive of the objective, scope and methodology of the study. The limitations faced by the study are also enlightened in the later part of this chapter.

Chapter 2 will explain the development of the private education industry in Malaysia before and after the economic crisis in 1997. Since the study is restricted to the study of the MBA education, latest development in the MBA education industry will be discussed in-depth. In addition, the contemporary issues pertaining to this MBA education industry will be enlightened towards the end of this chapter.

Chapter 3 focuses on the demand side of part-time MBA programmes. To understand the overall level of demand, a customer analysis on their preferences is studied. In addition, the chapter will look into the criteria influencing a candidate in choosing an MBA and the private MBA providers.

Chapter 4 then looks into the different forms of institutional forces influencing the business of part-time MBA market. Towards this end, competitions in terms of the availability of close substitute products and treatment of entry to the MBA education industry are examined. By this mean, an explicit picture about the

would-be competitive strategies could be drawn based on the prevailing strengths and opportunities.

Chapter 5 deals with comparative studies on the part-time MBAs offered by 17 identified part-time MBA providers in term of comparing the MBA varsity, course fees, course duration, specialisations, assessment mode, accreditation and intakes. The chapter tries to compare the general features of part-time MBA programmes, with the primary research done on the candidates' expectation. To have wider picture, comparisons among part-time MBAs, distance-learning MBAs and candidate's preference are carried out simultaneously in some instances.

Chapter 6 deals with a case study on the business conduction of an MBA programmes by Stamford College in PJ. In order to draw out the conclusion and recommendation on the strategies, all the analysis done on the previous five chapters are capitalised into this chapter.

This final chapter (Chapter 7) touches on the implications towards the Malaysian education policy especially in the area of MBA education. This includes the needs of MOE to extend the significant supervision on the conduction of MBA business by the private sectors and the quality of MBA education in Malaysia. On the other hand, the ministry should encourage more real formal links of local PHEIs with reputable universities throughout the world in terms of education-related activities, research-related activities, activities related to technical assistance and development cooperation. Malaysian PHEI can benefit from the internationalisation process of higher education in developed countries especially

Australia and Canada, with of course a more explicit support from the government. These points are discussed in this chapter.

1.4 Research Methodology

1.4.1 Define the parameters

There are three "modes" in getting a higher degree (inclusive the Master degrees) in Malaysia and around the world. By structure, it can be grouped into three main modes of delivery: (a) Research only; (b) Coursework and thesis research; and (c) Coursework only, for a student to be awarded an advanced degree.³ In this paper, the postgraduate degree will be constantly referring to the Master degree, putting the Doctorate degree aside as it constitutes the minor population of postgraduate candidates.

"MBA" stands for Master of Business Administration. It is an internationally recognised business degree, on equal standing with other postgraduate degrees like Master of Arts or Master of Sciences. It is an academic qualification, yet practical in the treatment of knowledge in preparing candidates to excel in business and management.

"*Part-time MBA*" refers to the MBA that is tailor-made to a group of working adults who could not be go back to the school for a full-time qualification. It allows students study and work at the same time. Normally, lecturers and classes among others are held after office hours and weekends.

Many students and laymen ambiguously use the term of “part-time” in educational environment. Some categorise distance learning study as a part-time study, which is technically incorrect. According to Mr. William Chua, Programme Director of Stamford College Group, the only distinction of part-time and distance learning is on the ground that the class attendance is a compulsory for a part-time MBA in fulfilling the awarding requirement as prescribed by the university concerns. Unlike distance learning MBAs, class attendance however is not compulsory though some MBA providers make the attendance as necessary.

Distance learning programmes have been revitalised and given increasing credibility by the spread of information technology. The classes for distance-learning MBAs are less frequent and the candidates are given the necessary materials to engage in self-study (with assisted tutorials by local facilitators if the programme is offered through local provider). In parallel to this, some MBAs have revamped to capitalise on the advantage of both part-time and distance learning components to meet the busy schedule of working adults.

Part-time MBAs as defined in this study cover the following available options:

- (a) MBA by coursework / taught course,
- (b) MBA by taught modular-cum-dissertation,
- (c) MBA by taught set module-cum-residency,
- (d) Part time MBA with part of the modules done on-line;
- (e) Part time MBA with part of the modules done distance learning and,
- (f) Executive MBA.

Following MBAs are not constituting as part-time MBA in this paper: -

- (a) MBA by distance-learning (fully self-study),
- (b) MBA by distance-learning (with local supports, e.g. assisted tutorials, seminars, workshops),
- (c) MBA by virtual learning,
- (d) MSc/MA that is equivalent to MBA (due to the different treatment of knowledge).

"Private sector" in this context refers to the private colleges, private universities and privately registered consulting firms or institutes who have obtained authorisation to conduct MBA programme.

"Klang Valley" covers the Federal Territory and Selangor (including PJ).

1.4.2 Source

The source of this paper is a mixture of descriptive analysis (secondary research) and primary research. The primary research focuses on identifying the main variables which will give a competitive edge to the providers offering part-time MBA programmes. The research also aims to see whether factors influencing the competitive position is similar to what has been identified in the secondary research done on all the 17 identified part-time MBA providers.

Followings are 17 identified part-time MBA providers with their corresponding 19 partner universities. The identification of the part-time MBA providers in Klang Valley was primarily done through contacting the private educational institutions for MBA details individually. "WENCOM'S Higher Education Guide", 7th

Edition, published by WENCOM and the internet sources were widely used as the main source to secure a list of MBA providers in Malaysia and their telephone numbers. The details of product features, inclusive associated universities, title of MBA, fees, qualification etc lay through the Appendix 2.

- (1) **Action Learning Centre Sdn. Bhd**
(International Management Centre, Oxford Brooke University, UK)
- (2) **Asian Institute of Management, AIM**
(Asian Institute of Management, Philippines)
- (3) **Binary Business School**
(University of Sunderland, UK)
- (4) **Cybernetics Institute of Technology (previously known as Asian Centre for Development Studies of Stamford College Group)**
(Southern Cross University, Australia)
- (5) **International City Institute of Technology, CITI**
(Victoria University, Australia)
- (6) **IRI Institute of Graduate Studies**
(Charles Stuart University, Australia)
- (7) **Kemayan ATC**
(University of Western Sydney Nepean, Australia)
- (8) **KLC Center for Higher Studies**
(University of Wales, UK)
- (9) **Kolej Damansara Utama, KDU**
(University of Lincolnshire and Humberside, UK)

- (10) **Malaysian Institute of Management**
(University of Bath, UK, Maastricht School of Management, Netherlands, and, AMMO-RMIT, Australia)
- (11) **Mina Management Institute**
(American University of Hawaii, US)
- (12) **Olympia College, Raffles Education Group**
(Nottingham Trent University, UK)
- (13) **PJ Community College, PJCC**
(Edith Cowan University, Australia)
- (14) **PTPL College**
(Sydney Business School, Wollongong University, Australia)
- (15) **Strategic Business School, SBS**
(University of Ballarat, Australia)
- (16) **Universiti Tenaga Nasional**
(Universiti Tenaga Nasional, Malaysia)
- (17) **Wira Konsep Sdn. Bhd.**
(University of Newcastle, Australia)

1.4.3 Primary Research Objective

The aim of the primary research is to identify the key factors considered potential MBA participants before deciding a MBA course to pursue. The key search areas are as follows: -

- I. To find out reasons for an adult to pursue an MBA either on a full-time, distance learning or part-time basis;
- II. To find out the course fee with which they are comfortable with;

- III. To find out the preferred duration and options available in the course;
- IV. To find out the preferred course assessment method, and,
- V. To find the study support and customer services that they are satisfied.

1.4.4 Data Collection Method

To obtain the primary data, a close-ended questionnaire design was being chosen. This method provided an accurate snapshot of identified aspects of the market environment. To allow for flexibility, space was provided at the end of the options where the respondents could include their opinions. This would capture views that might not exist in the structured multiple-choice options.

1.4.5 Questionnaire & Sampling

In order to understand the demand-side of the MBA programmes well, close-ended questionnaires were distributed to cover as wide industries as possible. It was deliberately given to the MBA prospects with different industry background. It was presumed that the external environment might influence, by and large, the decision-making process of the MBA candidates. The questionnaires were sent to those who were currently holding a position as executive or manager, and had a recognised undergraduate degree or equivalent for the MBA admission purposes.

Those who did not possess any higher education qualification were included either, but the requirement was they must have 5 years working experience as a minimum and above 25 years old. This was to ensure that the respondents had reached a certain level of maturity and could be accepted to study for an MBA.

The companies involved – and the numbers of questionnaire collected – are stated below:-

- (1) Samsung and KHIND Industries (Manufacturing Industry) 10pcs
- (2) Hong Leong Bank and Affin Perwira Bank (Banking Industry) 10pcs
- (3) Hong Leong Assurance and Crawford Assurance (Insurance Industry) 10pcs
- (4) Allison Genesis Hotel (Hotel and Catering Industry) 10pcs
- (5) Aetna genesis Healthcare (Healthcare industry) 10pcs
- (6) Nanyang and Sin Chew (Media Industry) 10pcs
- (7) Esso and Petronas (Petro-chemical Industry) 10pcs
- (8) Prestige Sdn. Bhd. (Construction Industry) 10pcs
- (9) Stamford College in PJ, KL and Ampang (Education Industry) 10pcs
- (10) Soo Thien Ming & Nashrah (Legal Industry) 10pcs

100 questionnaires were sent and collected through the close network of the author with most of the senior directors, chief executives, partners and friends. To achieve the high-end results, the persons assisting the author in distributing the questionnaires were being briefed thoroughly.

1.4.6 Secondary Research

Quantitative data, which was historical in nature, was obtained from annual reviews, journals and market reports, government bodies and private organisations in Malaysia and other countries.

Text books, government publications relevant to the education industry, periodicals and many other forms of published and printed materials had been used vastly in order to draw relevant literature related to the studies and to support arguments.

Published statistics from "The Condition of Education 2000" published by National Centre for Education Statistics, US Department of Education, Financial Times and Fortune were mainly used to study the current issues pertaining to the business of MBA programme. Though the statistics were not directly relevant to the Malaysian context, some causal conclusion could be drawn because the MBA courses were originally started in America and since then evolved to be the most important business qualification for managers / executives throughout the world. In principal, the business of MBA providers in Malaysia could be considered more or less "photo-type" of American model.

Brochures from MBA providers were used long-winded. This source provided information required for the thorough comparative studies in the later chapter. By this mean, all the most important information pertaining to the types of MBAs offered, tuition fees, scholarships, duration etc could be obtained objectively. The data obtained from some of the well-known WebPages on MBA education and market, such as www.studymalaysia.com, www.MBAinfo.com, www.theasianmba.com, www.businessweek.com, and www.MBA.net.com had been used extensively to identify some important sources.

1.4.7 Other Methods of Data Collection

Informal interviews were also been conducted with the Programme Director of Stamford College which were also the Departmental Head for the MBA Programmes in Stamford College, Senior Director of Stamford College, Principals of Stamford College in various centres and Deputy Director-General of Private Education Department of MOE. The main purpose was to gather more insight on their opinions towards the MBA education industry and the strategic aspects of the MBA programmes. This outcome of the interviews was used to support the statements made by the author.

1.4.8 Limitations

There were a number of problems encountered during the preparation of this paper especially with the methodology employed to gather information for these studies.

Most information used were gathered from analysing brochures, which might involve biases. The part-time MBA providers publish information that might not reflect the real situation such as certain specialisation in MBA programme was not being offered due insufficient of student enrollments or teaching staff, changes of partner university etc. Along with this, the private tertiary education providers are reluctant to disclose the overall fees charged for their MBAs.

At some instances, the Internet was used but again the same problems were encountered. Either the information on the Internet was insufficient or outdated.

There were also difficulties encountered in collecting data related to the trend in the part-time MBAs. The mushrooming of this particular segment could be considerably a recent phenomenon due to the raising in study opportunities and the need of career advancement after the economic crisis in 1997. If time series analysis were done, the insufficient or incompleted data would be the major problem. Irrelevancy of data fitting to the need of this paper was also a problem. Therefore, cross-sectional data was employed more frequently in this research.

According to En. Yaacob Wan Ibrahim, Deputy Director-General of Education of Private Education Department in MOE, there was significant less data available in the ministry, especially in the area of MBA segment. This problem arose because most of the private higher learning institutions were (and still) not following the directives given by the ministry to submit the latest figures. In addition, there was only less staff in his department to do the data collection and the supervise function was inadequate. The data available to the ministry, he expressed, was 'general' as posted on the Internet.

Moreover, there were difficulties in finding relevant literature relating especially the competition in this area. It was also difficult to find articles from newspapers related to the changing trend and industry growth of this market segment in Malaysia. Despite of all these problems, the study was carried out successfully and the results are presented in the following chapters. In the next chapter (Chapter 2), a literature review on the external environment that all the private MBA providers are operating is presented.

Notes and References

- 1 WENCOM Career Consultancy (2000) **WENCOM'S Higher Education Guide 2000/2001**, 7th Edition, WENCOM
- 2 Challenger Concept (2000) **Studying in Malaysia Handbook**, 2nd International Edition, Challenger Concept (M) Sdn. Bhd.
- 3 Dr. Ahmad Mahdzan Ayob and Dr. Noran Fauziah Yaakub (2000). **Development of Graduate Education in Malaysia: Prospects for Internationalisation**, www.mahdzan.com/papers (pg. 6: Structure of Graduate Programs)