MARKETING EDUCATION IN MALAYSIA: IMPLICATIONS FOR AUSTRALIAN TERTIARY INSTITUTIONS.*

by

CHRISTOPHER T. SELVARAJAH

(Serial No. 43)

Faculty of Business
Staff Papers

SWINBURNE INSTITUTE OF TECHNOLOGY
A division of Swinburne Ltd
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* This paper was presented at the Management Educators Conference, November 1987 at Sydney University.

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MARKETING EDUCATION IN MALAYSIA: IMPLICATIONS

AUSTRALIAN TERTIARY INSTITUTIONS

Christopher T. Selvarajah

Brief

In August 1985 the Australian Minister of Education, Senator Susan Ryan, announced a change in the Commonwealth Government's education policy towards marketing of Australian degrees and diplomas overseas. This decision has been welcomed by tertiary institutions with a certain amount of mixed feeling. A number of institutions, both universities and colleges of advanced education from Perth to Brisbane are considering partnership arrangements with foreign bodies quite vigorously. This enthusiasm, to an extent, has been dampened by the ACTU Education Group claiming that the development of marketing of courses to overseas students at full-fee cost was contrary to ACTU policy and that education should be provided in the region on a basis of foreign aid rather than trade. The Australian Teachers Federation at its 67th annual conference has also raised a number of issues that it believes would be against the interest of its members and its total philosophy of education in total.

This paper looks at Australia's need for a thorough study of market potential in Malaysia, and the problems that can be encountered in the process of planning education joint ventures in Malaysia. The acceptability of Australian education in Malaysia will depend on responses in both countries.

The Australian Effort

The Australian tertiary system, except for having in the past taught Asian students on the same conditions and terms as other students in

The Author acknowledges the information provided by Mr. Navaratıparajah of the Malaysian Ministry of Education and the staff of the Vanto Professional Centre in Kuala Lumpur during the visit in January 1987.
Australia, has not made much effort to understand the systems, institutions and the people of Asia.

The academic community of Australia has avoided its Asian neighbours on their trips on sabbatical which generally have been to Europe and/or the United States. Many would have stopped over in Singapore on their way back and that would be the sum of their contact with Asia.

It is with this experience that Australia is going forward to package its education to its Asian neighbours. It has no relevant experience curve to base its commercial efforts on. Exhibit 2: 'MBA Learning Curve shows the extreme fluctuation of the 'industry' and indicates that it is still in the early stages. Exhibit 1 illustrates the various foreign MBA programmes in Malaysia, the degree granting authority, duration of course, admission requirements and the fees.

The form of the educational delivery arrangements covers a wide range, from joint ventures to a total commitment to off-campus teaching from Australia. Very little consideration, however, has been given to the constraints that might be encountered in a foreign culture or to the limitations of the Australian delivery system.

The added teaching load and increased responsibility for staff and regular absence from their families has not been given much attention. Unless there is total commitment from the start by those who will be directly involved in teaching in Asia for whatever length of time the end result is going to be deficient.

Delgations from different tertiary institutions have been to Asia in the last two years looking for possible business arrangements for the marketing of their courses. There have been some successes and many disappointments. The institutions which have succeeded are those which have used local foreign expertise and knowledge to market and run their courses.
Arrangements with foreign nations have to be considered on a long-term basis, suitable for the growth needs of Australian institutions and those of the host countries. Political and legal considerations and also saturation points in the different markets are important.

We have to bear in mind that apart from Australia, the UK, Canada, and the US are actively marketing education programmes in Asia. New Zealand is yet to enter the market the likelihood of which, at the present time is limited. This perhaps is largely due to the New Zealand Labour Government's policy of free education for both local and foreign students. However, in the last few months the University of Auckland has announced the admission of fee paying overseas students. Also, Massey University is thinking seriously of extending their on-campus MBA on a fee paying basis for foreign students and perhaps also an Executive MBA on fee paying basis for foreign and local students.

The Malaysian Market

Marketing of education, like any consumer product, requires a good understanding of the environment in which it is sought to operate. Many Australian tertiary institutions are seeking outlets in the Asian market and are specifically looking at Malaysia.

The Malaysian tertiary system is presently undergoing dramatic change. The growth in the demand for places in the tertiary institutions in Malaysia far exceeds the available supply. At the moment there are about 60,000 Malaysian students studying in educational institutions overseas. This figure does not include students who are studying for foreign qualifications from inside Malaysia. Malaysia is possibly the only independent nation that has more of its students studying at tertiary institutions outside the nation than inside it. The reasons for this anomaly are many. Some of the issues have been addressed in the
past by educationalists but it is worth looking at it again in the present day context, especially when the Malaysian tertiary education system is at the cross road.

The past

The British heritage that was delivered to Malaysia on independence day on the 31st August 1957 lacked an educational system beyond high school level. The British it seems had learnt a bitter lesson in educating the "natives" of India and so had adopted a policy of depriving the other nations of the British Empire of tertiary education. There was no university on Malaysian soil (Malaya, Sabah, and Sarawak) before independence. Only the rich and a select few with scholarships were fortunate to attend foreign universities and on returning to Malaysia were able to secure administrative positions in the then Malayan Civil Service (MCS). Most of the pre-independence Malaysians with secondary school qualifications had to be content with clerical positions and below. The private sector, with the exception of the plantation industry, was not a big employer of secondary school graduates prior to independence. Thus, with this history, it is not surprising that Malaysia lacked a proper tertiary education system to cater for all Malaysians.

The Present

Many may question the lack of initiative on the part of the Malaysian Government to promote universities to cater for all Malaysians after independence. This is a valid line of inquiry and one which the Malaysian government is starting to address as a serious issue. The author believes that the Government's initiative in promoting joint ventures in education of local education institutions (commonly referred to as twinning or split-degree programmes) with foreign universities is a
fore-runner to a quasi or even a full university status to some of the local institutions in Malaysia. However this process of change will not be immediate and the process will be monitored by the Malaysian authorities. In the 1970's Merdeka (independence) University, a Chinese medium private university, was mooted by the MCA, one of the political parties of the National Coalition Government. The Malaysian education authorities rejected the proposal as being in conflict with the national education policy of Malaysia. Chinese (Mandarin) was to be the medium of education of the Merdeka University was seen as propogating an ethnic language as opposed to Bahasa Malaysia, the national language.

Issues

To totally satisfy the demand by Malaysians wanting to attend tertiary institutions at the present moment, the government has to consider the establishment of about 12 universities with a capacity of 5000 students each. This, in effect, will give the country 18 universities. This is comparable to Australia with a similar population to that of Malaysia, and Australia has 20 universities. Australia has, however, in the last 15 years established about 48 Colleges of Advanced Education (CAE's) with degree conferring rights to satisfy the increasing demand for tertiary education in Australia. The growth in demand for tertiary education in Malaysia has coincided with the expansion of the economy and it is unlikely that the Government alone can satisfy this demand in the foreseeable future.

The foreign tertiary education issue has become more prominant since Britain first introduced discriminatory fees for overseas students in the mid seventies, and this issue has gathered momentum in recent years with Australia following on its heels. Paradoxically New Zealand, a nation badly hit by recession, removed discriminatory fees in January 1986 for foreign students as a gesture of support to the third world in its efforts for economic development.
The education issue has also become more obvious with the current down-turn in the Malaysian economy and the loss of about a billion Malaysian dollars (A$800 million) per annum by Malaysian students in their pursuit of foreign qualifications. This is a figure that a developing country like Malaysia can ill-afford.

The important question that a country like Malaysia has to face as a priority issue is how to develop a system of education that would satisfy the local demand for tertiary education. A short term strategy to meet the immediate demands and a long term strategy to satisfy total demand within the foreseeable future is imperative. At the present moment Malaysia is at the mercy of foreign nations who have realised the lucrativeness of exporting education as a commodity to the third world. Malaysia, perhaps by default, has allowed itself to be exposed to the whim and fancy of educational policy changes of foreign nations. This is a matter that could develop into a political issue in Malaysia if measures are not taken to remedy the situation.

The Malaysian government is under pressure from within the country to tackle the education issue since this is fast becoming a wedge in the harmonious relations of the various races. There is keen competition to get into the local universities. Seven out of ten places at the local universities are allocated to Malays, two to Chinese and one to Indians. The composition ratio of the population is approximately 5:4:1 respectively.

Strategies

Remedying a problem as vast as this and one that has a far reaching consequences for the Malaysian economy is no easy matter. Malaysia is, at the present, hard-pressed to provide more places for students at the tertiary level. In the short term it is unable to provide or meet the growing demand for tertiary qualifications. As stated earlier total
satisfaction means providing **immediately** 60,000 places. This is an impossible task even for a developed country. Therefore the **author** sees this problem as an issue that Malaysia has to address on a long term basis. The Malaysian **Government** has accepted the fact that it alone cannot solve the tertiary education problem. The private sector is being looked at as a partner in education with the Government. Reputable institutions like *Mara, Tunku Abdul Rahman College (TAR)* and *Vanto Academy* who have the genuine interest of educating the general **public**, and who have accepted the task of providing tertiary **education** as a supplementary system to existing government sponsored **tertiary institutions**, are being encouraged to initiate and offer courses which are of relevance to the development of the nation. Other private institutions have also sprung up recently to meet this challenge.

The Malaysian education system is keen to consider any joint venture proposal in education that is able to resolve the current dilemma without jeopardising the sensitive education mix it maintains in a **multiracial** country. Under the government's economic priorities it is obliged to observe the educational policy guidelines but it recognises the need to defuse the pressure that is created by these economic priorities by allowing other educational inputs from overseas.

Malaysia, in its effort to improve the situation, encourages **local** educational institutions to accept joint venture programmes with reputable foreign education institutions offering their courses locally. Since this policy was first encouraged in 1984 at least 35 Malaysian organisations have begun offering split-degree programmes. It is estimated that they have a combined student enrolment of 10,000, each paying between **A$8,300** and **A$17,000** for a complete **MBA** course and between **A$4,000** and **A$18,200** for a complete undergraduate degree programme. The most popular undergraduate course is the business degree, majoring in accountancy and/or computer science.
Constraints

The mushrooming of this new business of Malaysian companies going into joint ventures with foreign educational institutions has attracted many organisations that are not normally in the field of education. A number of problems have cropped up and the Malaysian Ministry of Education is about to introduce changes to the Education Act 1961. The Ministry is closely monitoring the development of education joint venture programmes. A number of these twinning arrangements have been placed on the suspect list because of the lack of commitment, the quality of education, and a number of issues like entry of foreign educators without work permits.

The Ministry is concerned that the trend has grown out of proportion. A large number of the estimated 35 local organisations offering twinning programmes are private business companies that have sprung up to cash in on this crisis. A number of them are genuine but an equal number are there to make short term gains. Some local organisations have links with foreign institutions whose degree-giving authority is questionable. Some of the programmes are not recognised by the Malaysian Government. There are foreign programmes that are not even accredited by their own home government or professional body. There are also some reputable foreign institutions who have developed programmes "tailor made" for Malaysia but are not offered on their own campus. An Australian CAE was recently negotiating to offer an MBA that they do not offer on their campus.

A growing number of Malaysian academics are now entering the lucrative market of providing education by setting up their own companies. This is indeed commendable and their expertise will definitely provide the impetus for quality education. It is, however, becoming evident that managing educational institutions also requires managerial capabilities. A growing number of such educational
organisations are ceasing operations due to bad planning and control, and causing hardship to students who have enrolled with them. Some institutions resort to cancelling programmes when the number of enrolled students falls below the profitability level.

The Malaysian Ministry of Education is also concerned that there are foreign universities offering degree programmes and, in one instance, an MBA programme is offered through a local organisation without government recognition. The admission criteria seem also to vary with each student. Students with questionable qualifications and work experience are being admitted to the MBA programme. 'Paper qualifications seem very important in Malaysia and where there is an unsatisfied demand, both scrupulous and unscrupulous suppliers are bound to emerge.

Tertiary qualifications, like the MBA are now being tailor made for certain industries. The Malaysian plantation industry now has a one year MBA by correspondence promoted by a reputable British tertiary institution. This may not be as bad as it sounds because, a well organised programme can benefit individual industries. In essence the idea of a business programme is to improve managerial standards and to promote the idea of managerial excellence.

The prospects and opportunities for Australian tertiary institutions wanting to promote their courses in Malaysia are vast and could be profitable for both the institutions and the country. The market is unsaturated but the approach to marketing the courses should be a test in itself to the professionalism of the institution. Marketing of educational courses internationally is relatively new to Australia and the pitfalls are numerous. The following guidelines are suggested by the Malaysian Ministry of Education and could become possible inclusions in the Education Act to be enacted:

- The foreign tertiary qualifications must be recognised by the Malaysian Government before a local private body is allowed to establish any link with a foreign institution.
The qualification being offered must be consonant with the needs of the Malaysian Government.

. The programme must include some salient features of local culture and not be totally and solely an off-shoot of the foreign university. This implies that no local Malaysian body will be allowed to act like a branch campus of a foreign university.

. The foreign tertiary institution with which the local Malaysian body wishes to establish links must be of reputable standing.

. The qualifications being offered must not be in an area where there is already an oversupply in Malaysia.

. Other existing conditions such as qualified staff, reasonable fees and teaching-learning facilities should also be satisfied.

**Confusion over Australia's marketing approach**

The confusion that the foreign markets are suffering at the present is the dual nature of entry into Australia for the purpose of education. The foreign aid programme, known as the Private Overseas Students Programme, which was the main category under which students arrived in Australia for the purpose of studies in the past is now being replaced progressively by the "Overseas Full Fee Paying Student" programme. Foreign government sponsored students were covered by different category of the foreign aid scheme which still exists. Therefore in effect, only Government to Government foreign aid in education exists. The foreign private sector participation in the foreign aid scheme is now being slowly removed. The foreign aid in the form of foreign government sponsored students has its drawbacks in many countries. In Malaysia it is not based on merit but on the economic policy of the country. It has in effect minimised the entry of the Malaysian Chinese and Indians into Australian educational institutions. In the past the existence of the
Private Overseas Students Programme was accepted as a valid argument in favour of equity. The consumer market, mainly the Asian market, is confused with the different approach to marketing the same commodity. In effect we have three marketing approaches to promoting Australian education overseas; the government sponsored overseas student scheme, the altered Private Overseas Students Programme and the direct entry of full fee paying students.

Coordination

The Commonwealth Government initiative has encouraged many individual Australian institutions to explore the market. Their effort has lacked coordination and various estimates of the possible earnings have been made but hard data is lacking. This lack of coordination has caused greater confusion in the overseas countries. The overseas countries have become confused about the distinction between official government contacts and the effort of individual entrepreneurs. This lack of coordination has also hindered a concerted effort by Australian institutions in promoting their products. If this is not halted the coverted Australian degrees and diplomas will begin to take on an image of "cheapness".

For the purpose of coordination and effectiveness, a central body like the British Council for education is imperative. It should be mooted on a Federal level and not on a State basis. A fragmented approach should be avoided. The Commonwealth Tertiary Education Committee (CTEC) has neither the resources nor the expertise to be the coordinating body but it should sponsor the establishment of this coordinating body and have a close liaison with it.

The function of the coordinating body with respect to the export of educational services should be:
(i) The establishment of **educational** support systems in **foreign** countries where Australian education is being promoted. Services such as libraries and other support systems should be provided; similar to the services of the British Council.

(ii) To provide service for individual Australian institutions in promoting their courses, eg.

(a) To identify the type of courses required and the **demand** for such courses;

(b) To be sensitive to Australian foreign aid and foreign policy considerations;

(c) To advise students on the suitability of prospective courses;

(d) To conduct all initial exploratory exercise in identity, **needs** and reputation of host institutions (if a joint venture is sought);

(e) To promote Australian educational services in **overseas** countries;

(f) To monitor the growth of the market and the potential or setbacks in future forecasts.

The establishment of the coordinating body should be jointly **financed** by the Commonwealth Government and the **individual** Australian Institutions who seek membership of this body for the promotion of their courses internationally. A body such as this will be promoting the interest of the Government as well as the individual institutions.

Austrade, a commercial trade agency of the Federal government has neither the expertise nor the resources to provide the services required of a coordinating body. Nevertheless, Australian tertiary institutions have sought Austrades expertise in penetrating the Asian **markets**, successfully and its role in market research should be sought by the coordinating body.
## Exhibit 1

<table>
<thead>
<tr>
<th>Degree Granting Authority</th>
<th>Representative in Malaysia</th>
<th>Year of Commencement</th>
<th>Duration of course</th>
<th>Admission Requirements</th>
<th>Fees</th>
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<tr>
<td>University of East Asia, Macau</td>
<td>Centre for Research Education &amp; Development of Organisation (CREDO)</td>
<td>Aug. 1984</td>
<td>2 years (Part-time)</td>
<td>Bachelor Degree &amp; 2 years full-time work experience</td>
<td>A$4900 per year</td>
</tr>
<tr>
<td>The International Management Centre from Buckingham (IMCB)</td>
<td>Action Learning Centre</td>
<td>Mar. 1984</td>
<td>18 months (Part-time)</td>
<td>4 years management experience Organisation support IMCB aptitude test</td>
<td>A$12,950 for full programme</td>
</tr>
<tr>
<td>Cranfield School of Management CIT, U.K.</td>
<td>P.A. Centre</td>
<td>Jan. 1985</td>
<td>2 years (Part-time)</td>
<td>Honours Degree 3 years working experience. GMAT Score 550 TOEFL 600</td>
<td>A$14,706</td>
</tr>
<tr>
<td>Oklahoma City University USA</td>
<td>P.J. Community</td>
<td></td>
<td>12 months</td>
<td>TOEFL 550</td>
<td>US$8608 (A$13,000)</td>
</tr>
<tr>
<td>University of Warwick</td>
<td>Federal Publications through Wolsey Hall Oxford</td>
<td>Jan. 1986</td>
<td>4 years (Part-time)</td>
<td>Not available</td>
<td>A$1700 per year</td>
</tr>
<tr>
<td>Brunel University U.K.</td>
<td>Kassim Chan Management Training Sdn. Bhd.</td>
<td>March 1985</td>
<td>2-3 years (Part-time)</td>
<td>Degree or professional qualification or Diploma holders over 35 years old</td>
<td>A$11,800 paid over 8 quarters</td>
</tr>
<tr>
<td>University of Bath</td>
<td>Malaysian Institute of Management</td>
<td>July 1987</td>
<td>2 years (Part-time)</td>
<td>Honours Degree or MIM Diploma of Merit Level. GMAT SCORE 500. 5 years managerial experience</td>
<td>A$8,300 paid over 8 quarters</td>
</tr>
</tbody>
</table>

Source: Research Data by C.T. Selvarajah
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