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**AI AND THE FUTURE OF LEADERSHIP DEVELOPMENT:
NAVIGATING TRANSFORMATIVE MANAGEMENT STRATEGIES**

**INTERNATIONAL
CASE STUDY
CONGRESS
(ICSC 2024)
e-PROCEEDING**

(e-ISSN: 2756-8482)

**RAIA HOTEL & CONVENTION CENTRE
ALOR SETAR, KEDAH
19-21 AUGUST 2024**



ORGANISED BY:



Pusat Kajian Kes Pengurusan
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**Proceedings of the International Case Study Congress (ICSC)
2024**

**Raia Hotel & Convention Centre Alor Setar, Kedah, Malaysia
19 – 21 August 2024**

Editorial:

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Cover Designed by:

Aida Muslieana Mustaffa

e-ISSN: 2756-8482

Published by:

Universiti Utara Malaysia 06010 UUM Sintok, Kedah MALAYSIA

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TEACHING CASE

Title	Page
1. Medilabz Signature Marketing Strategies in Hybrid Business Model <i>Sanggetha Gopalan, Narentheren Kaliappen</i>	1
2. Journey to Success: The Entrepreneurial Odyssey of Jeeha's Tailoring Venture <i>Norashidah Hashim, Lily Julienti Abu Bakar, Shuhymee Ahmad, Azahari Ramli, Sahadah Abdullah, Maryam Sakinah Md Faudzi</i>	9
3. Ready or Not: Driving Change at Tanjung Rhu Construction <i>Nazahah Rahim, Faizahani Ab Rahman, Marini Kassim, Rosnia Masruki</i>	16
4. Space Crunch and Food Loss: A Bakery Dilemma <i>Siti Nurulhuda Nordin, Norasikin Hj Salikin, Intan Fatimah Anwar, Ummi Salwa Ahmad Bustamam, Syadiyah Abdul Syukor, Nur Aliya Amalin Ramli</i>	20
5. Self-Distribution of Business Zakat for CSR Initiatives: The Case of Bank Rakyat <i>Muhammad Syahir Abd. Wahab, Hasnah Shaari, Fathiyyah Abu Bakar, Norfaiezah Sawandi</i>	25
6. Hendak Seribu Daya, Mahu Seribu Cara <i>Azrihisyam Jambut</i>	41
7. Marketing Mix Analysis and International Expansion: A Case Study of Gano Excel Amidst Global Challenges <i>Shir May Ooi, Afifah Alwani Ramlee</i>	63
8. Kulat Oh Kulat <i>Mohd Nusi Abdul Rahman, Rohalinda Ahad, Rahmathbee Zarinatun Mohd Abdul Kader</i>	73
9. Cegah Sebelum Parah: Kajian Kes Koperasi Bulat Air Bhd <i>Salwana Ali, Mohd Hamzah Kasim</i>	80
10. Sudah Terhantuk Baru Terngadah: Koperasi Radio Berhad <i>Hajar Azwin Mohamad Ashi, Siti Hafizah Ramli, Norfaezah Mahmood</i>	83

RESEARCH CASE

	Title	Page
1.	Is It Revive or Survive: The Case of Langkawi's Muslim-Friendly Budget Hotel (MFBH) <i>Mohd Shafiq Abdullah, Noor Amalina Mat Yusof, Rozila Ahmad, Asmahany Ramely</i>	89
2.	A Study of Digital Marketing Through Consumers: The Impact of Digital Marketing Tools on Consumer Behavior (USAS Students) <i>Azlydia Johar, Sarah Nur Ahmad</i>	102
3.	Building and Repairing Homes for the Poor: Prudent or Burden? <i>Zalinah Ahmad, Noor Liyana Hassan, Haslinda Hamzah, Nur Hikmah Subri, Badrun Hisham Zulkarnain, Nur Natasya Hasni Mohd Rosle</i>	117
4.	The Relationship Between Actual Revenue and Gross Regional Domestic Product, in Indonesia 2010 - 2023: Provinces Level Analysis <i>Ice Anggraini Larasati, Osaid N A Abdaljawwad</i>	128
5.	Strategic Analysis Case Study: M K Land Holdings Berhad <i>Mohamed Farith Mohamed Jamal, Muhammad Hanif Idris, Fatimah Zahra, Shafa Dewi Nugroho, Amir Mursyid Roslan, Ong Koon Loong, Mehdi Cherif Seridji, Ismail Nizam</i>	139
6.	The Failure of China State Grid in Acquiring Eandis in Flanders: A Marriage Takes More Than Two <i>Haiyan Zhang</i>	166
7.	University as a Zest for Human Capital Development <i>Marfunizah Ma'dan, Vally Senasi</i>	174
8.	Observation of Youth Awareness on Data Analytic-Related Skills and Knowledge <i>Ahmad Hafiz Mohd Hashim, Noraida Abdullah, Abdul'aziz Mislend, Nazarul Abidin Ismail, Adli Bahari, N.Azis</i>	183

9. **Beyond Hospitality: The Inclusive Community Model of Kampung Stay at Kem Modal Insan** 191
Norasikin Salikin, Siti Nurulhuda Nordin, Intan Fatimah Anwar, Syadiyah Abdul Shukor, Ummi Salwa Ahmad Bustamam, Nuraliya Amalin Ramli
10. **A Cut Above: How C-Cut Hair Salon Transformed the Local Barbershop Scene** 196
Siti Nurulhuda Nordin, Norasikin Hj Salikin, Intan Fatimah Anwar, Ummi Salwa Ahmad Bustamam, Syadiyah Abdul Syukor, Nur Aliya Amalin Ramli
11. **Bouquets & Brews: A Look Inside Hannah Petal's Blossoming Café Culture** 203
Intan Fatimah Anwar, Siti Nurulhuda Nordin, Norasikin Hj Salikin, Ummi Salwa Ahmad Bustamam, Syadiyah Abdul Shukor, Nur Aliya Amalin Ramli
12. **Resilience and Balance: A Journey Through Woman Entrepreneurship and Family Values** 207
Nur Harena Redzuan, Siti Saffa' Shahrudin
13. **Putting Oils to Avoid Friction: An Islamic Microfinance Aid for Cafepreneurs** 213
Mohd Faizuddin Muhammad Zuki, Razinda Tasnim Abdul Rahim, Nur Harena Redzuan, Salina Kassim, Romzie Rosman, Siti Saffa' Shahrudin
14. **Sambal Kak Cah: The Story of a Woman with an Iron Heart** 223
Salina Kassim, Ieman Huda Adnan, Siti Nursyawani Misman
15. **Playing Rock, Paper, Scissors: Haris's Barbershop Journey** 231
Siti Saffa' Shahrudin, Nur Harena Redzuan

Medilabz Signature Marketing Strategies in Hybrid Business Model

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Teaching Case Synopsis

This teaching case is about medical laboratory marketing strategies in business-to-business-to-customers model (B2B2C). Medical laboratories provide services to analyze the variance of human biological specimens to detect the initial stage of disease or prevent the future spread of infection or disease. This case study discovers the marketing strategies implemented by the medical laboratory. The medical laboratory's primary business model is B2C, or B2B2C. In order to understand the marketing strategies in hybrid business models, this case study deliver medical laboratory marketing strategies in B2B2C model as evidence by Medilabz Signature Penang Sdn Bhd, was shared insightful experiences for this study. The B2B2C model is about business-to-business-to-consumer, where one business provides goods or services to another business, and at the end, both businesses reach the same customers. Therefore, Medilabz Signature's laboratory provides business to general practitioners, hospitals, and other health care providers to empower people with health insights to improve their wellbeing. However, to engage with intermediaries and end customers the laboratory had conducted market analysis thereby created effective marketing strategies to foster business expansion. Despite being a new laboratory, Medilabz Singnature's marketing strategies in the hybrid model is one of its strengths in lab development. This teaching case can enhance the knowledge for students about B2B2C model. Students able to acquire the approach to reach end customers by attracted intermediaries with marketing strategies. Alongside, students able recognize the market analysis that discloses marketing strategies to reach target customers. Furthermore, students able to analyze the beneficial of implemented marketing strategies in achieved B2B2C. Beyond that, this teaching case encourages students to identify the excluded marketing strategy concerning to reach B2B2C.

Keywords: Medical laboratory, marketing strategies, B2B2C, business to business, business to consumers.

PROLOGUE

Medilabz Signature Penang Sdn. Bhd. is located in Penang, Bukit Mertajam. This laboratory started in 2022 as Medilabz's third laboratory. Medilabz Signature is a new player in business. Initially, as a startup in the service sector, Medilabz Signature struggled to growth in business due to a lack of recognition and inability to reach target customers, which hindered a business growth potential. In this situation, the laboratory manager started to look for businesses to reach the target customers in a business-to-business-to-customer model (B2B2C). Therefore, conducted market analysis and determining the marketing strategies in the B2B2C model needed to be efficient. Following several months of effort with efficient marketing strategies, Medilabz Signature was able to reach a business-to-business model in first cooperation was with general practitioners. As a result, this laboratory subsequently reached the customers through intermediaries, connecting the business-to-business-to-customer model. Having made gradual progress, Medilabz Signature got recognized and was able to sustaining in business by expanding business partners and customers.

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MEDILABZ LABORATORY

Medilabz Laboratory was established in 2021 in Johor Bahru. In succession, Medilabz opened another branch in the same year with a similar name in Kota Bharu. At this moment, Medilabz's last branch is Medilabz Service in Kuala Lumpur, which opened in 2022 after establishing Medilabz Signature Penang in the same year. Each of the four laboratories is under a decentralized network with different healthcare shareholders and management for each branch.

Medilabz laboratories provided services such as basic health screening to detect health issues earlier, comprehensive health screening with more tests than basic screening, corporate packages to screen employee's health, gold health screening with comprehensive tests, blood tests to be covered by the PERKESO depending on the situation, and various blood tests to analyze diagnose conditions or monitor well-being.

The mission and vision of Medilabz laboratory are as below:

Mission: *We strive to provide you innovative, timely and accurate insights of your wellbeing through Reliable Clinical Laboratory Testing. We are passionate to serve the community by providing the highest quality of technical and clinical competence, aided by innovative and advanced tools.*

Vision: *Empowering Insights, Impacting Health
To empower quick and accurate health insights to impact healthcare*

Medilabz laboratories are in a decentralized network, all decisions, risks, and growth are under the responsibility of each branch's management. In order to reach intermediaries and customers, each of the branches depends on effective marketing strategies in the B2B2C model.

Concerning the marketing strategies in B2B2C model, this teaching case is about Medilabz's third branch, Medilabz Signature Penang Sdn Bhd. Medilabz Signature Laboratory has a decentralized organizational structure. The laboratory collaborated with healthcare shareholders and directors. However, the laboratory works independently with its own management and responsibility for decision-making.



Figure 1: Medilabz Signature Penang Sdn Bhd

Medilabz Signature Penang Sdn Bhd is managed by laboratory manager Mr.G.Saravanackumar (MSBB), under the laboratory manager, there are medical laboratory technicians who assist the lab manager in testing specimens for diagnosis and treatment; sales and marketing executives to market and promote the laboratory; and despatchers to distribute test report and sample collection from general practitioners, hospitals, and healthcare providers.

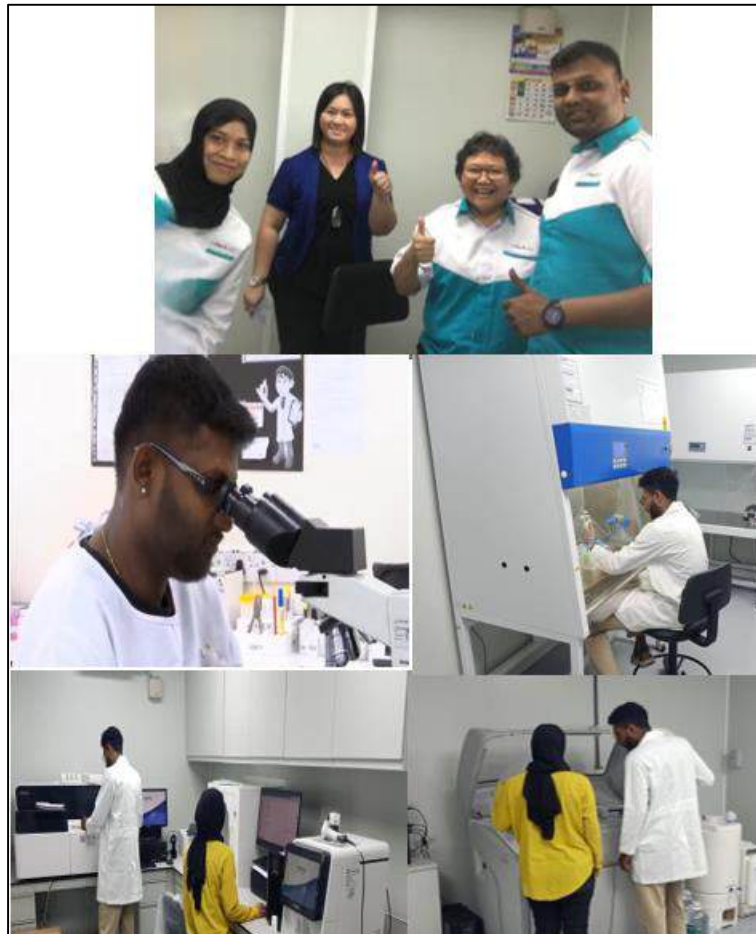


Figure 2: Medilabz Signature Penang Sdn Bhd Laboratory Manager and Team

Medilabz Signature's laboratory manager was conducting marketing analysis at the beginning of the laboratory's lack of recognition. During the time, he was playing a crucial role in determining marketing strategies, and reach target customers to meet B2B2C hybrid business model. After much effort, Medilabz Signature laboratory gain recognition and together with team support and the intermediary's referral, Medilabz Signature was collaborating with general practitioners, hospitals, and health care providers to provide health and well-being services to customers.

Figure 3 below shows Medilabz Signature Penang Sdn. Bhd.'s decentralization laboratory organization structure.

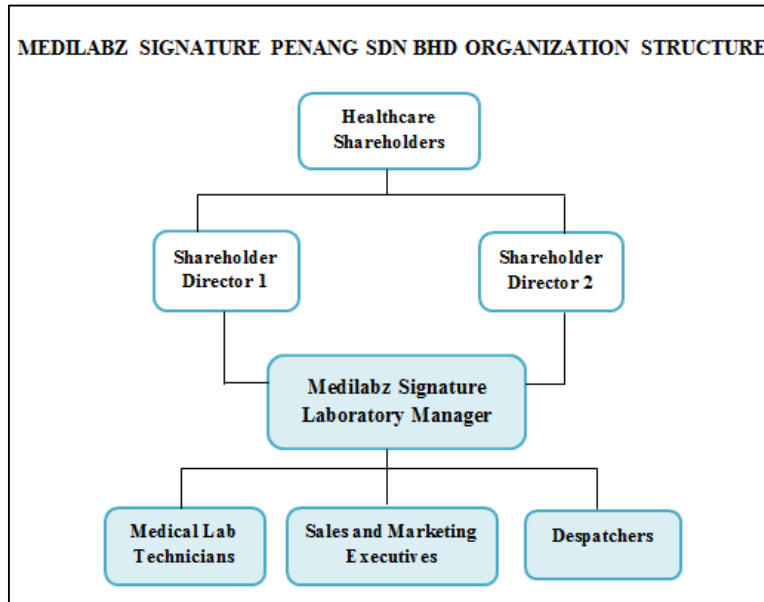


Figure 3: Medilabz Signature Penang Sdn Bhd Organization Structure

B2B2C IN MEDILABZ SIGNATURE

B2B or B2C business models can enhance the growth for start-up organizations. Business-to-business (B2B) and business-to-customer (B2C) models provide services to both business and end customers, as referred to as business-to-business-to-customer (B2B2C). The hybrid model of B2B2C is able to maximize profitability and scalability. In this model, start-up organizations build and expand their customer base by expanding their business-to-business (B2B) relationships, (Orriens, 2022). B2B2C enables enhanced interaction, monitoring, prompt response, quick decision-making, and lowering the cost to reduce operation lead time. B2B2C models tend to increase consumption in service sectors more than other models. Many companies have found success with B2B2C models, (Costa, Fontes and Bento 2023).

Therefore, in the medical laboratory as a service sector, Medilabz Signature's primary marketing focus is to attract business partners (B2B) to reach target customers. Throughout the business, Medilabz Signature has reached the business partners, there were general practitioners, private hospitals, and healthcare providers and was increased the number of end customers (B2B2C). Figure 4 shows the Medilabz Signature business-to-business-to-customer (B2B2C) model.

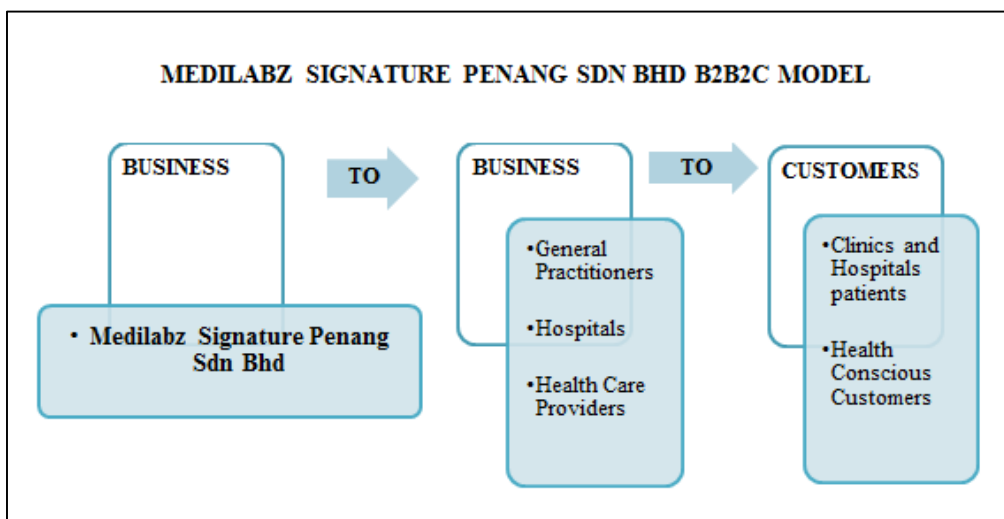


Figure 4: Medilabz Signature Penang Sdn Bhd B2B2C Model

Medilabz Signature believed that, the B2B2C model expanded as a result of its effective marketing strategies that determining by conducted market analysis.

MARKETING ANALYSIS

Marketing analysis is to structure effective marketing strategies based on market trends and customer behavior. The analysis conducts by data analysis or theoretical analysis to recognize customer preference and purchasing behavior that influence buying decision. As a result, effective marketing strategies able to determine by eliminate the cost of waste in conducting marketing, (Aripin, Yulianty and Fitriana 2023).

Medilabz Signature marketing was analyzed by qualitative through access business partner's corporate websites. Herewith, the laboratory was accessing the websites and analyzed psychographic segmentation.

Psychographic Segmentation

Psychographic segmentation is to analyze in the view of psychology to understand about customers various preferences and needs. Psychographic segmented based on personality traits, lifestyle, interest, opinion, value and other psychological characteristics as a way to determine the marketing strategies to communicate with customers, (Wardana, Masliardi, Afifah, Sajili and Kusnara 2023).

Medilabz Signature was accessing the target businesses corporate websites to recognize the business partner's diverse services (B2B). At the same instant, the laboratory was conscious of the business partner's expectation on partnership to provide valuable service to end customers (B2B2C). In the analyzation, Medilabz Signature was found that general practitioners offer various services. There were some that were offered to general patients; a few focused on occupational health services and some provide service for fitness care people. In deeper understanding, the laboratory was tailoring the marketing strategies to communicate with the target business partners based on their preference and expectation and reached end customers.

MARKETING STRATEGIES IN B2B2C

A study conducted by Caerels and Clerck (2023), successful marketing is need to target by segmented people to describe the services based on group preferences. To achieve the target group of people, the early steps is to identify the effective marketing strategies to convey the message to target groups. In the combine business model business-to-business-to-customer, intermediaries and the end customers expecting details are different, therefore the strategies not straightened to the target people, but the strategy reach by model.

Medilabz Signature's marketing strategies reach through intermediaries to customers to expand business in B2B2C model.

Direct Marketing

Medilabz Signature conducted the first approach by direct marketing in order to source businesses (B2B), Medilabz Signature used direct marketing strategy to attract potential customers, including general practitioners, hospitals, and healthcare providers to directly influence businesses. The laboratory was approaching direct marketing by sent personal emails included the contents of quotations, a service package, and information about the offer provided by service to businesses. Followed by, the laboratory focused the direct marketing strategy by door to door upon take an appointment from general practitioners and healthcare providers. In this strategy, the marketing and sales executives were able to convince the parties by explained about efficient service provided.

Medilabz Signature's direct marketing was able to attract and source business partners. This marketing strategy focuses on business-to-business (B2B).

Event Marketing

In an effort to improve customer engagement, Medilabz Signature worked together with business partners at events for event marketing. In event marketing the laboratory focused its strategy on reaching business-to-business-to-customers (B2B2C) through public relations. In this strategy, the laboratory focused on business partners and end customers. Medilabz Signature actively participated in every event. The laboratory analyzed the customer's interests and promoted laboratory services based on their preferences. Along with, provided a free glucose screening test for customers attended the events and for unsuitable health condition was suggested an immediate offer of a free blood test with general practitioner's consultations. Moreover, Medilabz Signature was involved in the government's PERKESO Sehati health screening program, which was started in 2023. Perkeso blood tests and registration facilities to people aged 40 to 59. The convenient provided was able to promote the Medilabz Signature and both businesses to enhance people's recognition were able to reach new customers.

Medilabz Signature's event marketing was efficient because it was able to share the service details with business people and ease customer referrals to business partners to reach the laboratory services. In this strategy, Medilabz Signature strengthened the relationship with business partners to connect with customers at the same time (B2B2C).



Figure 5: Medilabz Signature Penang Sdn Bhd Event Marketing

Figure 6 below shows, the Medilabz Signature marketing strategies implemented together with business partners.



Figure 6: Marketing Strategies in B2B2C

In the first approach, the laboratory's direct marketing strategies focused on business-to-business (B2B) sourcing and attracted business partners. In event, Medilabz Signature marketing strategies focused on business-to-business-to-customers (B2B2B), work together with business partners, and both reached similar end customers. Effective marketing strategies were accomplished benefits to Medilabz Signature.

BENEFICIAL ASPECTS ON MARKETING STRATEGIES IN B2B2C

Expanded Business Partners

Medilabz Signature expanded its business partners through conducted direct marketing. Direct marketing strategies by sent personal emails and face to face were become efficient technique in attracted business partners. Therefore, the laboratory was attracted the general practitioners in the first approach, followed by hospitals and healthcare partners (B2B).

Referral

Business partner's satisfaction was proven by the quality service provided by Medilabz Signature. Business-to-business-to-customers model was given rise to referral business partners and customers. In the event conducted, the business partner's referral attended to get more details and services by personal with laboratory. It results in the founding of new business partners for Medilabz Signature and both businesses were reached new customers (B2B2C).

Figure 7 shows the marketing strategies developed Medilabz Signature B2B2C model.

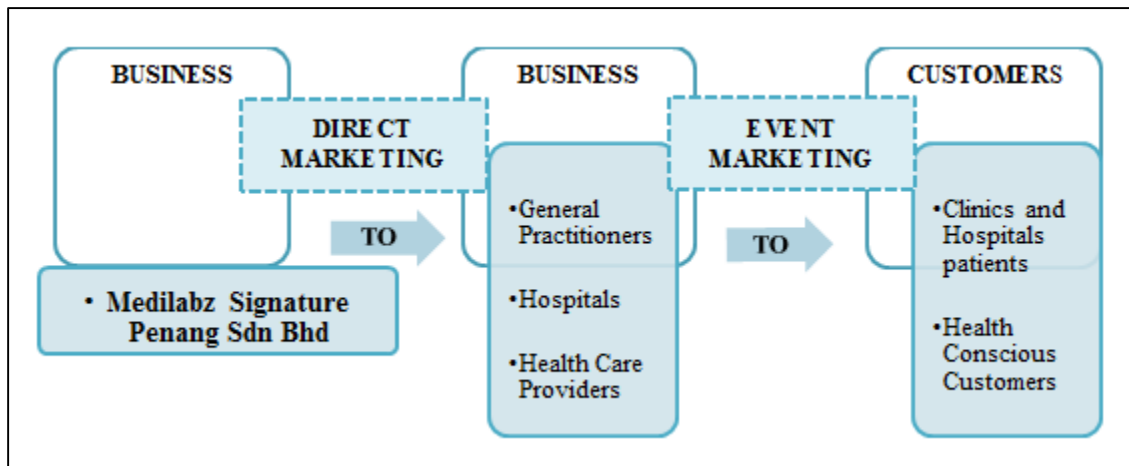


Figure 7: Marketing Strategies Developed B2B2C Model

EPILOGUE

Medilabz Signature Penang Sdn Bhd business model is business-to-business-to-customers (B2B2C). The laboratory central of focus was to reach business partners (B2B) with marketing strategies that was direct marketing and event marketing. The laboratory was identified marketing strategies by analyzed business partners with psychographic segmentation. The determined marketing strategies approached were attracted business partners and together both reached the same end customers (B2B2C). In the effective marketing strategies, the laboratory received beneficial from attracted and satisfied businesses and end customers.

ACKNOWLEDGEMENTS

This teaching case authors, we are conveying our gratitude to Medilabz Signature Penang Sdn Bhd, laboratory manager Mr.G.Saravanackumar (MSBB) for sharing his insightful experience about the laboratory marketing strategies in B2B2C model. We would like to express our sincere appreciation for his dedication and willingness to spend valuable time to support academic writing has made a significant impact to this teaching case.

Journey to Success: The Entrepreneurial Odyssey of Jeeha's Tailoring Venture

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Teaching Case Synopsis

This case is about woman entrepreneur, Jeeha, who ventured into tailoring service known as Kujiey Exclusive Tailor operating at home located in Guar Napai, Kedah. She is one of the women entrepreneurs who chose to venture into entrepreneurship as a career option that could provide financial resources. Entrepreneurship provides many opportunities for individuals who have the right ability in terms of attitudes, knowledge, and skills. An entrepreneurial attitude encourages them to seek out the business opportunities that exist in the environment. With the strength that exists in these women entrepreneurs, they can change the lives of themselves and families especially to increase income and subsequently succeed in a business. Jeeha journey to success encountered many challenges that required her to strategize for business sustainability. Skills and knowledge of marketing enable entrepreneurs to develop effective marketing strategies to improve their business performance.

Keywords: entrepreneurial characteristics, opportunity, marketing strategy, human resources management, women entrepreneurs' challenges

INTRODUCTION

Jeeha's Journey to Success

Jeeha, the creative force behind Kujiey Exclusive Tailor, was born on March 1988 at Hospital Besar Alor Setar. Jeeha's spirit was as vibrant as the colors she would one day stitch into her designs. Raised in the Felda village of Guar Napai, Kedah, Jeeha was the beacon of strength for her family. Despite the challenges life threw her way, Jeeha's determination knew no bounds. With just a Form Five education from Sekolah Menengah Kebangsaan Hosba, she embarked on a remarkable journey fueled by her love for sewing. Enrolling in Marrie Fashion Academy, she honed her skills for three years, threading her way through levels 1 and 2 of training with finesse.

Having completed her training as a tailor, she eagerly sought employment in the bustling Kuala Lumpur city, embarked on a journey of skill and self-discovery. Fortune smiled upon her, guiding her to a quaint boutique nestled in the heart of Kuala Lumpur. It was here that Jeeha found herself as a tailor's assistant.

In the boutique, Jeeha's days were filled with a myriad of tasks, each one a thread in the fabric of her growing expertise. She served an array of customers, each with their own unique desires and concerns, their stories woven into the fabric of her experience. Under the guidance of her employer, Jeeha delved deeper into the art of sewing, absorbing knowledge and skill. With every stitch, she honed her craft, mastering the delicate art of adorning women's garments with lace and beads, transforming them into ethereal creations fit for weddings and grand ceremonies. But Jeeha's talents did not end there. She was called upon to perform the intricate task of modifying ready-made garments, tailoring them to fit the unique shapes and preferences of each customer.

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As days turned into weeks, and weeks into months, Jeeha's experience burgeoned. Each challenge she faced, each garment she touched, added to the rich tapestry of her expertise. Her journey as a tailor's assistant was more than just a means to earn a living—it was a transformative experience that shaped her into a master of her craft.

In the sprawling expanse of the Klang Valley, where the pulse of the city never seemed to falter, Jeeha found herself entangled in a web of financial woes. Despite her years of dedication as a tailor's assistant in the bustling streets of Kuala Lumpur, prosperity remained elusive. The high cost of living in the metropolitan region cast a shadow over Jeeha's aspirations, a formidable barrier to her dreams of economic stability. Despite her toil, her meagre savings dwindled under the weight of mounting expenses, leaving her teetering on the brink of financial uncertainty.

Each day, Jeeha embarked on a wearying journey from her aunt's humble abode in Ampang to the heart of Kuala Lumpur, navigating through the labyrinth of crowded public transport. The oppressive air pollution exacerbated her asthma, each breath a struggle against the suffocating grip of urban decay. Her health worsens with asthma.

Her mother, a pillar of strength in the wake of her father's passing, offered the embrace of familial support. In the end, faced with the harsh realities of her circumstances, Jeeha made a choice born of love and necessity. With a heavy heart and a glimmer of hope for the future, she bid farewell to the gleaming skyscrapers of Kuala Lumpur, embarking on a journey homeward to find solace in the comforting embrace of family, prioritizing the warmth of kinship over the cold embrace of urban anonymity.

THE BORN OF KUJIEY EXCLUSIVE TAILOR

In the heart of Felda Guar Napai, Jeeha embarked on a new chapter of her journey in village life. It was the year 2019 when she set forth to weave her dreams into reality, establishing Kujiey Exclusive Tailor with nothing but a vision and a fervent determination to succeed. With her mother's blessing, Jeeha transformed a humble corner of their home into a sanctuary of creativity and craftsmanship. Here, amidst the familiar walls of her childhood abode, the whirring of sewing machines and the rustle of fabric became the symphony of her newfound calling.

Drawing upon six years of honed skill and unwavering passion cultivated in the bustling streets of Kuala Lumpur, Jeeha breathed life into her fledgling enterprise. With a modest sum of savings and a helping hand from her devoted family, she adorned her workshop with the tools of her trade, stitching together the threads of her aspirations with steadfast resolve. From the onset, Jeeha's warmth and affability endeared her to the villagers. Her reputation as a skilled tailor spreading through the tight-knit community.

Kujiey Exclusive Tailor blossomed into a beacon of quality and reliability in Felda Guar Napai. Jeeha's unwavering commitment to excellence and her fair pricing policy won the hearts of her customers, forging a loyal clientele who eagerly awaited her touch. With the advent of festive seasons, demand for Jeeha's sewing services soared to new heights, her nimble fingers dancing across fabric with practiced ease. Yet, Kujiey Exclusive Tailor was not merely confined to the realm of garments. With her versatile skills, Jeeha ventured into crafting bespoke bags, elegant curtains, and even bespoke sofa covers, each creation a testament to her boundless creativity and expertise. Moreover, Jeeha's commitment to customer satisfaction knew no bounds. From simple alterations to intricate modifications, she catered to every whim and fancy, ensuring that each garment she touched bore the mark of perfection. And so, amidst the rustic charm of Felda Guar Napai, Jeeha's dream flourished, a testament to the indomitable spirit of a tailor who dared to defy the odds and carve her own path in the tapestry of life.

But Jeeha's story isn't just about mastering the art of stitching; it's about seizing every opportunity that came her way. Alongside her tailoring ventures, she ventured into the bustling world of her uncle's shop,

D'Napoh Bundle, in Jitra. And when the demand for her craft soared, she seamlessly transitioned into the role of a part-time catering assistant, adding yet another colorful thread to her vibrant tapestry of experiences.

Jeeha's journey wasn't without its share of personal trials. Following a difficult divorce, she chose the path of singlehood, determined to chart her own course to success. Her decision was a testament to her unwavering courage and independence. Today, as she stands at the helm of her own tailor shop, Jeeha's story serves as a reminder that with passion, perseverance, and a sprinkle of bravery, one can stitch together the fabric of their dreams, one seam at a time.



Figure 1: Kujiey's Exclusive Tailor at Family House, Guar Napai, Kedah.

Attracting Customer

Jeeha knew that merely possessing talent wasn't enough; she understood the importance of marketing in the bustling world of business. With her target audience, Jeeha identified her potential customers: the residents of Felda Guar Napai, her dear relatives, and her close-knit circle of friends. Determined to spread the word about her exquisite sewing services, she devised a cunning plan.

Armed with her smartphone and a dash of creativity, Jeeha embarked on her marketing journey. She turned to social media as her trusty steed, riding through the digital landscape with finesse. WhatsApp and Instagram became her faithful companions, aiding her in her quest to capture the hearts of potential clients. On WhatsApp, Jeeha cleverly showcased her craftsmanship by sharing images of her finished products. Each product, was proudly displayed in her status, enticing viewers with glimpses of her artistry. But Jeeha didn't stop there; she seized every opportunity to spread the word. From open orders for special events to exclusive offers during festive seasons like Hari Raya, she made sure her presence was felt in every WhatsApp group.

As her messages fluttered through cyberspace, a buzz began to surround Jeeha and her tailor shop. And Jeeha, ever the perfectionist, ensured that each garment she crafted was not just a piece of clothing but a testament to her dedication to quality. Soon, her efforts bore fruit as satisfied customers turned into loyal patrons. They not only admired her work but also trusted her implicitly, knowing that Jeeha would never compromise on excellence. And so, in the heart of Felda Guar Napai, amidst the hum of sewing machines and the chatter of satisfied clients, Jeeha's reputation as the premier tailor of the village was firmly established.

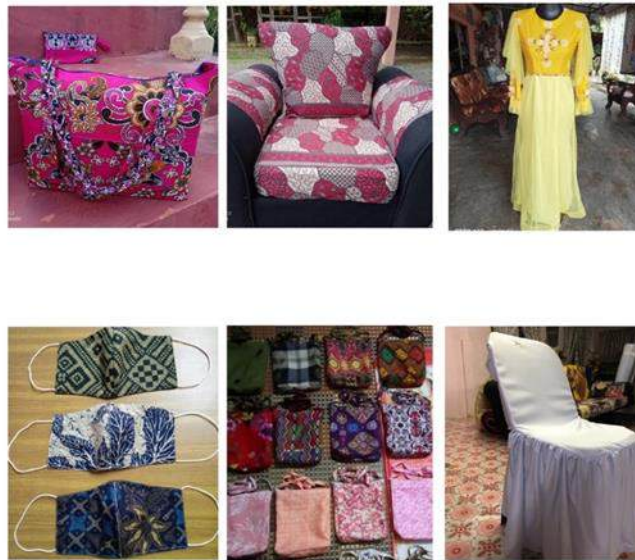


Figure 2: Jeeha's Craft Product

PRICING STRATEGY OF JEEHA'S SEWING SERVICES

Jeeha recognized the unique socioeconomic landscape of her locality. Unlike urban hubs such as Kuala Lumpur, Guar Napai represented a village area characterized by a population with a heightened sensitivity to pricing. Adapting her pricing strategy to suit the local market dynamics posed a significant challenge for Jeeha. She had to reconcile her desire for fair compensation with the need to remain competitive and attractive to her price-conscious customer base. Jeeha employed a pragmatic approach to pricing, acknowledging the constraints imposed by the local economic environment. She deliberately set her prices at levels considerably lower than those prevailing in neighboring towns such as Changlon or Jitra. This deliberate undercutting of market rates aimed to appeal directly to the cost-conscious sensibilities of her clientele.

To facilitate transactions, Jeeha offered multiple payment options, including cash payments and online transfers. This flexibility ensured that customers could choose the method most convenient to them, further enhancing the accessibility of her services. Jeeha's strategic pricing approach yielded promising results, positioning her as a formidable competitor in the local sewing services market. By aligning her pricing with the economic realities of Guar Napai, she successfully attracted a steady stream of customers seeking affordable yet quality tailoring solutions.

Through astute pricing decisions tailored to the unique demands of her locality, Jeeha effectively navigated the challenges posed by the countryside market environment. Her ability to strike a delicate balance between affordability and quality underscored her entrepreneurial acumen, cementing her reputation as a trusted provider of sewing services in Guar Napai and beyond.



Figure 3: The List Price of Kujiey Exclusive Tailor.

Workforce Management Challenges

Jeeha, grappled with a significant dilemma concerning her workforce. Despite experiencing an influx of orders, she harboured deep reservations about entrusting tasks to hired workers due to past disappointments. The primary challenge confronting Jeeha revolved around her reluctance to delegate responsibilities to assistants, stemming from a lack of confidence in their abilities. This reluctance resulted in her shouldering the entirety of the workload, even when faced with overwhelming demand during peak periods such as the month of Ramadhan.

In a bid to alleviate the burden of her workload, Jeeha had previously enlisted the assistance of a friend to fulfil orders. However, this experiment proved to be unsuccessful as the quality of the sewing fell short of her exacting standards. Disheartened by this setback, Jeeha resolved to refrain from hiring additional employees, opting instead to handle all tasks independently.

Jeeha's steadfast refusal to engage external help had far-reaching implications for her business operations. While it ensured a consistent adherence to quality standards, it also placed significant constraints on her capacity to fulfil orders, particularly during periods of heightened demand. This limitation not only affected her ability to capitalize on business opportunities but also strained her relationship with loyal customers whom she occasionally had to turn away.

Jeeha's aversion to workforce expansion underscores the delicate balance between maintaining quality standards and meeting operational demands. While her commitment to upholding quality is commendable, it is imperative for Jeeha to explore alternative strategies for managing workload surges effectively. This may involve revisiting her approach to hiring and training personnel or exploring technological solutions to enhance productivity without compromising quality. By doing so, Jeeha can unlock untapped growth potential while safeguarding the integrity of her brand.

As mentioned earlier, Jeeha also helped her uncle in his business premises located at D'Napoh Bundle. She also had the opportunity to set up her alteration and tailoring in one corner of his uncle premise. Unfortunately, it was only lasted for six months then the D'Napoh Bundle closed down due to poor performance and unable to meet the market demand. Then Jeeha continued operating from home in Guar Napai. Thus, she is a very independent and strong-minded entrepreneur for running a business without employees from the past until now.



Figure 4: D' Napoh Bundle

Brand Enhancement through Label Tag Integration

Jeeha, the proprietor of a burgeoning sewing business, recognized the critical importance of enhancing her brand visibility to stimulate business growth. Facing stiff competition and a need to distinguish her services in the market, Jeeha sought innovative strategies to promote her brand and attract more customers. Jeeha implemented a strategic branding initiative by affixing label tags to completed shirt seams. This simple yet effective measure served as a direct promotional tool, showcasing her craftsmanship and promoting her service brand to the public. Leveraging the visibility provided by the label tags, Jeeha created a distinct business name. By imprinting this name on the label tags, she aimed to enhance brand recognition and establish a lasting impression among customers.

The integration of label tags into her products significantly heightened Jeeha's brand visibility. Customers could easily identify her work and associate it with her unique business name, fostering brand recognition and recall. The addition of label tags not only promoted Jeeha's services but also facilitated greater customer engagement. Customers were more likely to remember and recommend her business, leading to a steady influx of new orders and inquiries.

Through the strategic implementation of label tags and business name development, Jeeha successfully elevated her brand presence and differentiated her services in the competitive market landscape. This simple yet impactful branding initiative not only enhanced customer perception but also laid the foundation for sustained business growth and success.

Leveraging Social Media for Business Expansion

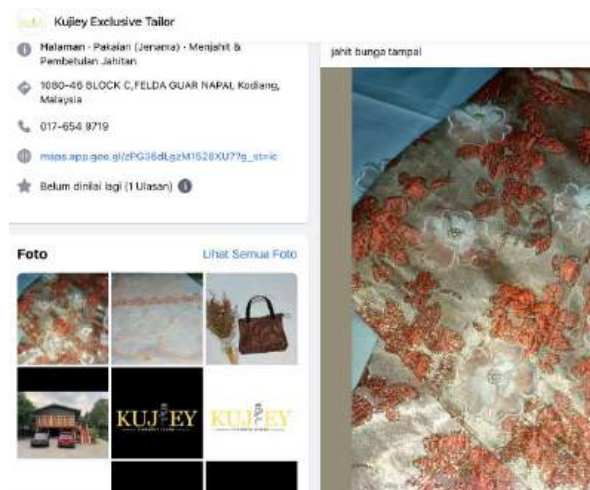


Figure 5: Kujey Exclusive Tailor Facebook

Jeeha recognized the potential of social media as a powerful tool for business promotion and customer engagement. Seeking to capitalize on this opportunity, she embarked on a strategic initiative to establish a presence on platforms such as Facebook. Facing the challenge of limited brand visibility and the need to reach a broader audience, Jeeha aimed to leverage social media to raise awareness of her sewing services, particularly among residents. She created a dedicated Facebook page for KuJiey Exclusive Tailor to showcase her services and interact with potential customers. Through regular posts and engaging content, she sought to attract followers and foster a sense of community around her brand.

The implementation of social media marketing strategies yielded positive outcomes for KuJiey Exclusive Tailor. Jeeha observed a significant increase in demand for her services and products following promotional activities conducted on platforms such as WhatsApp, Facebook, and Instagram. The enhanced visibility afforded by these platforms contributed to heightened interest in her offerings among both existing and potential customers.

By embracing social media as a key component of her marketing strategy, Jeeha successfully amplified brand awareness and stimulated demand for KuJiey Exclusive Tailor's services. The positive effects of these initiatives underscored the importance of digital platforms in driving business growth and customer engagement in today's competitive market landscape. With a dedicated focus on social media engagement, Jeeha positioned her business for continued success and expansion in the dynamic sewing services industry.

Entrepreneurship was More Than Just a Means to an End

In the end, the mark of a truly successful entrepreneur lies in their unwavering determination and ceaseless pursuit of excellence in their craft. Yet, the journey of entrepreneurship is anything but easy; it demands resilience, creativity, and a constant quest for improvement. From a tender age, Jeeha harboured aspirations of entrepreneurial success. Armed with the knowledge she acquired through her schooling, she fearlessly delved into the realm of business. But Jeeha's journey was not without its challenges; she encountered hurdles along the way, each one serving as a test of her resolve. Despite the obstacles, Jeeha remained undeterred. With each setback, she emerged stronger and more determined than before. She tirelessly sought ways to elevate the quality of her services, always striving to exceed the expectations of her customers. For Jeeha, entrepreneurship was more than just a means to an end; it was a calling, a passion that drove her to push the boundaries of possibility. And as she charted her course through the unpredictable seas of business, one thing remained constant: her unwavering commitment to ensuring the success and sustainability of her enterprise.

Ready or Not: Driving Change at Tanjung Rhu Construction

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Abstract

Dato Sally, the Chief Executive Officer (CEO) of Tanjung Rhu Construction, the construction arm of Tanjung Rhu Group, spearheaded a pivotal initiative to align with the Board of Directors' vision of diversifying into a new business segment – facility management. Recognizing the importance of employee readiness for this transformative change, Dato Sally prioritized preparing the workforce for the transition. While enhancing financial sustainability is crucial in the construction industry, the real backbone of Tanjung Rhu Construction lies in its employees. With a workforce of up to 1,000 employees, Dato Sally and her team sought effective strategies to shift mindsets from a construction-centric focus to a facility management orientation. Despite consistently achieving acceptable performance reviews, the employees' motivation and performance lacked the spark of excellence, signalling the need for organizational change. This case explores the organizational and managerial challenges encountered by Tanjung Rhu Construction during the company's venture into a new business domain. It examines the efforts by the CEO to engage and motivate her team, foster employee readiness, and ensure a smooth transition to the new business segment. This case study highlights the dilemma faced by Dato Sally in implementing the Board of Directors' directive and her concerns about whether the employees would embrace facility management as part of their daily work processes.

Keywords: Construction Industry, Employee Motivation, Employee Readiness, Facility Management, Organizational Change

INTRODUCTION

Dato Sharifah Syed Ahmad, also known as Dato Sally, stared blankly into the vast ocean in front of her, thinking of the massive task she had yet to carry out in the next few days. She knew it was a daunting task, leading to many uncertainties and issues in just breaking the news, let alone getting the employees to support and embrace the transformations that would happen sooner than expected. In her mind, she needed to develop strategies, considering various factors such as whom to break the news to first and how to deliver it. She thought about all these things she needed to consider and the setbacks she might face. It would not be easy, and as the CEO, she needed to ensure that the employees under her would embrace the transformation and be ready to go on board with the management.

TANJUNG RHU CONSTRUCTION

Tanjung Rhu Construction is principally an investment holding company listed on the Main Board of Bursa Malaysia Securities Berhad since 2002. Its subsidiaries are strategically present in Malaysia's construction and property development industry, complemented by its regional footprints in Australia's hospitality, property development and homebuilder businesses.

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Collectively, it has more than three decades of successes built on its solid implementation capabilities, proven track records, inclusive and diverse human capital that excel through strong passion and determination. It is committed to continue enhancing its value proposition for the community at large by transforming infrastructure, buildings and amenities, providing hospitality services as well as building homes.

Tanjung Rhu Construction is a company with a long history marked by a strong business presence in the Malaysian construction industry. Its vision is to be a leading company in sustainable construction and creating values for stakeholders. Throughout more than three decades since its inception in 1984, it has established itself as a highly reputable contractor with strong implementation capability and proven track records in the undertaking and completion of major infrastructure and building construction works for rail infrastructure works (i.e. LRT, MRT etc.), highways and roads, buildings, airport terminals, runways and related facilities, port facilities, submarine bases, bridges, and many more.

SHIFTING THE MINDSET

After the board meeting, Mr. Mahendran, Puan Sarina, Puan Amirah stayed in the board room with Dato Sally. As the CEO, it was not easy for her to simply jump into any kind of business, especially in the one that the company is not familiar with. As they continued their discussion and chatting, they all agreed that whatever decision that they going to come up with will not affect any of their staff and the changes should be make strategically to shifting the mindset of the employees from a construction-centric focus to a facility management orientation.

“I know it will not be easy, but I strongly feel by adding other business ventures to the company, not just to help us financially, but also as means to expand ourselves. Some changes will be inevitable but are we ready?” sighed Dato Sally.

“And most importantly, are our workers ready?”, she added.

“It is alright, Dato Sally. I am sure it will turn out to be ok,” replied Mr. Mahendran.

Others nodded their heads, agreeing to his consoling responses. In their eyes and their heads, all shared hopeful glances.

“I totally agree. These things need proper planning and cannot be rushed. Let’s use the time for us to think of ways to handle this.” says Puan Amirah.

Dato Sally looked at the time on her mobile phone. It was already 4.00 p.m. At the same time, she scrolled through some of the messages she recently received from her subordinates. One of the messages was from one of the managers who updated her on a project’s progress and the number of construction workers that they need to hire for the project.

“The usual stuff, nothing extraordinary,” she thought to herself.

She noticed that the aftermath of the pandemic has greatly affected the motivation of the employees. Employees’ motivation seemed to be stagnant, although employees’ performance reviews were always good but never outstanding. She also noticed that in the yearly performance reviews, employees consistently met their goals but rarely exceeded expectations. They were doing what was required but not showing any extra effort. During team meetings, she observed that while everyone completed their tasks on time, there was a lack of enthusiasm and innovative ideas. The team met their deadlines and maintained a decent level of performance, but there was no excitement or drive to go above and beyond.

Dato Sally realized that even though the company was hitting the targets, the company's figures remained steady, but there was no significant growth in market share or revenue. Improving financial sustainability was key for a company in a construction environment, but improving employees' motivation and work performance was more important as they are the backbone of the company. While concern of employee readiness was at stake, it was pertinent to get them prepared for the change.

"This is tougher than I thought it is going to be," Dato Sally thought to herself.

CRUNCH TIME

The Construction Industry Transformation Program or CITP, launched in 2015, is a national transformation program that sets strategic outcomes and milestones to develop Malaysia's construction sector into a world-class industry that can compete locally and internationally. As shown in Appendix 1, the four strategic thrusts of quality, safety and professionalism; sustainability of the environment; productivity and internationalisation have been designed to resolve the number of issues and problems that need to be tackled in order to turn the construction industry into one that is highly efficient, environmentally sustainable and safety and quality. In line with the CITP, Tanjung Rhu Construction fully understood its role to work rigorously towards realising these CITP aspirations as shown in Appendix 1. The Eleventh Malaysian Plan (RMKe-11) forecasts that the construction industry will contribute up to 5.5 per cent of GDP in 2020 and will have a double multiplier effect on growth with more than 120 industries depending on the construction sector. CITP pointed out that the construction sector consumes 15 per cent of total economic productivity. Malaysia's construction business continuity is, therefore, almost certain. Therefore, to ensure effective and efficient delivery of the necessary built environment, robust construction is essential, hence the Construction Industry Transformation Programme.

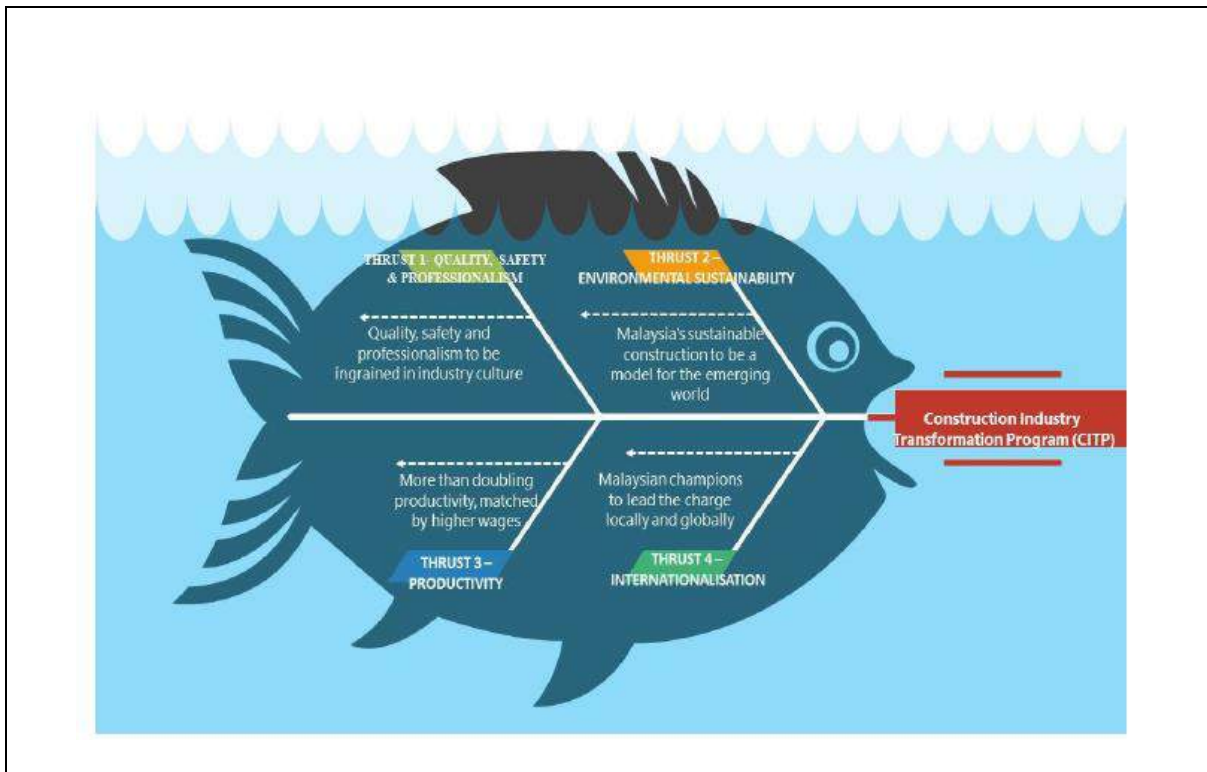
Moreover, National Construction Policy (NCP 2030) by the Ministry of Works has outlined strengthening Facility Management (FM) as one of its strategic thrusts in policy. For a construction-based entity like Tanjung Rhu Construction, the BOD saw an opportunity in tapping into facility management which was part of the construction sector. Owners of building would outsource vendors or contactors to manage buildings or facilities related to the building. The demand for facility management services had grown steadily as people in general sought cost-reductions through outsourcing of non-core activities.

The BOD believed that sustainability is pivotal, they needed to change. The BOD decided to diversify their business to ensure they can sustain economically. The company's overall performance was good, but it lacked the exceptional achievements that could drive significant progress or innovation. As CEO, Dato Sally agreed that they needed the change, but she was concerned whether the employees were ready for the change. The company's performance metrics remained stable, but there was no significant growth or improvement in productivity. She was aware of forcing control on employees in this new direction would be impossible and would backfire, and that it would be extremely difficult to materialize the new plan without employees' help. She hoped to ignite a renewed sense of motivation and commitment, paving the way for a successful transition towards a more sustainable and diversified future.

ACKNOWLEDGEMENT

The authors gratefully acknowledge the invaluable cooperation from all participants of the teaching case, and the financial support of Pusat Kajian Kes Pengurusan dan Kepimpinan (PKKPK) Universiti Utara Malaysia (UUM) Geran Kajian Kes (SO Code 21623 & 21624).

Appendix 1: Construction Industry Transformation Program (CITP) Framework



Source: www.cidb.gov.my

Space Crunch and Food Loss: A Bakery Dilemma

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Teaching Case Synopsis

The case study focuses on Meriam's challenges as a single mother who runs Meriam Kitchen and Meriam Pastry and Coffee. Meriam encountered significant challenges in sustaining and growing her business. She struggled with waste, low sales, small sitting area, supplier management, and cash flow despite owning two restaurants. The competition is fierce, with other bakers, including former students, operating online, threatening her market share and forcing the closure of one of her cafes by 2022. Despite these challenges, she must devise strategic solutions to secure the growth and viability of her company. The scenario also revolves around Meriam, who sees her shortcomings in managing the restaurant business and must consider her successor, offering a thoughtful perspective on the key components of efficient business management. This study aims to discover potential solutions and strategic actions to help the business owner overcome her challenges and achieve long-term success. For that, the case analyst factors in the external and internal environment as the basis to formulate strategy for the company to operate and thus become successful.

Keywords: Challenges, Growth, Strategy, Business Management

INTRODUCTION

On May 22, 2023, Meriam and Raihana were eating at Meriam Kitchen. None of them were concerned with their meals, but rather with the quantity of unsold pastries that accumulated weekly and were usually discarded.

"Rai, I trust you that you are aware of the situation. "The discarded pastries cost me money, and this needs to be addressed." Furthermore, our sales have remained stagnant over the last three months. Especially after lunch, and a few customers showed up after 3 p.m. I cannot bear the additional costs. I'd had enough of this.

"What are you planning to do now?" You must find a solution; otherwise, we will lose another outlet and be forced to fire off staff. With our limited resources, I'm already under enough pressure from vendors. *" Rai, I am your mother, but when we discussed business, we had to set that aside. I hope you can understand"*.

Rai kept her head down, reflecting on what had happened. *"Ma, please give me another chance"*. I'll do my best to discuss this with Eddy.

I'll give you until this month to think and discuss. Raihana completed her supper with that last word, leaving Rai at the table to think.

I must find a solution to this. Mom, I am not going to let you down. I apologize for not reacting appropriately.

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BACKGROUND OF THE INDUSTRY

Malaysia's Small and Medium Enterprises that produce food and beverages contribute to the national economy. Despite possessing a diverse range of food and beverages, Malaysia continues to import many of its commodities due to insufficient consumer demand (Hanif & Hassan, 2023). Malaysia is also recognized as the melting pot of many delicacies around the world due to its diverse culture.

Halal is derived from the Arabic word for lawful. Thus, when it comes to food, Islamic law (shariah) requires requirements, which include the procedure of slaughtering, preparing meals, manufacturing, and funding the process. To ensure the halal procedure of the supply chain, the manufacture, preparation, packing and labeling, storage, presentation, and distribution of the food must be fully separated (Husin et al., 2021).

Socio-Cultural Aspect

Malaysians' lifestyles have shifted considerably as their income and education levels have risen. Malaysians like eating out with friends and family, whether at a restaurant, a fast-food establishment, a food court, on the side of the road or by ordering food online. Despite the presence of Malays, Chinese, and Indian cuisine, numerous world cuisines dominate Malaysians' and tourists' palates. Many restaurants have recently combined Western food with local specialties, giving rise to the term fusion cuisine, which refers to the improvement of original and new cuisines. Fusion cuisine has evolved (Azmi Azila et al., 2023). Malacca has numerous new hipster cafés, and Meriam has joined the bandwagon by opening two cafes for customers to come.

Political Aspect

Malaysian sales and service tax (SST) is levied on all taxable services, including the food and beverage industry, and Meriam Kitchen is not exempt from it. Despite the diverse range of foods available around the world, there are standards and regulations in place to assure food safety and origin.

Many restaurants now publish the calories for the meal to ensure that customers understand the calories consumed for the menu selected, as Malaysia is known as Southeast Asia's most obese country. Currently, Meriam Kitchen and Meriam Pastry and Coffee focus on hiring locals and reducing local unemployment.

Technological Aspect

Central kitchens equipped with technological equipment were widespread in Malaysia. The production is prepared and cooked in the central kitchen before being distributed to the outlet kitchens and served to customers. Standardized production ensures product quality. Many central kitchens now employ retort technology during the manufacturing process to extend the shelf life of their products. Meriam currently does not have a central kitchen, but she has purchased a kitchen appliance called Thermomix to assist her in preparing meals in the kitchen. In contrast to her competitor Richiamo, they have a central kitchen for food preparation and various franchises to ensure uniformity in taste.

Economic Aspect

Currently, all food production costs are growing, putting further strain on restaurant operators. Many of Meriam Kitchen's ingredients were imported, whereas related items such as tomatoes, chiles, and herbs fluctuated and perished quickly. Meriam Kitchen featured Western meals and sweets, and many of its customers were unconcerned about the cost since they valued the flavour and atmosphere. However, for the consumer to be satisfied with the cuisine, excellent customer service provided by knowledgeable and experienced workers is required.

PASSION TURNS INTO A FAMILY BUSINESS

Meriam, 51, was a passionate lady who enjoyed serving exquisite delicacies to her guests. She has 20 years of baking experience. She enjoys cooking and frequently makes dinners for her colleagues and family. Meriam was a lecturer before becoming a restaurateur. Her late husband obtained personal loans, and her late father borrowed money to assist her pursue her passion for cooking by converting her kitchen into an operation center. She engaged in baking classes with well-known instructors to obtain knowledge.

She began with a small oven and later upgraded to a larger one. Meriam attended a couple of baking workshops to expand her knowledge. As demand for cakes and pastries increased, several clients asked her to teach and share her knowledge. Meriam rented a space in Bangunan MARA for RM500 per month, which was later converted into a training center that hosted classes on weekends.

Meriam closed her training centre in 2016 to create her own modest cake shop in Kerubung, Malacca. The shop did not last very long. She closed the operation in 2019. When she decided to operate in Kerubung, her only competitors were her students. They sold more cakes and pastries since their operational costs were lower than hers. That was not enough to discourage her from pursuing her passion. She went on to open Meriam Pastry and Coffee at the Malacca International Trade Centre (MITC) in 2022. She conducted an observation and market assessment to determine the best location for her café. She engaged a pastry chef to assist her with recipes and decorating stunning desserts. Meriam Pastry and Coffee at MITC stands for Mother of Eddie, Raihana, Iman, Anis, and Mohamed.

Meriam felt lost. Her beloved father died in February 2020, as she was planning to start her second café. Five months later, in July 2020, her husband died unexpectedly of stress. She was devastated, but she kept her dream alive by utilizing her husband's RM200,000 takaful claim to start her own business, Meriam Kitchen in Bukit Baru, and there was no turning back. Meriam has never gotten money for her firm and relies solely on her savings, personal loans from her late father, and takaful claims after the death of her beloved husband. She did not receive any aid and funding from the government.

Meriam recruited a third-party firm and an influencer to handle her marketing. Despite paying them a substantial sum of money, the consequences were disastrous. Her customers did better. They helped promote her shop on Facebook and TikTok by leaving reviews after dining there. On top of that, Meriam invests RM50 per week to encourage Facebook marketing above other social media platforms.

Meriam targeted university students and working professionals who enjoy the excitement of hanging out in a café. However, many of her clients had shifted to a different demographic, such as parents with young children and the elderly who hang out with their pals after receiving their pensions.

Employees

Meriam's three children all work for her under different job scopes. Raihana was the manager of Meriam Pastry and Coffee, while the eldest, Eddie, was in charge of HR and payroll. Mohamed who just entered the company, worked as a barista at Meriam Kitchen. Apart from her children, she had other 21 employees working at her two cafés. She ensured all employees received a basic salary, overtime, allowance, 30% off in-store purchases, annual leave, business excursions, and medical benefits. Her 21 staff include bakers and interns.

Suppliers

Meriam Pastry and Coffee and Meriam Kitchen were open Tuesday through Sunday from 11 a.m. to 6 p.m. but closed on Monday. They provide the greatest quality of food to their consumers. Meriam supplied the café with three distinct supplies and two baking supplies to ensure a consistent supply. However, due to currency volatility, some ingredient prices have increased. Meriam had a strong reputation with her suppliers. A strong repo was also necessary to ensure that vendors supplied high-quality products, but a guarantee in writing will be much more better.

Product and Services

The menus for Meriam Pastry and Coffee and Meriam Kitchen were divided into appetizers, main dishes (western and fusion), pastries, desserts, and beverages. The cuisine is created by a highly trained pastry chef and assisted by Raihana, her daughter, who is a skilled pastry chef from a community college. Meriam focuses on pastries and ensures that their shelf life is no more than two days. Otherwise, she will give it to her neighbors or throw it away.

Previously, Meriam Pastry and Coffee and Meriam Kitchen worked with a meal delivery company, but Meriam ended the contract owing to the outrageous fees imposed on them. The peak hours for Meriam Pastry and Coffee and Meriam Kitchen are only during lunchtime. Sometimes, they do not have enough seating area during lunch hour due to the limited seating arrangement. Meriam is still active in bespoke cake orders while contributing cakes and pastries to the madrasah and *tahfiz* school.

Competitors

Meriam Kitchen is situated at Bukit Baru a newly built double-story building. Currently, they are only utilized on the ground floor. In the beginning, Meriam Pastry and Coffee and Meriam Kitchen have only a few competitors with little competition. As time progressed, more restaurants with similar concepts operated near Meriam Pastry and Coffee and Meriam Kitchen. Refer to Table 1 Comparison of Competitors near Meriam Pastry and Coffee and Meriam Kitchen.

Table 1: Comparison of Competitors near Meriam Pastry and Coffee and Meriam Kitchen.

	Meriam Pastry and Coffee	Meriam Kitchen	Cofeology	Richiamo
Place	MITC	Bukit Baru	Jalan Bukit Beruang, Malacca	MITC
Food	<ul style="list-style-type: none"> • Pasta • Waffle and croffle • Coffee • Large selection of cakes and dessert 	<ul style="list-style-type: none"> • Pasta • Grilled food, Waffle and croffle • Coffee • Minimum selection of cakes and dessert 	<ul style="list-style-type: none"> • Pasta • Grilled food • Burger and pizza • Kids meal, Waffle and croffle • Minimum selection of cakes and desserts 	<ul style="list-style-type: none"> • Pasta • Grilled food • RTE food • Kids meal, Minimum selection of cakes and desserts
Promotion	<ul style="list-style-type: none"> • Promote using FB • Reviewed from customers via Tiktok 	<ul style="list-style-type: none"> • Promote using FB • Reviewed from customers via TikTok 	<ul style="list-style-type: none"> • Membership with gifts • Kids eat free • Lunch promotion • Lepak Latte • 	<ul style="list-style-type: none"> • Buy 1 free 1 • Combo food
Pricing	<ul style="list-style-type: none"> • Reasonable pricing • RM6 to RM20 for drinks • RM3 to RM20 for pastries • RM 12 to RM 26 for the main dish 	<ul style="list-style-type: none"> • Reasonable pricing • RM6 to RM20 for drinks • RM3 to RM20 for pastries • RM 15 to RM 30 for the main dish 	<ul style="list-style-type: none"> • Reasonable pricing From RM6.90 to RM23.90 for drinks • RM10 to RM42.90 for food 	<ul style="list-style-type: none"> • Reasonable pricing • RM8 to RM17 for drinks • RM8 to RM15 for pastries • RM 13 to RM 20 for the main dish

CONCLUSION

Meriam emphasized that success is not simple. Running a business is significantly more difficult after COVID-19. She did not want to see the money she had spent in her business go to waste. She wanted her children to be more involved in the daily affairs of the company. Meriam was looking straight out the window at her two children, Eddie and Raihana.

"I hope that they will learn and find a solution". I'm too old to think on my own.

Raihana told her brother Eddie about her conversation with her mother while dining at the restaurant. *"Abang, we cannot burden her with all of these issues. "We need to strategize further."* We need to increase our seating arrangement in Meriam Kitchen to accommodate additional customers, particularly during peak hours. We also need to think of ways to salvage unsold pastries. Do you have any ideas?

As the manager, I am responsible. But, at the same time, I need you to help me identify ways to ensure we have enough cash on hand to cover all expenses while eliminating waste.

My hands are tied as to how to draw customers to our café. I am stuck. I was too busy baking in the kitchen to see what was going on across the counter. I apologize, Abang, but I need to learn more. Ma gave me it until the end of the month.

Rai, I am confident we will find solutions. I noticed something intriguing in Penang about a social enterprise that helps people buy and sell food and pastries at a lower price to avoid wasting them away. If we had a comparable organization in Malacca. Furthermore, let me consider measures to avoid incurring further financial restraints. We will sort things out. Let's head back home. It has been exhausting. We rest and prepare for tomorrow. They went their separate ways.

ACKNOWLEDGEMENTS

This research was funded by Ministry of Higher Education (MOHE) under the Fundamental Research Grant Scheme (FRGS/1/2021/SS01/USIM/03/1).

Self-Distribution of Business Zakat for CSR Initiatives: The Case of Bank Rakyat

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Teaching Case Synopsis

This teaching case is designed for undergraduate students pursuing degrees in accounting, business, management, or sustainability-related fields. It explores the dynamic world of Corporate Social Responsibility (CSR) through the lens of a real-world company, Bank Kerjasama Rakyat Malaysia (Bank Rakyat). As Islamic financial institutions and banks increasingly diversify their CSR activities through strategic distribution, the case delves into Bank Rakyat's CSR initiatives using the Wakalah mechanism. Wakalah is the policy of zakat refund by zakat institutions to the entity that pays zakat to the zakat institutions for distribution to eligible Asnaf or beneficiaries. In this sense, Bank Rakyat, as a zakat payer, is authorized to self-distribute its business zakat refund or Wakalah fund to eligible beneficiaries for CSR initiatives, based on specific conditions after paying a certain amount of zakat to the zakat institutions. This case offers students a platform to explore the concept of CSR from an Islamic perspective and critically analyze the key success factors contributing to Bank Rakyat's remarkable sustainability journey. While managing the CSR fund can have a positive impact on the Muslim community and society, it is essential to effectively address several considerations. Thus, students can also gain insights into the numerous benefits and challenges the Bank faces in managing the Wakalah fund to support such initiatives.

Keywords: Business Zakat, Key Success Factors, Wakalah Fund, Self-Distribution Fund, Corporate Social Responsibility, Asnaf.

INTRODUCTION

In the heart of Kuala Lumpur, amidst the bustling financial district, a man named Mr. Adam held a unique and esteemed role. For two decades, he served as the Zakat Fund Manager at Bank Rakyat, one of Malaysia's most renowned financial institutions. Under his diligent stewardship, Bank Rakyat thrived not only as a prosperous cooperative bank but also as a beacon of Islamic principles and corporate social responsibility (CSR) initiatives.

As the Zakat Fund Manager, Mr. Adam's main responsibility is to monitor the distribution of business Zakat funds under Wakalah to eligible Asnaf or recipients as specified in Islamic laws. This involves conducting assessments to determine the eligibility of recipients and disbursing funds fairly and equitably. Self-distribution of business zakat or Wakalah is a zakat distribution system that encompasses a structured process wherein the zakat institution entrusts the zakat payer with the authority to distribute zakat funds directly to eligible Asnaf. This delegation of authority is contingent upon fulfilling established conditions, ensuring that the zakat money is disbursed in accordance with the Islamic principles.

His team is also responsible for maintaining accurate records of Zakat contributions, including the amount received, the source of funds, and any relevant documentation. Proper administration ensures transparency and accountability in the management of Zakat funds. Mr. Adam engaged with various stakeholders, including Zakat donors, recipients, community leaders, and religious scholars, to foster

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trust and collaboration in Zakat management efforts. Effective communication and engagement help build support for Zakat initiatives and ensure alignment with community needs and priorities.

Bank Rakyat's commitment to CSR had become a cornerstone of its identity. Since its inception, the bank had embraced its mission to foster community well-being and national prosperity. In an era when businesses sought to balance profits with social and environmental impacts, Bank Rakyat had risen to the challenge with unwavering determination. It had become a driving force behind sustainable development, financing companies that shared its vision of a better world.

In 2019, the bank had etched history by forming a strategic partnership with the United Nations, earning accreditation under the 'Together for SDGs Hub' program. This monumental achievement aligned Bank Rakyat's vision, priorities, and work processes with the Sustainable Development Goals (SDGs), making it a pioneer in championing global sustainability.

As the bank embarked on its ambitious 2025 Strategic Plan (BR25), aimed at becoming Malaysia's premier progressive Islamic cooperative bank, Mr. Adam faced a pivotal juncture. Part of this transformative journey involved the creation of a Sustainability Blueprint, signifying the bank's commitment to sustainable practices.

Yet, amidst the accolades and transformative ambitions, Mr. Adam found himself at a crossroads. One day, he received an unexpected call from a Zakat Fund Manager at a prominent corporation in Saudi Arabia. The caller sought his wisdom, seeking guidance on how to utilize their Wakalah business zakat fund for CSR initiatives. This call, from a distant land, triggered a moment of introspection.

As the sun set over the majestic Petronas Towers, Mr. Adam pondered factors that contribute to key success factors of fund distribution. Had he truly optimized the distribution of business zakat to create the greatest positive impact on sustainability journey of his organization? The legacy of Bank Rakyat's CSR journey rested on his shoulders, and he wondered if there were untapped possibilities, uncharted territories yet to be explored.

BACKGROUND OF THE COMPANY

Bank Rakyat was established on 28 September 1954 under the Cooperative Ordinance 1948 (known as the Cooperative Societies Act 1993). Bank Rakyat is the biggest Islamic cooperative bank in Malaysia with total assets amounting to RM117.33 billion as at the end of December 2022. The bank is located at Menara Kembar Bank Rakyat, No 33, Jalan Rakyat, 50470 Kuala Lumpur.

Founded in 1954 as the Bank Pertanian Malaysia, Bank Rakyat was initially established to provide banking services to farmers and agricultural workers. Bank Rakyat was initially established as a government-owned bank. It was founded by the Malaysian government to address the financial needs of farmers and rural communities. While it was later privatized and converted into a cooperative bank, the government maintains a significant interest in its operations. As a financial institution operating in Malaysia, Bank Rakyat is subject to regulation and oversight by various government agencies, including Bank Negara Malaysia and the Ministry of Finance. These regulatory bodies establish policies, guidelines, and regulations that govern the operations of banks in the country, including those related to Islamic banking and cooperative institutions.

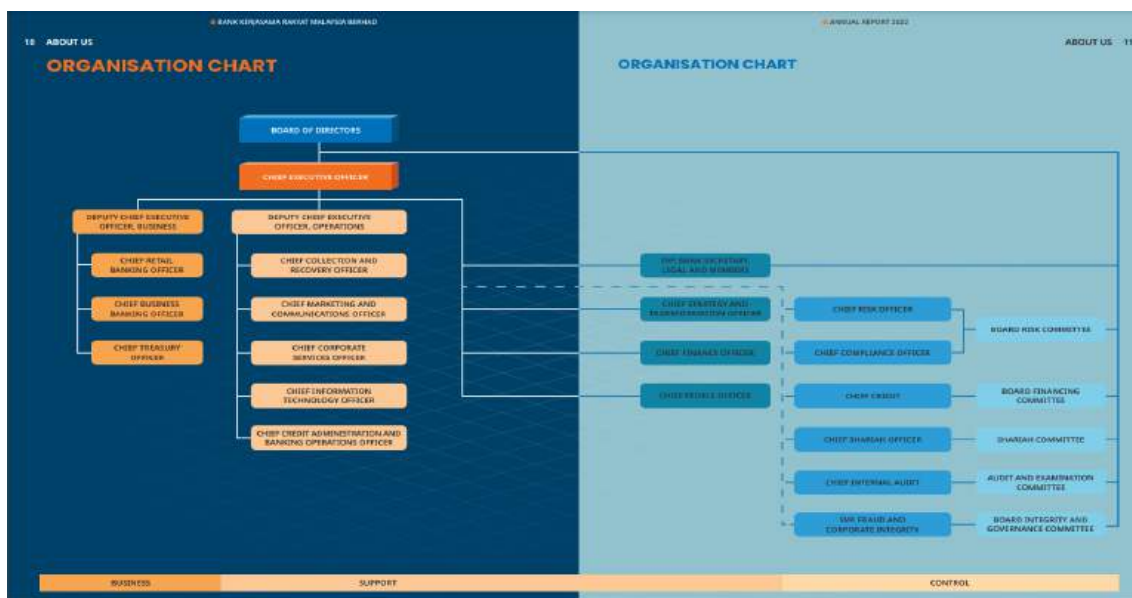
Bank Rakyat collaborates with the Malaysian government on various initiatives aimed at promoting financial inclusion, economic development, and social welfare. For example, the bank may participate in government-led programs to provide financing to small and medium-sized enterprises (SMEs), support affordable housing projects, or facilitate agricultural development.

The transformation in 2002 of the Bank from a conventional banking system to a banking system based on Syariah has enabled the Bank to record encouraging profits year after year. For the financial year as

at the end of December 2022, the bank has recorded a pre-tax and pre-zakat profit of RM1.7 billion. In addition, the bank has paid the business zakat amounted to RM41 million in 2021 (Bank Rakyat Annual Report 2020, 2021). Out of this amount, nearly RM25 million is self-distributed by the bank under Wakalah concept to the eligible Asnaf, as guided by the Policy and Procedure for Business Zakat Management of Bank Rakyat. Under Wakalah, the zakat institution delegates the authority to zakat payers to distribute zakat funds themselves to eligible Asnaf through the refund of a portion of the zakat paid, based on the established conditions.

The bank offers product and customer facilities that are varied and innovative. The range of products and facilities comprises consumer banking, commercial financing, savings, investments, and financial planning services to meet the diverse needs of a broad spectrum of modern-day customers. The bank continues to maintain a friendly corporate image to place it on a sound footing as “Your Bank of Choice”.

The bank has received various recognitions as an industry player and as an outstanding cooperative organization in Malaysia as well as internationally. As of now, the bank has 147 branches with more than 983 automated teller machines (ATMs) and cash deposit machines (CDM), and 127 Ar-Rahnu X'Change nationwide. Following is the organizational chart of Bank Rakyat:



Source: Annual Report of Bank Rakyat (2022)

Bank Rakyat has embarked aggressively in corporate social responsibility (CSR) initiatives. Since its establishment, Bank Rakyat has always maintained its position as a progressive, dynamic and Islamic cooperative bank that ensures the well-being and prosperity of the community and nation. As one of the largest Islamic financial institutions in the world, Bank Rakyat recognised the significant responsibility it owes to the community – not just in this country but the world as a whole – and is determined to become a champion of sustainable development. The bank plays a large role in incentivising and financing companies to be sustainable and conscious of their impact on society, the economy and the environment. Bank Rakyat was awarded at the Malaysia Top Achievers 2022 for Industry Excellence in Corporate Social Responsibility. Other awards received are:

- The Golden Globe Tiger Awards (Asia Edition) for Outstanding Social Impacts.
- Sustainability and CSR Malaysia Award 2022 as Bank of the Year for Excellent initiatives in RAKYATpreneur, Bank Rakyat UNIPreneur and Kebun Nuri Nutrisi projects.
- CMO (Chief Marketing Officer) Award is a community development recognition for the RAKYATpreneur and Bank Rakyat UNIPreneur initiatives.

In 2019, bank rakyat forged a strategic partnership with the United Nations and made history as the first Malaysian organisation to be accredited under the United Nations Country Team 'Together for SDG's Hub' programme. An important milestone, this partnership ensures that the bank vision, strategic overlay, priorities, and work processes are aligned with the Sustainable Development Goals (SDGs).

Bank Rakyat's 2025 Strategic Plan (BR25) is the biggest transformation that Bank Rakyat has ever undertaken and is a proactive response to global trends of digitalisation and greater accountability for the environmental, economic and social impact and sustainability of businesses. It charts a 5-year journey towards becoming the No. 1 progressive Islamic cooperative bank in Malaysia. As part of this BR25 Strategic Plan, the Bank will be developing a Sustainability Blueprint, which will take effect from 2020.

CSR INITIATIVES FOR ASNAF

The zakat beneficiaries or Asnaf are: "Truly the alms (zakat) are for the poor, and the needy, and 'amil, and muallaf whose heart are tamed, and the servants, and the debtors, and the warriors of Allah's path (fi sabilillah), and those who travel." (Qur'an 9:60)

Every year, a part of Bank Rakyat's business profits is dedicated to Corporate Social Responsibility (CSR) activities, conducted through various avenues. These encompass flagship initiatives such as the Kebun Nuri Nutrisi program, annual zakat and waqf contributions, the Back to School program, Surau Al-Barakah activities, and Corporate Social Responsibility (CSR) programs of Rakyat Management Services (RMS), which is the franchisor of Bank Rakyat's Ar-Rahnu X'Change Islamic pawn broking brand.

Bank Rakyat remains dedicated to empowering Asnaf entrepreneurs through the RAKYATpreneur and UNIPreneur 2023 programs, with a total fund allocation of RM3.5 million for use by 800 potential Asnaf entrepreneurs. Through zakat contributions, Bank Rakyat supports and implements initiatives aimed at ensuring the underserved receive equitable access to education, business opportunities, and improved living standards. A total of RM18.5 million in zakat was disbursed to 77,487 recipients through the aforementioned programs. The details of Bank Rakyat's CSR initiatives based on the 2022 Annual Report including that related to the Zakat fund are presented in the Appendix.

BANK RAKYAT'S REMARKABLE SUSTAINABILITY JOURNEY

The Bank senior leaders such as CEO, CSR and Finance bosses have unwavering commitment towards the distribution of business zakat fund for CSR initiatives. Mr Adam explained the most striking aspects of his CEO's attitude. *"My CEO is not a typical one. He is known to be the first to arrive at the office and the last to leave. He championed the Bank's zakat related sustainable practices. His actions inspired employees to adopt good working habits, realized about CSR initiatives is part of religious obligations and thus setting an example for everyone in the organization"*. Besides that, the Bank's board of directors (BOD) consist of individuals who are deeply passionate about environmental and social issues. Mr Isaac, one of Mr Adam subordinates added, *"our BOD members decided to distribute the zakat refund that we received from the zakat institutions a few years ago. This makes our Bank closer with the beneficiaries without any boundaries and improve our corporate image as well"*. Their support and concern on this matter set the tone for the entire organization sustainability practice. The importance of the zakat refund to be strategically managed for various impactful CSR Asnaf programs has been always highlighted in the Bank's key management meetings. This practice certainly aligned with the company aspirations to achieve both short-term and long-term goals and, to create value for Muslim community and general society socio-economic developments in the country. *"I am consistently*

engaged in decision-making processes during BOD and top management meetings pertaining to the policy and management of the zakat fund" as stressed by Mr. Adam.

The Bank has a major policy that the Wakalah fund is allocated not only for one-off programs such as donations and other financial assistance but also for long-term impactful projects like Asnaf entrepreneurship and agriculture empowerment programs. However, the long-term programs require continuous monitoring to ensure a positive impact on the corporate zakat distribution. As the biggest Islamic cooperative bank in Malaysia, the Bank's operations are conducted under Shariah principles, where moral values are integrated into business and non-business transactions. The use of self-distributed zakat fund for sustainable development activities is systematically budgeted and reported to the management. Bank Rakyat has a dedicated department to manage the zakat fund headed by Mr. Adam. This department directly reported to the big boss of marketing and communications division. The staff in the department are encouraged to develop new skills and stay updated on the latest sustainability trends so that errors and lower-quality work can be avoided. They perform various related roles including examining the application of the zakat aid based on guidelines provided by the Islamic Religious Council of Federal Territory (MAIWP). Mr Adam also mentioned that *"our Bank has standard operating procedures to further process the eligible application and a part of that is getting approval from our Shariah committee before the distribution for CSR initiatives can be made to the beneficiaries. Of course, we worry about mismanagement of the zakat fund and accumulation of undistributed zakat for the initiatives although we have procedures to mitigate these risks"*.

Over the past decades, Bank Rakyat has organized various events nationwide, collaborating with societies, organizations and education institutions for sustainability initiatives. Specifically, the Bank actively engages with its stakeholders, including zakat institutions, non-profit organizations (NGOs), universities, schools, government agencies, local communities, customers, employees and many more to facilitate the delivery of CSR initiatives, fulfill the zakat beneficiaries' needs effectively and leverage expertise and resources for sustainability efforts. *"Our CSR work with various stakeholders in the community in the country is one of the main contributing factors to our Bank remarkable sustainability journey. We were allowed to organize several dedicated zakat self-distribution events with the zakat institutions due to our continuous efforts on zakat payment and collection. The events were witnessed by many people and reported by mainstream news agencies and this is good for our Bank's publicity"*, as stressed by Mr Adam. Taken overall, the bonds established between the Bank and its stakeholders help them understand the main concerns of Asnaf and align the Bank's CSR initiatives accordingly.

The Bank's CSR initiatives towards the beneficiaries are renowned throughout the country. It is Mr Adam and his team's obligation to ensure that the distribution of the Wakalah CSR fund is well-managed and aligned with the Bank's core moral values. Every year, the Bank receives a substantial amount of the zakat refund from the zakat institutions which is then utilized for the CSR initiatives. Mr Adam's department has duties to review the Wakalah fund applications, evaluate proposals, seek Syariah advice and disburse the funds to the approved CSR initiatives accordingly. Mr. Adam always reminds himself and his team member by saying that *"staff members' virtue on these processes is so critical to the Bank's corporate reputation"*. There were a few incidents in the past his team came across when reviewing the fund applications. One of them was a request from an NGO called "SereneHomes4All". This NGO is dedicated to addressing the needs of poorer Asnaf who are homeless. The NGO had a plan to provide a safe and stable place for the homeless using the Bank's CSR fund. The proposal was comprehensive and seemed promising, but Mr Adam's intuition told him that something was wrong somewhere since the requested amount for the project was too significant. His team carried out a further investigation and discovered some figures in the NGO's financial statements were fictitious and they were not audited as well. From several third-party inquiries, they also found that some of the NGO's key administrative staff were involved in previous legal cases involving mismanagement of funds. Besides that, it was uncovered that the NGO did not have a proven track record in helping the homeless. As the investigation

progressed, there were signs of potential embezzlement within the NGO. In fact, there were a few times the NGO's manager exerted undue influence on the Bank's staff by offering expensive gifts in exchange for blindly disbursing the fund. The findings were promptly reported to the Bank's CEO and other relevant senior staff. As a result, the proposal was rejected and the disbursement of the fund was not approved. Mr Adam team's efforts to uphold their strong moral principles in managing the CSR fund were highly appreciated by everyone in the organization.

CONCLUDING REMARKS

In the aftermath of his enlightening conversation with the Zakat Fund Manager from Saudi Arabia and the profound discussions that ensued throughout the case study, Mr. Adam, the protagonist, found himself reinvigorated and re-evaluating the path he had charted for self-distribution of business zakat at Bank Rakyat. Fuelled by fresh insights and a renewed commitment to ethical finance and sustainable development, he embarked on a journey to further refine the bank's CSR initiatives and zakat distribution practices. His unwavering dedication to aligning Islamic principles with the global pursuit of sustainable goals echoed the continued evolution of Bank Rakyat's role as a catalyst for positive change, ensuring that the bank's legacy of responsible finance would thrive in the ever-changing landscape of corporate social responsibility.

ACKNOWLEDGMENTS

We wish to express our sincere thanks to the Management and Leadership Case Study Centre at the University Utara Malaysia for their generous sponsorship, which made the development of this teaching case, "Self-Distribution of Business Zakat for CSR Initiatives: The Case of Bank Rakyat," possible.

APPENDIX

CSR Initiatives of Bank Rakyat

OUR SOCIAL EFFORTS

STEPPING UP SUSTAINABLE SOCIAL IMPACTS

Since Bank Rakyat's inception, the concept of service to the people has been embedded in our business and in the many ways we keep giving back to the community. As the bank of the people, we are mindful that CSR plays a pivotal role in the Bank's ongoing success and our ability to create long-term value for our wide range of stakeholders. Contributing to society and towards the upliftment of those in need is also an important part of the Shariah principles that govern us. Today, CSR is part of the Bank's overarching aspiration to create a sustainable future for our stakeholders. We are motivated to build a better future for underserved communities as well as the stability and prosperity of our nation. This is part of the Bank's effort to maintain a friendly corporate image to place us on a sound footing as Your Bank of Choice.

Each year, a portion of business profits are allocated for the purpose of CSR, which are conducted through a multitude of channels. These include our flagship Kebun Nuri Nutrisi programme, Annual zakat and waqf contributions, Surau Al-Barakah activities and Rakyat Management Services (RMS) (franchisor of Bank Rakyat's Ar-Rahnu X'Change Islamic pawn broking brand) CSR programmes.

Over time, our focus on CSR has expanded and today it nurtures the Bank's sustainability journey, spearheaded by the Sustainability Department. This ensures more mindful planning to ensure the delivery of **Environmental, Social and Governance (ESG)** impacts in all initiatives that we support.

Highlight

In FY2022, Bank Rakyat was the recipient of three international awards for delivering outstanding social impact. The awards received were:

- The Golden Globe Tiger Awards (Asia Edition) for Outstanding Social Impacts.
- Sustainability and CSR Malaysia Award 2022 as Bank of the Year for Excellent initiatives in RAKYATpreneur, Bank Rakyat UNIPreneur and Kebun Nuri Nutrisi projects.
- CMO Award - a community development recognition for the RAKYATpreneur and Bank Rakyat UNIPreneur initiatives.

By incorporating sustainable practices into all aspects of our business, implementing new governance structures and integrating environmental, social and governance (ESG) principles into the Bank's decision-making, we aspire to continue nurturing a sustainable future for the communities we serve.

Kebun Nuri Nutrisi Programme

Kebun Nuri Nutrisi continues to be grown as the Bank's flagship award winning community development programme which aims to promote food and nutrition security, agricultural education, social inclusion, economic development and entrepreneurship through the development of successful school-farms. The Bank has been conducting Kebun Nuri

Nutrisi initiatives since 2019 with participation from schools nationwide, including tertiary institutions. To date, Kebun Nuri Nutrisi has directly benefited 19,000 recipients from over 20 educational institutions.

In FY2022, through our partnership with the Federal Agricultural Marketing Authority (FAMA), Kebun Nuri Nutrisi advanced into large-scaled projects designed to create a clear and meaningful impact toward social and environmental goals. The focus was directed towards boarding schools such as MRSM Langkawi, MRSM Balik Pulau, MRSM Ulul Albab Sungai Besar, Malay College Kuala Kangsar (MCKK) and the community of Kampung Warna-Warni Seberang Ramai, Perlis.



Our current work with the Kampung Warna-Warni Seberang Ramai, Perlis is to develop a community hydroponic farm to improve the village's competitive advantages and agriculture productivity as well as bringing social progress through the creation of jobs and income to the villagers.

By expanding the reach and impact of Kebun Nuri Nutrisi, Bank Rakyat strives to support a more sustainable lifestyle for Malaysian communities. The programme covers a wide range of issues, including food security, nutrition, social inclusion and economic development, reflecting the interconnected nature of the Sustainable Development Goals and the problems they seek to address.

Sustainable impacts

- **Environmental conservation** - Help preserve land and the environment as well as improve soil health and water quality.
- **Social benefits** - Providing individuals (B40 students and communities) the opportunity to be part of sustainable income-generating agriculture activities.
- **Governance step-up** - Cultivate a more diverse and inclusive community.

OUR SOCIAL EFFORTS



• Social mobility and inclusion

The Kebun Nuri Nutrisi programme was first developed with the intention of uplifting children from low-income families with the opportunity to manage their own nutritious gardens or urban farms. We believe that making a difference in life can be nurtured through small and influential steps. By associating with farming practice at an early age, this initiative will not only help the recipients to improve their personal life but also promotes environmental equity.

• Empowering ecosystem sustainability

In contrast to one-off financial assistance, which can only be used in the short-term and is not sustainable, this initiative provides benefits regularly while also optimising production through market-leading technology. It incorporates agricultural learning and entrepreneurship where the surplus produce can be sold to raise funds that can be used to help the recipients and people around them in a sustainable way. During the unprecedented crisis of the COVID-19 pandemic which forced an immediate worldwide transition from teaching in classrooms to online teaching, many schools used the profits from the Kebun Nuri Nutrisi initiative to help their B40 students get SIM cards and Internet connection to follow online lessons.

• Food and nutrition security

The programme help increase exposure to fresh and healthy local food. Recipients will be better nourished and is given the opportunity to learn about local food production, improving not only their nutritional status but their knowledge and understanding of agriculture which leads to community well-being.

• The leveraged partnership

The collaboration with FAMA has harnessed a better direction for our recipients in terms of orientation and management of farming activities such as agricultural infrastructure which entails all the basic services, facilities

and equipment that is needed for efficient production of agricultural commodities and marketing. The recipients were better prepped beforehand with courses and advisory for them to embark on agriculture activities.

• Community agriculture - Shared prosperity

Other than promoting agriculture to students, the Bank is initiating a strong agricultural economy that brings social progress by increasing productivity, employment and income. This initiative would not only help the communities gain access to nutritious food supply but to foster their entrepreneurial skills by allowing them to sell surplus produce to raise funds that will be used to expand initiatives that help communities in a sustainable manner.



• Financial inclusion - Cashless school programme

Beyond the Bank's initiative on agricultural sustainability, Bank Rakyat has been promoting smart spending and financial literacy in students via a cashless programme to schools that participated in Kebun Nuri Nutrisi. This programme transforms the current method of payment at the school cooperative, canteen and book shop into cashless which enables students to utilise Bank Rakyat Student MyDebit Card as a payment method. This initiative, which has benefited over 1,000 students is aimed at empowering them to manage their savings and spending from an early age.

Our future plan

Bank Rakyat aspires to advance this project in the future by incorporating sophisticated technologies such as the Internet of Things (IoT), Artificial Intelligence (AI) and smart farming. These advanced devices and precision agriculture allow farming to be more profitable, efficient, safer and more environmentally friendly. Currently, we are collaborating with one of the universities in Malaysia to implement IoT technology in their farming practice.

OUR SOCIAL EFFORTS

Other Community Welfare Initiatives

Back to School Programme

The Back to School programme is an annual community charity programme aimed at helping students to get ready to come back to school and begin a new school year. The main objective of this programme is to alleviate the financial burden of B40 families with school going children. A total of 6,000 B40 students from 116 schools nationwide benefited from the programme in FY2022.

Sustainable Impacts:

- **Inclusivity**
 - The Back to School initiative serves as an opportunity to assist students with heightened vulnerabilities, from diverse backgrounds and from rural regions who are less likely to receive support.
 - The programme helped reduce the financial burdens of the B40 families who were affected by the Movement Control Order (MCO) due to COVID-19 and the recent flash floods.

Primary School Students		
Item	Quantity	Number of Students
Black shoes	1 pair	6,000
School uniform <ul style="list-style-type: none"> • Female student - shirt, long skirt and scarf • Male student - shirt and trousers 	1 set	
Socks	1 pair	
School bag	1 unit	

Innovation through Collaboration Programme

Deeply committed to supporting education and every aspect of a child's journey through school and beyond, Bank Rakyat entered an innovative partnership with SK Seri Permai, Pulau Pinang to find a solution for heavy school bags. Heavy school bags have always been a problem and backpacks that are too heavy can cause chronic back pain if regularly carried for long stretches of time. As such, the Bank supported SK Seri Permai's initial idea of incorporating innovative desk solutions, namely Smart and Easy Table (SnET) which benefited more than 1,300 students from both morning and evening sessions. The innovative desk comes with two shelves for books and three side compartments that can be used to store stationery, a Kelab Nuri coin container and a water bottle.

Sustainable Impacts

- **Financial literacy** - This programme educates students about the importance of sound money management and focuses on financial lessons that range from the importance of saving money to developing positive spending habits through the provision of Kelab Nuri's coin container as part of the Bank's ongoing effort in increasing financial literacy among the young.
- **Collaboration** - The creation of this desk was also a collaborative educational project with over 30 students enrolled in the Diploma of Furniture Manufacturing programme at Institut Kemahiran MARA Sungai Petani, support from Sekolah Menengah Kebangsaan Raja Tun Uda (SMKRTU) as well as Pejabat Pendidikan Daerah Barat Daya and Jabatan Pendidikan Pulau Pinang.



OUR SOCIAL EFFORTS

Festive Season Contributions

Jelajah Ramadan Bank Rakyat and FAMA 2022

To celebrate the Ramadan spirit of sharing and giving, Bank Rakyat collaborated with the Federal Agricultural Marketing Authority (FAMA) through *Jelajah Ramadan Bank Rakyat* and FAMA 2022 by contributing food packs (RM414,000.00) to 2,070 families from 25 locations nationwide (mosques and surau).

This initiative also includes *bubur lambuk* distribution, provision of iftar and *moreh* meals, distribution of Bank Rakyat's al-Quran to participating mosques and perform Tarawih prayers together with the local community.

Rindu Aku Mau Kaamatan and Rindu Mok Sambut Gawai Programmes

The programmes involved food packs distribution to underprivileged communities in Sabah and Sarawak in conjunction with Gawai and Kaamatan celebrations.

Rindu Aku Mau Kaamatan Programme	Rindu Mok Sambut Gawai Programme
370 Recipients	600 Recipients



Waqf and Zakat Contributions

Waqf

Bank Rakyat and the Majlis Agama Islam dan Adat Melayu Terengganu (MAIDAM) launched the Terengganu Waqf Hemodialysis Centre as an effort to drive the development of waqf projects in Malaysia, particularly in the health sector to help the needy.

This initiative is the peak of Bank Rakyat's strategic collaboration with MAIDAM in supporting *myWakaf* initiative which focuses on the provision of banking service channels in addition to glorifying waqf as a financial instrument that can have an impact on the country's economic development.

A total of RM1.47 million waqf funds have been successfully collected as a result of public donations as of October 2022 and these waqf funds are used to finance the cost of refurbishing this hemodialysis centre such as the cost of providing facilities and equipment including dialysis machines which in total reach more than RM644,000.00.



OUR SOCIAL EFFORTS

Zakat

Through zakat contributions, Bank Rakyat supports and executes initiatives to ensure the underserved are provided social equity in education, business and living standards. A total Zakat of RM18.5 million was distributed to 77,487 recipients through the following programmes:

No.	Programme	Total Recipients	Total (RM)
ENTREPRENEURS SUPPORT			
A	RAKYATpreneur 3.0	243 persons	1,300,000.00
	Bank Rakyat UNIPreneur 2.0	500 persons	1,625,000.00
	Entrepreneurs (one-off)	190 persons	310,000.00
	TOTAL	933	3,235,000.00
QUALITY EDUCATIONS			
B	Students of Primary/Secondary Schools (One-off)	67,248 persons	8,049,541.82
	Zakat Siswa	25 persons	949,195.00
	University/University College (Education Programmes)	13 institutions	502,791.30
	Local University Students	433 persons	262,500.00
	International University Students	8 persons	16,500.00
	Mualaf (Education Programmes)	2 institutions	10,000.00
	TOTAL	67,729	9,790,528.12
NO POVERTY/ZERO HUNGER/GOOD HEALTH AND WELL-BEING			
C	Poor Aid (one-off)	6,971 persons	1,394,200.00
	Cost of Living Aid/Medical Treatment Aid	41 persons	262,871.00
	Poor Aid (Mualaf) (one-off)	1,338 persons	138,600.00
	Poor Aid (Mualaf) (Institution)	1 institution	30,000.00
	TOTAL	8,351	1,825,671.00
SUSTAINABLE CITIES AND COMMUNITIES			
D	Mosques/Mussolla (Education Programmes)	382 institutions	1,464,000.00
	Home Building	10 persons	650,000.00
	Flood Assistance	21 institutions	370,000.00

OUR SOCIAL EFFORTS

Repair Home	3 persons	85,000.00
Fire Assistance	1 person	10,000.00
TOTAL	417	2,579,000.00
GRAND TOTAL	77,430	17,430,199.12*

* Excluding Wakalah Fund from Majlis Agama Islam Negeri.

* Information is from April 2022 to December 2022.

FY2022 ZAKAT SPOTLIGHT: RAKYATpreneur and Bank Rakyat UNIPreneur

The RAKYATpreneur and Bank Rakyat UNIPreneur programmes display Bank Rakyat's commitment in playing an important role as a growth engine that reactivates the micro, small and medium enterprise sector and contributes to the country's Gross Domestic Product (GDP) which can transform and empower the national economy. The programmes are in line with the aspirations of the Sustainability Blueprint drawn up through the Bank Rakyat 2025 (BR25) strategic plan to prioritise balance between business operations and responsibility towards the community by giving priority to continuous and sustainable economic progress.

Participants of both programmes are given an injection of funds, training and entrepreneurial guidance and inclusive monitoring from Bank Rakyat for six months to help improve their income and nurture the growth of their businesses.

In 2022, both programmes were planned more comprehensively and improved from the previous series to ensure that they remain relevant and help increase participants' income by up to 20%. Since their introduction, the programmes have recorded good performance and proud success for the participants.

RAKYATpreneur

This is a philanthropic initiative to assist asnaf micro entrepreneurs by providing the financial aid to enhance their initial capital and assist them through a comprehensive six-month training module that focuses on the development of entrepreneurial skills, self-confidence and self-reliance.

SELECTION	<ul style="list-style-type: none"> Identify potential asnaf micro entrepreneurs who need assistance to boost their current business. Collaboration with Majlis Agama Islam Negeri and Lembaga Zakat Negeri.
COACHING	<ul style="list-style-type: none"> Development of RAKYATpreneur module Knowledge sharing session on entrepreneurship
MENTORING	<ul style="list-style-type: none"> Implementation of knowledge One-to-one guidance Feedback on key areas and improvements
MONITORING	<ul style="list-style-type: none"> Inspection and evaluation of progress Identify key improvements Branch engagement to educate on banking products
BRANDING	<ul style="list-style-type: none"> Depict the ownership Elevate the business by building customer recognition
FINANCING	<ul style="list-style-type: none"> Align with the National Entrepreneurship Policy (NEP) agenda.

OUR SOCIAL EFFORTS

The pilot programme was launched in 2020 with 20 asnaf, this was increased to 170 asnaf in 2021 and in 2022 the programme benefitted 243 asnaf with community-based micro businesses throughout Malaysia. We target businesses with a monthly revenue of RM1,000.00 to RM8,000.00 and provide seed funding RM5,000.00 or RM10,000.00.

RESULTS: 2022 - 60% or 146 participants shown increased sales for the entire six-month.

Bank Rakyat UNIPreneur

This is a philanthropic initiative, in collaboration with higher education institutions, to assist young asnaf student entrepreneurs by providing financial aid to enhance their initial capital and assist them through a comprehensive six-month training module that focuses on the development of entrepreneurial skills, self-confidence and self-reliance for their future careers.



The pilot programme was launched in 2021 with 100 participants in collaboration with 10 higher educational institutions, this was increased to 500 participants in 2022 in collaboration with 24 higher educational institutions. We target businesses with a monthly revenue below RM2,000.00 and provide seed funding of RM3,000.00.

RESULTS: 2022 - 66% of participants has shown increase in sales for the Bank Rakyat UNIPreneur 2022.

YAYASAN BANK RAKYAT AND SURAU AL-BARAKAH

Yayasan Bank Rakyat

Yayasan Bank Rakyat initiates education and community initiatives to help those in need. Funding of the foundation is obtained through a contribution of 0.5% of the shareholding of each member of Bank Rakyat (individuals and cooperatives) and deducted from the dividends received each year. The foundation strives to improve the education level of poor Malaysians regardless of race, religion and descent as well as improve the socio-economic level through knowledge and education in addition to encouraging the attitude of helping Malaysians.

Funds contributed to YBR for 2022 is as below:

Categories	Contributions
Bank Rakyat Members	RM14,303,012.00
Bank Rakyat	RM14,303,012.00
Total Contribution	RM28,606,024.00

Surau Al-Barakah

Formed to provide spiritual sustenance and strength for all Bank Rakyat employees, Surau Al-Barakah contributes to the well-being of the muslimah community. Inspired by the Arabic word 'Barakah' which means sustainable growth, in its community activities, Surau Al-Barakah provides resilience through contributions in times of need and by building spiritual strength.

Jāriah Al-Barakah is a collaborative initiative between Bank Rakyat and Surau Al-Barakah which was created to support the practice of charity among the Bank's employees and the community. Through this platform, the charity is managed more effectively. The collection received for this platform from 1 January 2022 until 31 December 2022 was RM265,948.71 which made the total collection from the establishment of this initiative until 31 December 2022 amounting to RM820,874.92. From this amount, a total of RM248,335.56 has been distributed to the beneficiaries.

OUR SOCIAL EFFORTS

Jāriah Al-Barakah

No.	Collaborative Partner	Total Collection	Total Distribution	Beneficiaries	
1	Jāriah Al-Barakah	RM820,874.92	RM248,335.56	COVID-19 victims	RM5,000.00
				Asnaf and B40	RM24,500.00
				IIUM (Dermasiswa)	RM50,000.00
				UPSI (Bantuan Yuran Pelajar)	RM85,977.00
				Bantuan Umum (Kebajikan)	RM33,820.00
				Bantuan Umum (Kebajikan)	RM25,784.56
				Maahad Tahfiz Al Aqsa	RM8,570.00
				Rejimen 504, Askar Wataniah	RM14,684.00



In FY2022, Surau Al-Barakah also distributed RM349,356.80 in Islamic Dakwah and Knowledge Enrichment activities as well as CSR initiatives throughout the year. Other than the annual festive Ramadan and Aidiladha contributions, in FY2022 RM66,404.80 was devoted to ZON BARAKAH BERGERAK in collaboration with Bank Rakyat branches. The initiative comprised mobile visits to needy communities all across Malaysia to contribute donations in the form of food and cash. When the floods ravaged Pahang and Selangor, RM75,000.00 was devoted to helping repair works for 29 affected mosques and suraus, in addition to a copy of the al-Quran and a memento wall clock.

BaktiRAKYAT

BaktiRAKYAT is a volunteerism programme that supports the Sustainable Development Goals (SDG) which focuses on aspects of community development, education, health, socioeconomics and support services. It is aimed to cultivate the value of cooperation, fostering team spirit, eradicate selfishness and care for the community and the environment.

This initiative is also in line with the aspirations of the Sustainability Blueprint drawn up through the strategic plan of Bank Rakyat 2025 (BR25) to increase the value of cooperation, foster group spirit, erode self-importance and disregard for the community's cultural environment and the environment to coincide with the concept of 'Malaysian Family'.

At least one volunteering programme was targeted to be held every month starting January 2022 at the regional level and Bank Rakyat headquarters. As a result, a total of 13 BaktiRAKYAT programmes have been organised in 2022, involving 662 employees and 2,612 voluntary service hours.



OUR SOCIAL EFFORTS

Activities include:

<i>Program Pemuliharaan dan Kecerlaan</i>	Department of Fisheries Turtle Conservation and Information Centre, Pengkalan Balak, Melaka
<i>Program Penanaman dan Pemeliharaan Pokok</i>	Forest Research Institute Malaysia (FRIM)
<i>Program Penambahbaikan Prasarana dan Kecerlaan</i>	Madrasah Waqf Islamiah Sabah (MAWIS)
<i>Rewang Ramadan</i>	<ul style="list-style-type: none"> • PPR Seri Alam 2 • SEKATARAKYAT • Surau Al-Barakah
<i>Penghijauan Malaysia: Pokok Kita, Kehidupan Kita</i>	<ul style="list-style-type: none"> • Pejabat Hutan Daerah Johor Timur, Mersing • PUSPANITA Daerah Mersing
<i>Program Pelepasan Rama-rama dan Penanaman Pokok</i>	<ul style="list-style-type: none"> • Sekolah Menengah Kebangsaan Bukit Gambir • McDonald's
<ul style="list-style-type: none"> • Aktiviti Plogging dan Pembersihan Kawasan Pantai • Aktiviti Pembersihan Sekolah akibat banjir 	<ul style="list-style-type: none"> • NGO Geng Plastik Ija (GPI) • Sekolah Menengah Agama Yayasan Al Khairiah
<ul style="list-style-type: none"> • Program Penanaman Pokok Berembang • Pembersihan Pantai 	<ul style="list-style-type: none"> • Majlis Perbandaran Kuala Selangor (MPKS) • Kelab Generasi Warisan Seri Asahan • Persatuan Pendayung Kelip Kelip Kampung Kuantan
<ul style="list-style-type: none"> • Aktiviti Pemasangan Tali, Papan Tunjuk Arah dan Penerangan • Pembersihan Laluan Pendaki 	Lembaga Pembangunan Tioman
<ul style="list-style-type: none"> • Program Pembersihan Kolam Penyus dan Penanaman Pokok Ambang-Ambang • Aktiviti Mengecat dan Gotang-Royang 	Department of Fisheries <ul style="list-style-type: none"> • Turtle Conservation and Information Centre, Segani, Perak • Kampung Warna-Warna Seberang Ramai, Kuala Perlis
<ul style="list-style-type: none"> • Program Mengecat Surau, • Pembersihan Kawasan Kampung • Pemasangan Lampu Solar 	i-CATS University College

RMS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Rakyat Management Services (RMS), a wholly owned subsidiary of Bank Rakyat is the franchisor of the Ar-Rahnu X'Change Islamic pawnshop franchise brand. In addition to carrying out Bank Rakyat's mandated role in developing cooperative businesses, RMS is also active in other gold-related business activities such as gold specialist consulting services and gold retail through the RMS Gold brand.

Like Bank Rakyat, RMS allocates a part of its profits for the implementation of CSR programmes that help the needy in our community, regardless of background. In order to ensure an effective and integrated programme structure, RMS has outlined the CSR programme as a brand marketing programme under the Ar-Rahnu X'Change Product and Brand Marketing Plan 2022 through three main approaches which are corporate sponsorships and contribution, contribution to the asnaf and franchise initiatives.

Board members and management are consistent with the aspirations of RMS as an organization with a big heart in helping people in need regardless of background.

The company's corporate social responsibility philosophy is to share all business returns with the community as an appreciation for customer support for over 15 years in operation.

OUR SOCIAL EFFORTS

Corporate Sponsorships and Contributions

Through two budget sources, namely corporate expenditure and the National Marketing Fund, RMS allocated RM100,000.00 in FY2022 for the implementation of CSR programmes. Expenditure was utilised with sponsorship activities and donations to various groups of individuals and institutions. These included:

- RM3,500.00 to Surau Bukit Jelutong, Shah Alam in conjunction with Aidiladha 1443H. This was completed in two locations, namely in Bandar Baru Salak Tinggi, Sepang in addition to activities with the Club Pure Dream Caring Welfare in Ulu Bernam, Selangor.
- RM3,500.00 worth of cash donations earmarked for the successful *Majlis Khatan Perdana* organised by Surau Al-Barakah, Menara Kembar Bank Rakyat on 10 December 2022.
- RM10,000.00 for the sponsorship of the 2022 Drug-Free Malaysia Family Campaign organised by the Malaysian Narcotic Crime Eradication Organisation.

Contributions to the Asnaf

Up to December 2022, a number of Zakat *Wakalah* allocations have been spent for the benefit of various categories of asnaf. For asnaf *fisabilillah*, several institutions such as mosques, madrasahs, organisations and schools have been listed.

Students are one of the main target groups in the RMS's charity donation activities. During the year, RM100,000.00 was provided to 500 asnaf students from poor families in collaboration with the *Amal Budi* Volunteer Welfare Club. On 7 February, RM30,000.00 donation was given to the Malaysian Schools Islamic Dakwah Activities Organisation (PEKDIS) Selangor Branch, intended to be distributed to 300 less able students around the State of Selangor. A further RM30,000.00 asnaf contribution was given to 300 students on 24 February, channeled through the Islamic College Alumni Association, Klang Malaysia. In addition, more than 20 less fortunate children were also celebrated with cash donations and necessities to celebrate Hari Raya Aidilfitri.

For the first time RMS took the initiative in contributing to the construction of asnaf houses. The construction of a house in Lata Rek village, Kuala Krai has been carried out to ensure that the six family members of Puan Razila Jusoh live in a new house to enjoy a more comfortable life.

'Ar-Rahnu X'Change We Care' Franchise Initiative

The direction of Ar-Rahnu X'Change brand marketing programme as a caring brand is translated through the 'Ar-Rahnu X'Change We Care' campaign which was initiated in 2020. Throughout the year 2022, various activities amounting to RM15,000.00 for each Ar-Rahnu X'Change branch were carried out by franchises nationwide.

More than 30 franchisees were involved in the initiative to make the campaign a success by catering to various groups of individuals and institutions in need through assistance in the form of basic food needs and cash.

Among the many contributions made, the Prime Minister's Department Employees' Cooperative Franchise through Ar-Rahnu X'Change Semenyih and Banting channeled a donation of RM5,000.00 to Mahmudah Malaysia Care Centre in Kampung Sungai Purun, Semenyih and Maahad Tahfiz Sulaimaniyyah Al-Azim Kampung Kelanang in Banting, Selangor. The franchisee of the Ibnu Umar Family Cooperative in Terengganu also took the initiative to help local residents in need by donating basic food aid to 60 poor families.



Hendak Seribu Daya, Mahu Seribu Cara

Dr. Azrihisyam bin Jambut

**Pusat Penyelidikan dan Konsultasi, INTAN Bukit Kiara, Kuala Lumpur, Malaysia*

Sinopsis

Proses dan prosedur permohonan perisytiharan jualan di Pejabat Tanah mengikut Kanun Tanah Negara 1965 (KTN) berkaitan dengan lelongan harta tanah yang biasanya berlaku apabila pemilik harta gagal membayar pinjaman yang dijamin dengan hartanah tersebut. Pihak bank atau pemegang gadaian (pemiutang) akan mengeluarkan notis tuntutan kepada pemilik tanah (penggadai) jika pembayaran pinjaman tertunggak. Jika penggadai gagal membayar dalam tempoh yang ditetapkan, pemegang gadaian boleh memohon kepada Pejabat Tanah untuk mendapatkan perisytiharan jualan. Permohonan ini akan disertakan dengan dokumen-dokumen yang diperlukan seperti salinan perjanjian gadaian, salinan notis tuntutan, dan bukti kegagalan pembayaran. Setelah Pentadbir Tanah berpuashati, suatu notis untuk mengadakan siasatan pada suatu tarikh yang telah ditetapkan akan dikeluarkan kepada penggadai dan salinannya kepada pemegang gadaian untuk menghadirkan diri semasa siasatan tersebut. Berikut adalah senario yang berlaku dalam proses permohonan perisytiharan jualan oleh pemegang gadaian mengikut Seksyen 253-269, Kanun Tanah Negara (KTN) 1965.

21 September 2010 (Selasa - jam 9.30 pagi)

SENARIO 1: Perbicaraan Kes Perisytiharan Jualan (Sek. 261) KTN 1965 di Mahkamah Tanah di Pejabat Tanah Daerah (PTD) Gombak

Pada pagi 21 September 2010, lebih kurang jam 9.30 pagi, telah diadakan satu perbicaraan kes permohonan perisytiharan jualan melibatkan hartanah HSM 3620, Lot 324, Bandar Baru Selayang di antara pemegang gadaian iaitu Bank CEPATLULUS Berhad dengan penggadai, Encik Karim bin Mat.

- Azri (ADO) : Selamat pagi kepada tuan-tuan yang hadir pada pagi ini.
- Peter (Wakil Bank) : Selamat pagi tuan. Saya mewakili pihak Bank CEPATLULUS hadir bersama peguam kami.
- Azri : Tuan tanah mana? (sambil menoleh kepada kerani lelong, Yaakob).
- Yaakob (PT Lelong) : Tuan tanah tak hadir Encik Azri.
- Azri : Tuan tanah tak hadir? (sambil mengerutkan kening). Bank dah buat penyampaian notis kepada pemilik? (sambil memandang wakil bank)
- Rahman (Peguam bank) : Pihak kami dah beberapa kali pergi ke rumah penggadai nak hantar notis tuan. Tapi setiap kali pergi. Tuan tanah tak ada di rumah. Jadi kami buat penyampaian secara notis gantian, hantar secara surat berdaftar, dan iklankan di beberapa akhbar, tuan.
- Yaakob : Penghantar notis kita pun dah beberapa kali pergi ke rumah penggadai bos. Tapi setiap kali pergi, sama juga. Tuan tanah tak ada di rumah. Jadi, kita pun buat penyampaian secara notis gantian, dengan hantar guna pos berdaftar dan

- menampal notis di pejabat tanah, balai raya serta rumah penggadai (Yaakob mencelah).
- Azri : Inilah susahnya. Kenapalah penggadai ni tak hadir. Macam mana nak tolong diorang ni, kalau dah hantar notis pun tak hadir. Baiklah, kita teruskan dengan perbincaraan. Kes hartanah HSM 3620, Lot 324, Bandar Baru Selayang di antara pemegang gadaian iaitu Bank CEPATLULUS Berhad dengan penggadai, Encik Karim bin Mat. Sila mulakan pihak pemegang gadaian.
- Rahman : Assalamualaikum dan selamat pagi tuan, Saya peguam mewakili pihak Bank CEPATLULUS Berhad, ingin memohon perisytiharan jualan bagi hartanah ini tuan. Pemiliknya dah 30 bulan tak bayar. Jumlah tertunggak pun dah lebih RM 80,000.00 tuan. Penyata pinjaman penggadai adalah seperti yang kami telah lampirkan dalam permohonan kepada pihak tuan. Terima kasih tuan.
- Azri : Mana *valuation report*? Masih *valid* tak? (sambil memandang peguam bank)
- Peter : Ini *valuation report* terkini tuan (sambil menyerahkan *valuation report (VR)* kepada Azri).
- Azri : (sambil membelek) Ini bukan *VR* terkini ni. *VR* ni dah setahun dah ni. (sambil menunjukkan tarikh *valuation report* yang tertera, bertarikh 20 September 2009)
- Rahman : Betul tuan, Tapi *valuation report* hartanah kan *valid* sehingga 2 tahun tuan. Lagi pun, tiada perubahan ketara dari segi nilai hartanah tersebut tuan (peguam bank mencelah). Kami buat *valuation report* ni masa masuk permohonan kali pertama tahun lepas, tapi Tuan dah dua kali bicara, asyik tangguh saja.
- Azri : Penentuan sama ada *VR* itu masih *valid* atau tidak, Pentadbir Tanah seperti saya yang akan pertimbangkan. *Actually*, saya pun kena ambil tahu, harga hartanah semasa dalam daerah saya ni. Jika saya dapati, harga hartanah di kawasan-kawasan tertentu dalam daerah Gombak ni telah naik, saya boleh minta untuk dapatkan *VR* terkini, tak semestinya saya gunakan *VR* yang dah setahun ni. Saya kena adil dengan penggadai supaya, walaupun rumah penggadai dilelong, mestilah dengan harga semasa tertinggi yang mengikut pasaran. Soal saya tangguhkan bicara sebelum ini adalah sebab nak beri peluang kepada penggadai. Tapi entahlah, penggadai ni tak hadir-hadir juga masa siasatan.
- Rahman : Pihak kami mohon sangat, tuan dapat jatuh perintah lelong. Penggadai ni memang tak boleh nak bayar dah nampaknya tuan, sebab tu asyik mengelakkan diri saja.
- Azri : Kamu ni, suka sangat nak lelong rumah orang. Cuba rumah kamu yang nak kena lelong, macam mana. Lepas tu, tak ada orang nak tolong. Apa kamu rasa? Setiap orang ni ada masalah dia masing-masing. Jangan risau, bank tak pernah rugi, kamu boleh *charge* macam-macam bila penggadai ada tunggakan macam ni. Betul kan?
- Peter : Tuan, saya harap sangat bicara kali ketiga ni, kami dapat perintah lelong. Pemilik hartanah ni sampai sekarang belum ada buat bayaran tunggakan apa

- pun. Penggadai ni memang pernah datang ke bank, tapi dia hanya minta masa untuk bayar tunggakan dia, itu saja. Tapi tak ada buat bayaran pun.
- Azri : Hm. (sambil menghela nafas). Baiklah, oleh kerana penggadai pun tak hadir, dan tidak dapat dihubungi setelah tiga kali perbincaraan kes ini, saya setuju untuk jatuhkan perintah lelong untuk hartanah ni. Berapa *value* semasa hartanah? (sambil memandang wakil bank)
- Peter : *Value* semasa hartanah ni adalah sebanyak RM 450,000.00 tuan, *Force Sale Value (FSV)*, RM 415,000.00 tuan. Pihak kami mohon supaya Tuan dapat tetapkan harga rezab mengikut *Force Sale Value* iaitu RM 415,000.00 tuan. Kami percaya ramai yang akan datang nak bida hartanah ni kalau tuan tetapkan harga rendah dari nilai semasa. Lokasi hartanah bagus. Lagi pun, baki hutang penggadai ni hanya tinggal RM 180,000.00 tuan, mungkin ada banyak lebihan baki untuk penggadai nanti.
- Azri : Mana boleh macam tu. Saya kena tetapkan dengan harga semasa la. Mana kamu belajar tetapkan harga rizab dengan *FSV*?
- Peter : Tapi tuan, *ADO* sebelum ni selalu tetapkan dengan *FSV*, cepat sikit jual. Lagi pun, kan namanya lelong. Hakim mahkamah pun selalu tetapkan harga rizab ikut *FSV*.
- Azri : Salah tu. Cuba kamu tengok Seksyen 432 KTN 1965. Dah terang dan jelas kan, kena bagi harga rizab dengan *value* semasa. Sama jugak dengan mahkamah. Ini *ADO* lama dengan hakim tak baca kanun la ni. Main ikut saja amalan pegawai-pegawai sebelum mereka ni. Saya tak ikut amalan. Saya ikut kanun. Kalau tidak, naya la tuan tanah kalau kena lelong harga rizab pakai *FSV*. Nanti, hari lelong, datang seorang pembida, terus dapat harga rizab. Tuan tanah la rugi. Tak patut macam tu. Salah. Kamu ni pihak pemegang gadaian, jangan masa diorang nak pinjam saja nak tolong. Dalam keadaan macam ni, tolong la sikit peminjam kamu. Bank tiap-tiap tahun untung berbillion-billion ringgit. (jawab Azri tegas)
- Peter : Jadi, bila tuan nak tetapkan tarikh lelongan?
- Azri : Tarikh lelongan 3 bulan dari sekarang. 23 Disember 2010.
- Peter : Lamanya tuan. Tuan tak boleh tetapkan dalam masa sebulan atau 2 bulan ke?
- Azri : Kamu ni. bagi la peluang pemilik rumah kalau-kalau dia boleh *settle*. Jangan nak lelong rumah orang saja.
- Peter : Tuan bantu la kami sikit, dah 30 bulan penggadai ni tak bayar. Nanti saya kena bebel dengan bos saya. Dia kata daerah lain, boleh jer cepat lelong.
- Azri : Eh. Eh. Kamu yang bagi perintah atau saya yang bagi perintah? Nak saya tarik balik perintah ni? (Azri memandang tajam officer bank)
- Rahman : Baik, baik tuan, kami setuju (mencelah dengan pantas).
- Azri : Kerja saya ni bantu semua orang, dua-dua belah pihak saya kena bantu. Kamu saya dah bantu jatuhkan perintah, pihak satu lagi saya bantu panjangkan sikit tempoh masa. *So, fair* kan? Kamu tak rugi apa pun. Dengan macam-macam

interest yang kamu kenakan, bank pasti dapat balik duit pinjaman tu. Malah lebih lagi, macamlah saya tak tahu. Dengan *daily interest* lah, *bill lawyer* lah, *management fee* lah, *notis-notis* yang kamu bagi semua tu kamu *charge* dengan harga mahal. Iya kan? Cuba kamu bayangkan, rumah kamu atau rumah adik-beradik kamu yang nak kena lelong ni. Apa kamu rasa?

- Peter : Kami hanya buat tugas kami saja tuan. (sambil menundukkan kepala).
- Azri : Baiklah, rekodkan perintah saya ni. Dengan ini, bagi kes hartanah HSM 3620, Lot 324, Bandar Baru Selayang diantara pemegang gadaian iaitu Bank CEPATLULUS Berhad dengan penggadai, Encik Karim bin Mat. Saya jatuhkan perintah untuk perisytiharan jualan bahawa rumah ini akan dijual secara lelongan awam dengan harga rizab sebanyak Ringgit Malaysia 450,000.00 pada hari Khamis, 23 Disember 2010, jam 9 pagi. Terima kasih.
- Peter : Terima kasih banyak Tuan.
- Rahman : Terima kasih banyak Tuan. Kami minta diri dulu.
- Azri : Baik. Terima kasih tuan-tuan.

22 November 2010 (Isnin - jam 2.30 petang)

SENARIO 2: Kekecohan di bahagian pendaftaran PTD Gombak.

Kelihatan Encik Karim bin Mat bersama isterinya di kaunter bahagian pendaftaran. Beliau memohon untuk berjumpa dengan Encik Azri, ADO Pendaftaran, berkenaan Notis Perintah Jual (Perisytiharan Jualan) rumah beliau.

- En. Karim : Tuan, tolonglah tuan, saya nak jumpa ADO (sambil memandang pegawai-pegawai di bahagian pendaftaran pejabat Tanah Gombak)
- Saliha (Kerani Hakmilik) : Kenapa ni cik?
- Karim : Bulan depan rumah saya nak kena lelong pejabat tanah. Tolonglah cik, saya nak jumpa ADO.
- Saliha : Bang Akob. Bang Akob. Kes abang Akob ni. encik jumpa Encik Yaakob tu. Dia PT lelong (sambil menunjuk ke arah Yaakob).
- Yaakob : Ya encik. Ada apa-apa yang boleh saya bantu?
- Karim : Tolong cik. Rumah saya nak kena lelong bulan depan oleh pejabat tanah. Tolonglah cik, saya nak jumpa ADO. Ni dokumen-dokumen hakmilik rumah saya.
- Yaakob : Oh. Saya tahu kes ni. Sekejap saya ambil fail. Kenapa 2 bulan lepas semasa hari siasatan encik tak datang?
- Karim : Kami takut cik. malu. *installment* tak bayar dah dekat 30 bulan. Hampir RM 80,000.00 tunggakan. Saya takut. Bila pergi bank pun officer bank

- tak nak layan. Mereka kata kalau tak bayar penuh tunggakan, mereka nak lelong rumah saya. Perniagaan saya bermasalah tuan. Itu yang saya tak dapat nak bayar ansuran rumah saya tu. Sebenarnya tuan, sebelum siasatan hari tu, saya sedang cuba usaha untuk jual tanah saya di Pulau Pinang, tapi belum ada pembeli lagi. Sekarang ni baru ada pembeli. Baru minggu lepas kami dah tandatangan surat perjanjian jual beli.
- Yaakob : Oh. Baiklah. Encik tunggu sekejap ya, saya tengok *ADO free* tak.
- Karim : Tolong saya tuan.(dengan muka sedih)
- Yaakob : Encik Azri. Encik Azri (sambil mengetuk pintu bilik)
- Azri : Masuk. Ya, ada apa bang? (sambil mendongak kepala)
- Yaakob : Ini Encik Azri, kes lelong yang jatuh perintah 2 bulan lepas tu. Yang 30 bulan tak bayar tu. Encik Karim, penggadai tu datang nak jumpa Encik Azri.
- Azri : Oh. Iya ke. dah 3 kali bicara tak datang. Bila dah jatuh perintah, keluar notis lelong, baru nak datang.
Hm. Baiklah, suruh dia masuk. Abang dah ambil fail dia?
- Yaakob : Dah Encik Azri, ini dia. (sambil menghulurkan fail dan berjalan keluar). Encik Karim, mari masuk (sambil membukakan pintu dan mempersilakan Karim dan isterinya masuk ke bilik *ADO*)
- Karim : Assalamualaikum tuan. Selamat petang tuan.
- Azri : Waalaikumsalam. Selamat petang Encik Karim, puan. Silakan duduk. Ada apa-apa yang saya boleh bantu?
- Karim : Macam ni tuan. Berkenaan notis lelong rumah saya tuan. Bulan depan rumah saya nak kena lelong pejabat tanah tuan, tolonglah tuan. Itu rumah pusaka arwah ayah saya tuan. Saya tak nak rumah saya tu kena lelong tuan. Tolonglah saya tuan.
- Azri : Hm. Begini Encik Karim. Pihak yang sepatutnya Encik Karim jumpa bukan saya sebenarnya bila dah jatuh perintah ni, tapi pihak bank. Encik Karim kena bincang dengan mereka. Minta mereka batalkan untuk lelong rumah Encik Karim tu.
- Karim : Kenapalah tuan jatuh perintah lelong rumah saya? Tuan tak kasihan ke dengan orang awam macam saya ni? Tolonglah saya tuan (dengan nada merayu).
- Azri : Jangan salah faham, Saya jatuh perintah pun sebenarnya nak bantu penggadai macam Encik Karim ni. Pihak bank ada bagi kat Encik Karim tak penyata untuk siasatan hari tu? Tak ada kan, ini saya tunjuk. (sambil mengambil penyata bank dari dalam fail).
- Karim : Tak ada tuan, yang saya tahu *statement* tunggakan pinjaman saya sahaja.

- Azri : (Sambil menunjukkan *statement* bank untuk siasatan). Ini penyata bank untuk siasatan, ada penyata *installment* bulanan dan tunggakan, tapi, ini tengok ada satu lagi, *daily rate interest*. RM 33.50 sehari. Kalau sebulan dah jadi RM 1,005.00. *Installment* Encik Karim RM 2,600.00 sebulan, tambah yang ini dah jadi RM 3,600.00 sebulan tau. Jadi, kalau saya tak jatuh perintah untuk kes ini, Encik Karim kena bayar RM 3,600.00 sebulan, yang sepatutnya RM 2,600.00 sahaja, selagi kes ini masih berjalan. Bila dah jatuh perintah, kadar harian tu akan terhenti untuk pengesahan jumlah keseluruhan terhutang. Sebab itu, dalam kes ini, saya menjatuhkan perintah, selain ketidak hadiran Encik Karim serta tempoh tunggakan yang terlalu lama, iaitu 30 bulan. Sebenarnya, Saya pun dah tangguhkan bicara ni selama dua kali walaupun Encik Karim tak hadir siasatan, sebab nak bantu. Tapi kali ketiga, Encik Karim tak hadir juga, macam mana saya nak bantu. Saya pun tak dapat kepastian, sama ada Encik Karim boleh bayar tunggakan itu atau tidak. Saya pun kena adil dengan pihak bank juga.
- Karim : Tolonglah tuan, saya bukan tak mahu bayar, tapi perniagaan saya merosot teruk tahun lepas, ini baru pelan-pelan nak bernafas balik. Tuan, tolonglah, macam mana saya nak mohon batalkan lelongan rumah saya tu tuan?
- Azri : Dalam soal ini, saya tak dapat nak bantu Encik Karim, kerana pembatalan lelongan hanya boleh dimohon oleh pemegang gadaian sahaja dan bukan penggadai. Itu pun pemegang gadaian kena hantar 7 hari sebelum tarikh lelongan dengan mengisi Borang 16O, iaitu Permohonan Untuk Penangguhan atau Pembatalan Suatu Perintah Jualan Melalui Lelongan Awam mengikut Seksyen 264A, KTN 1965.
- Karim : Tolonglah tuan, itu satu-satunya rumah pusaka arwah ayah saya, saya gadaikan dulu pun untuk dapatkan modal berniaga. Sekarang ni, apa perlu saya buat tuan?
- Azri : Sekarang ni saya nak tanya. Encik Karim boleh bayar tunggakan kepada pihak bank tu tak?
- Karim : Tuan, sebelum siasatan hari tu, saya sedang usaha untuk jual tanah saya di Pulau Pinang, tapi belum dapat jual lagi. Sekarang ni, baru ada pembeli. Baru minggu lepas kami tandatangan surat perjanjian jual beli. Tanah saya di Pulau Pinang tu saya dah dapat jual dengan harga RM 760,000.00. Sekarang ni, dah masuk untuk proses pembeli mohon pinjaman untuk gadaian, dan *consent* pindahmilik daripada Pejabat Tanah Daerah Barat Daya di sana. Tapi duit deposit 10% tu *lawyer* yang pegang. Kalau tak, saya dah boleh bayar tunggakan tu. Kena dapat *consent* dulu baru *lawyer* boleh *release* duit tu. Sebenarnya, bila saya dah dapat duit jualan tanah tu nanti, saya bercadang untuk buat *full settlement* dengan pihak bank tuan.
- Azri : Alhamdulillah, baguslah kalau macam tu. Sekarang ni, Encik Karim pergi jumpa pihak bank, dan tunjukkan surat perjanjian jual beli yang dah *sign* dengan pembeli tu. Saya rasa bank tak ada masalah untuk tarik balik lelong rumah Encik Karim. Cakap saja Encik Karim dah datang jumpa saya dan maklumkan hal ni. Kemudian cakap saya minta Encik Karim

- jumpa pihak bank untuk mereka bantu dengan buat permohonan pembatalan lelong rumah Encik Karim tu.
- Karim : Saya takut tuan. Sebelum ni, bila pergi bank pun officer bank tak nak layan. Mereka kata kalau tak bayar penuh tunggakan, mereka nak lelong rumah saya. Mereka suruh bayar tunggakan penuh setiap kali saya jumpa mereka sebelum ni.
- Azri : Jangan takut Encik Karim. Itu sebelum Encik Karim berjaya jual tanah di Pulau Pinang tu. Sekarang dah *sign* surat perjanjian jual beli dengan pembeli pun. Tinggal tunggu dapat *consent* sahaja untuk pindahmilik kan? Lepas tu, dah dapat duit, dah boleh buat *full settlement* pun, Saya rasa tak ada masalah. Cuba bincang baik-baik dengan pihak bank untuk minta mereka mohon batalkan lelong rumah tu.
- Karim : Baik Tuan. Besok saya akan cuba jumpa dan bincang dengan pegawai bank. Lepas tu, boleh tak saya nak buat *appointment* untuk jumpa tuan, jika ada perkara berbangkit?
- Azri : Baik Encik Karim. Saya tiada mesyuarat pada petang hari Khamis ni. Encik Karim boleh datang jumpa saya.
- Karim : Terima kasih banyak-banyak tuan. Lega sikit rasa hati saya ni. (sambil bangun untuk keluar dari pejabat ADO)
- Azri : Baik Encik Karim. Semoga semuanya dipermudahkan ya.

25 November 2010 (Khamis - jam 3.00 petang)

SENARIO 3: Temujanji Encik Karim dengan Pentadbir Tanah (ADO) di bahagian pendaftaran PTD Gombak

Kelihatan Encik Karim bin Mat bersama isterinya di kaunter pendaftaran. Beliau memohon untuk berjumpa dengan Encik Azri dan memaklumkan Encik Yaakob bahawa telah ada temujanji sebelum itu. Encik Yaakob, Pembantu Tadbir (PT) lelong membawa mereka ke bilik Azri.

- Yaakob : Encik Azri. Encik Azri (sambil mengetuk pintu bilik)
- Azri : Masuk. Ya ada apa bang? (sambil mendongak kepala)
- Yaakob : Ini Encik Karim, penggadai hari tu datang nak jumpa Encik Azri. Katanya dah buat *appointment* dengan Encik Azri hari tu. Encik Karim, mari masuk (sambil membukakan pintu dan mempersilakan Encik karim dan isterinya masuk ke bilik Azri)
- Karim : Assalamualaikum tuan. Selamat pagi.
- Azri : Waalaikumsalam. Selamat pagi Encik Karim, puan. Dah jumpa pihak bank? Apa kata mereka?
- Karim : Tuan, saya dah ikut nasihat tuan dan jumpa pegawai bank semalam, saya dah cuba bincang dengan mereka. Saya maklumkan mereka yang saya

dah ada *solution* untuk bayar tunggakan saya tu. Saya maklumkan mereka bahawa saya dah berjaya jual tanah saya di Pulau Pinang dan dah sign surat perjanjian jual beli dengan pembeli. Saya dah bagitahu mereka, harga jualan tanah tu RM 760,000.00. Sekarang ni, dah masuk untuk proses pembeli mohon gadaian, dan *consent* pindahmilik daripada Pejabat Tanah Daerah Barat Daya di sana. Dapat duit tu nanti, saya akan buat *full settlement* dengan pihak bank.

ADO : Ok. Jadi, apa kata bank Encik Karim? Sebab kalau bank dah ok, sekarang ni, tinggal proses bank sebagai pemegang gadaian untuk masuk perintah batal lelong Isi borang 16O. Jadi, bila bank akan masuk untuk permohonan pembatalan lelong tu?

Karim : Itulah masalahnya Tuan. Mereka tanya saya berapa lama proses untuk pembeli mohon gadaian, dan *consent* pindahmilik daripada Pejabat Tanah Daerah Barat Daya di sana. Saya dah tanya *lawyer*. *Lawyer* cakap, biasanya prosesnya ambil masa lebih kurang dalam 2 bulan juga. Pegawai bank CEPATLULUS tu kata, pihak atasannya tak setuju dan mahu teruskan proses lelong sebab mereka kata dah tunggu terlalu lama. Saya pun dah tunjuk surat perjanjian jual beli yang pembeli dah tandatangan dengan saya ni (sambil menunjukkan dokumen surat perjanjian jual beli kepada Azri), tapi mereka tetap nak teruskan dengan proses lelong kecuali saya bayar tunggakan saya tu. Apa yang saya harus buat tuan? Tolonglah saya tuan, itu satu-satunya rumah pusaka arwah ayah saya, saya gadaikan dulu pun untuk dapatkan modal berniaga (keluh En. Karim dengan wajah sedih)

Azri : Hm. (sambil mengerutkan kening)
Kenapalah bank selalu macam ni. Ini bukan kali pertama kes macam ni. Bank ni, bila mereka dah dapat perintah lelong, payah betul nak tarik balik walaupun penggadai dah janji untuk selesaikan tunggakan dengan bukti bahawa penggadai boleh bayar, macam kes Encik Karim ni.

Seperti yang saya beritahu Encik Karim sebelum ni, dari segi prosedur, agak susah sebenarnya saya nak bantu Encik Karim ni sebab, yang boleh mohon pembatalan adalah pihak pemegang gadaian. Itu pun, kena 7 hari sebelum tarikh lelongan ikut seksyen 264A KTN 1965.

(sambil berfikir sejenak) Encik Karim. Sebelum tarikh lelongan tu, boleh tak Encik Karim cari 10% dari harga rizab lelong rumah Encik Karim tu? RM 45,000.00.

Karim : Banyak RM 45,000.00 tu tuan. (keluh Encik Karim sambil memandangi isterinya)
Kalaulah saya boleh ambil duit deposit 10% jual tanah kat Pulau Pinang tu yang ada kat *lawyer*. RM 76,000.00 tu, dah tak ada masalah dah. (terdiam sejenak).
Baiklah tuan. Saya cuba usahakan tuan. Mungkin kena pinjam dari mana-mana. Rasanya boleh sebab saya dah boleh tunjuk bahawa saya akan dapat duit lepas pindahmilik tanah di Pulau Pinang tu. Insya-Allah tuan, saya usahakan.

Azri : Tak kisahlah macam mana pun, Encik Karim kena dapatkan 10% harga rezab untuk rumah Encik Karim tu, supaya boleh bida masa lelongan

awam tu nanti. Sebab sekarang ni bank nampaknya tak mahu bantu bagi kerjasama untuk tarik balik lelong tu. Saya pun geram dengan mereka ni. Tapi saya masih ada cara lain.

- Karim : Habis tu, apa yang saya kena buat Tuan? Tolonglah saya tuan, saya tak mahu kehilangan rumah ni. Ini rumah pusaka. Semua adik beradik akan marah dengan saya nanti.
- Azri : Sekarang ni, Encik Karim kena *standby* orang untuk bida rumah Encik Karim tu semasa hari lelongan nanti. Masa lelong, lawan bida sampai menang bidaan. Tak kisahlah berapa kenaikan sekalipun. Encik Karim carilah sesiapa, kawan, saudara atau anak Encik Karim yang dah berumur lebih 18 tahun pun boleh jadi pembida.
- Karim : Saya tak faham tuan. Nanti kalau dah dapat dan menang bidaan tu nanti, kalau harganya naik tinggi, takkan saya nak kena bayar harga tersebut tuan?
- Azri : Jangan risau Encik Karim. Sekarang ni, saya cuba nak bantu Encik Karim. Tapi Encik Karim kena Berjaya bida rumah tu dulu. Cara ini dapat tarik masa untuk Encik Karim pertahankan rumah Encik Karim tu. Kalau tak berjaya bida, tak jadi juga. Seperti yang saya beritahu tadi, pertama sekali, Encik Karim kena cari 10% dari harga rezab rumah Encik Karim tu. Kemudian, minta kawan, saudara atau anak Encik Karim yang dah lebih 18 tahun untuk jadi pembida masa hari lelong nanti. Semasa lelong nanti, bida rumah tu, tak kiralah berapa kenaikan harga, terus bida sampai menang bidaan.
- Karim : Habis tu Tuan, Kalau kenaikan sampai RM600,000.00, saya kena bayar RM600,000.00 lah tuan? Banyak tu, macam mana saya nak bayar tuan?
- Azri : Sabar Encik Karim. Bukan macam tu. Encik Karim betul-betul nak pertahankan rumah itu kan?
- Karim : Mestilah tuan. Saya dah ada penyelesaian, Cuma bank tak nak kasi saya peluang. Saya cuma perlu sedikit saja masa sampai saya dapat duit jual tanah tu.
- Azri : Baiklah. Encik Karim kena percayakan saya. Buat seperti yang saya cakap tadi.
- Karim : Baiklah tuan, saya cuba cari *deposit* RM45,000.00 tu dan orang untuk masuk bida nanti.
- Azri : Ok. Jika ada apa-apa pertanyaan, Encik Karim boleh tanya abang Yaakob ya.
- Karim : Baiklah tuan. Terima kasih banyak ya.
- Azri : Sama-sama Encik Karim.

23 Disember 2010 (Khamis - jam 7.30 pagi)

SENARIO 4: Hari Lelongan di Mahkamah PTD Gombak.

Kelihatan ramai orang untuk mengikuti lelongan sama ada sebagai pembida atau pemerhati. Kelihatan, Encik Karim bersama isterinya, dan beberapa orang rakannya turut hadir di PTD Gombak. Sebelum sesi lelongan bermula, Encik Karim menghampiri Azri dengan wajah kerisauan.

- Karim : Tuan. Tuan. Tadi kat luar ada beberapa orang datang jumpa saya, mereka tanya saya nak beli hartanah lelong yang mana. Bila saya cakap kawan saya nak bida rumah saya tu, mereka terus *offer* kawan saya nak bayar RM 2,000.00 supaya kawan saya tu tak masuk bida. Rupanya, mereka sedang atur untuk seorang pembida yang sanggup bayar kepada bakal pembida yang minat untuk beli rumah saya tu, supaya dia boleh dapat dengan harga rizab. Boleh ke macam tu tuan?
- Azri : Oh (sambil mengerutkan kening). Itu ulat lelong Encik Karim. Mereka nak keuntungan mudah, Jangan dengar cakap mereka.
- Karim : Itulah tuan, bila kawan saya cakap dia betul-betul nak beli rumah itu, mereka cakap, rumah tu ada lebih kurang 8 orang pembida dan 9 orang termasuk kawan saya. Mereka kata, kalau saya betul-betul nak, mereka suruh kawan saya keluarkan modal sekurang-kurangnya bayar lebih daripada pembida yang mereka nak atur sebelumnya. Bayar kurang-kurang RM2.500.00 kepada setiap pembida yang berminat nak beli rumah saya tu, jadi *total* RM 20,000.00 dan upah mereka RM5,000.00 supaya kawan saya boleh dapat harga rizab. Boleh ke macam tu?
- Azri : Sebenarnya, apa berlaku kat luar sebelum lelongan, bukan urusan saya walaupun saya tahu isu ini. Itu adalah antara pembida dan ulat-ulat tu. Memang mereka cari kesempatan untuk buat duit cara mudah macam ni. Tapi, saya pun ada cara menangani mereka dalam mahkamah tanah ni (jawab Azri sambil tersenyum).
- Karim : Itulah tuan, manalah saya nak cari duit untuk bayar mereka lagi, duit deposit ni pun saya pinjam kawan-kawan dan saudara-mara saya dulu (dengan riak muka sedih).
- Azri : Jangan risau Encik Karim. Jangan hiraukan ulat-ulat lelong tu. Jangan dengar cakap mereka. Buat seperti yang telah saya ajarkan hari tu. Berapa pun naik, bida terus sampai berjaya. Kemudian nanti, suruh kawan Encik Karim tu tandatangan kontrak jualan. Deposit 10% dan kawan nak jadi pembida dah *standby*?
- Karim : Sudah tuan. Kawan saya dah *standby* dan dah bagi deposit 10% tu kepada Encik Yaakob untuk jadi pembida.
- Azri : Ok. Baiklah, saya kena ke depan untuk mulakan proses lelongan pada hari ni ya.
- Karim : Baik tuan. Terima kasih kerana bagi jalan kat saya.
- Azri : Saya cuba bantu setakat yang saya mampu, (sambil berjalan ke tempat pendaftar di bahagian atas bilik lelongan Pejabat Tanah Daerah Gombak untuk memulakan proses lelongan pada hari tersebut).

Proses lelongan pada hari itu bermula. Terdapat enam (6) hartanah yang dilelong secara lelongan awam. Lima (5) hartanah telah berjaya dibida dan satu tiada pembida dan ditangguhkan ke tarikh berikutnya dengan penurunan harga rizab sebanyak 10%.

Encik Karim melalui rakannya Kamal, akhirnya berjaya membida rumah beliau walaupun ditentang oleh 8 orang pembida yang lain. Harga rizab rumah beliau yang dilelong adalah RM450,000.00, Azri menetapkan, sekali kenaikan adalah sebanyak RM3,000.00 dan telah berlaku kenaikan sebanyak 20 kali, iaitu harga akhir adalah sebanyak RM 510,000.00.

23 Disember 2010 (Khamis - jam 3.30 petang)

SENARIO 5; Lokasi: Bilik Azri, Pejabat Tanah Daerah (PTD) Gombak (petang hari lelongan di Mahkamah PTD Gombak)

Kelihatan Encik Karim berjalan tergesa-gesa pergi ke bahagian pendaftaran PTD Gombak dan menuju ke bilik Azri. Setelah menyapa Encik Yaakob, sambil mengangkat tangannya, beliau menunjuk bilik Azri dan Encik Yaakob menganggukkan kepala memberi isyarat bahawa Azri ada di bilik. Encik Karim terus menuju ke bilik Azri dan mengetuk pintu.

Azri : Iya, masuk. Oh, Encik Karim. Ada apa-apa yang boleh saya bantu?

Karim : Tuan Azri. Tuan Azri. Macam mana ni. Kawan saya Kamal tu dah berjaya bida rumah saya tu pagi tadi. Tapi lepas tu, *lawyer* bank mintak lagi RM6,000.00 pada Kamal untuk cukupkan deposit 10% daripada RM510,000.00 yang dia berjaya bida. Lepas tu, baru boleh tandatangan surat perakuan pembida berjaya dan kontrak jualan. Mereka kata, itu memang amalan biasa sama ada lelongan di Mahkamah Tinggi atau pejabat tanah. Mana saya nak cari duit lagi RM6,000.00? (sambil mengerutkan dahi kesedihan).

Azri : Eh. Mana ada macam tu. Pergi panggil *lawyer* dan wakil bank tu jumpa saya dengan rakan Encik Karim yang nak tandatangan kontrak tu sekarang. Mereka masih ada disini kan?

Karim : Masih ada tuan. Mereka tunggu kami bayar RM6,000.00 tu dulu, baru mereka nak *sign* kontrak. Baik tuan. Saya pergi panggil mereka sekarang.

Beberapa Ketika kemudian, masuklah wakil bank, Lawyer bank serta Encik Karim dan rakannya.

Lawyer bank : Selamat petang tuan. Tuan nak jumpa kami?

Azri : Ya, saya dapat tahu kontrak untuk hartanah yang Encik Kamal berjaya bida pagi tadi belum ditandatangani. Kenapa? Ada apa-apa masalah? (tanya Azri pura-pura tidak tahu).

Wakil Bank : Belum *sign* tuan. Pembida ni belum bayar baki lagi RM 6,000.00 untuk cukupkan 10% daripada harga rumah yang berjaya dibida tu. Sebab tu tak tandatangan kontrak lagi.

Azri : Eh. Kenapa pula macam tu? Memang kena bayar perbezaan 10% daripada harga belian ya? (dengan riak wajah kehairanan)

- Wakil Bank : Memang macam tu tuan. Di lelongan Mahkamah Tinggi dan pejabat tanah sebelum ini pun amalannya memang begitu. Kalau ada kenaikan daripada harga rizab, memang pembida berjaya perlu bayar perbezaan untuk cukupkan 10% daripada harga belian. Pendaftar Mahkamah pun memang cakap macam tu.
- Azri : Kamu ni, mana ada macam tu. Pendaftar Mahkamah tu pun salah. Cuba tengok ni Kanun Seksyen 263(e)(f) dan (g). (sambil membuka seksyen berkaitan dalam KTN 1965). Ini kan hanya sebut 10% daripada harga rizab. Kemudian baki harga belian mestilah diselesaikan dalam tempoh 120 hari dari tarikh lelongan. Mana ada sebut 10% daripada harga belian. Dah sangat Jelas kan. Habis, kalau orang yang bida tu memang hanya ada 10% sahaja daripada harga rizab masa itu, habis macam mana?
- Wakil Bank : Biasanya kami minta dia bagi jaminan, untuk bayar dalam tempoh beberapa hari tuan. Itu memang amalan Mahkamah dan pejabat tanah dari dulu tuan. Lepas dia bayar, baru *sign* kontrak jualan.
- Azri : Salah ni. Proses dan prosedur salah, undang-undang pun tak nyatakan begitu. Walaupun tak salah dari segi undang-undang kamu buat aturan macam tu, tapi sebenarnya menyusahkan pembida berjaya. Kalau dalam masa terdekat tu dia tak ada duit dan hanya dapat duit dua atau tiga bulan kemudian, macam mana? Tak betul ni. Nanti kamu cakap kepada Pendaftar Mahkamah Tinggi tu, saya cakap dia salah. Kamu dah baca Seksyen Kanun tadi kan? Kamu faham kan?
- Lawyer : Iya tuan. Kami faham tuan. Kami minta maaf atas kekhilafan kami tuan.
- Azri : Habis tu. Sekarang ni, macam mana? Perakuan jualan dan kontrak ni boleh *sign* ke tidak? (sambil menunjukkan perakuan dan kontrak jualan di tangan wakil bank).
- Wakil Bank : Oleh kerana tuan dah bagi penjelasan tadi, kami akur dan setuju. Pembida berjaya ni boleh *sign* kontrak jualan untuk hartanah ni tuan. (sambil memandang kepada Encik Kamal).

Setelah perakuan jualan ditandatangani, dan peguam serta wakil bank keuar, Azri meminta kepada Encik Karim berjumpa Encik Yaakob untuk mengatur satu pertemuan dengannya pada minggu berikutnya bagi menjelaskan bagaimana cara Encik Karim boleh mempertahankan rumah beliau setelah beliau dengan dibantu oleh rakannya berjaya membida rumah tersebut.

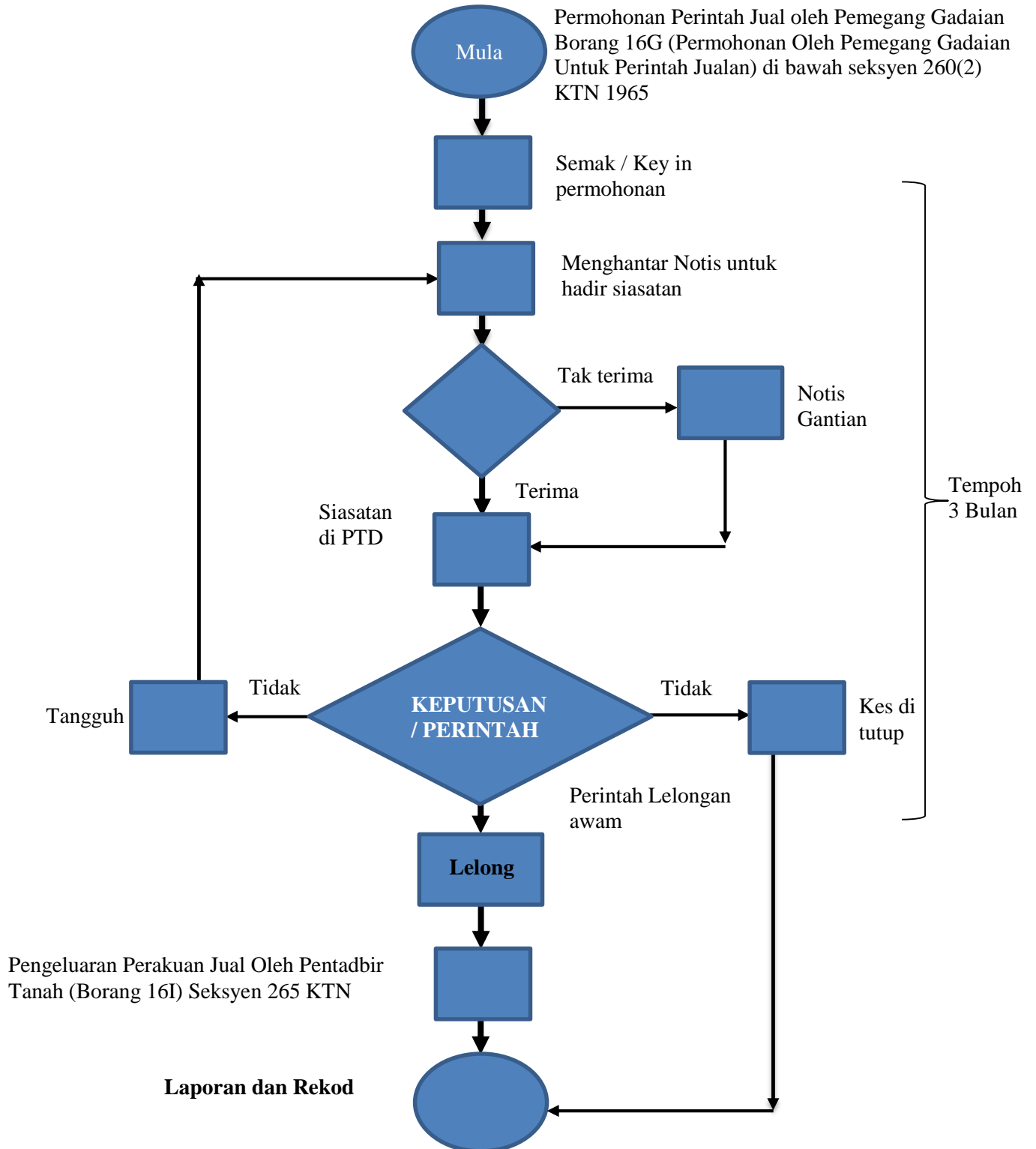
SOALAN-SOALAN

1. Apakah isu dan masalah pelaksanaan prosedur siasatan, justifikasi/alasan Pentadbir Tanah untuk menjatuhkan perintah jualan (jumlah tunggakan, bulan tertunggak), amalan penentuan harga rezab, penetapan Tarikh lelongan awam dan pelaksanaan proses dan prosedur perisytiharan jualan berdasarkan Kanun Tanah Negara (KTN) 1965 serta Pekeliling PTG dan JKPTG yang berkuatkuasa?

2. Bagaimanakah Pentadbir Tanah menangani masalah peguam pemegang gadaian yang selalu menggunakan alasan bahawa mahkamah telah menggunakan item 10% dari harga belian, serta penggunaan *Force Sale Value (FSV)* bagi menetapkan harga rizab hartanah lelong?
3. Apakah tindakan-tindakan yang boleh diambil oleh JKPTG, PTG Negeri, pejabat tanah daerah serta mahkamah tinggi yang mengawal selia serta melaksanakan proses dan prosedur perisytiharan jualan bagi menyeragamkan pelaksanaannya di setiap daerah dan negeri?
4. Apakah tanggungjawab pentadbir tanah serta tindakan-tindakan yang sewajarnya dilakukan oleh pihak-pihak yang terlibat dalam proses dan prosedur Perisytiharan Jualan sama ada di sama ada di Pejabat Tanah Daerah atau di mahkamah?
5. Bagaimanakah Pentadbir Tanah Gombak dapat membantu penggadai yang mahu menyelesaikan dengan pihak pemegang gadaian setelah perintah jualan di jatuhkan oleh pentadbir tanah, tanpa melanggar prosedur dan syarat-syarat berdasarkan Kanun Tanah Negara (KTN) 1965, Kaedah tanah negeri, serta Pekeliling PTGS serta JKPTG yang berkuatkuasa (Rujuk kes En. Karim)?
6. Apakah tanggungjawab & peranan yang perlu diambil oleh pemilik hartanah yang menjadi penggadai dengan institusi kewangan berdaftar?

LAMPIRAN 1

**CARTA ALIRAN PROSES PERISYTIHARAN JUALAN OLEH PENTADBIR TANAH ATAS
PERMINTAAN PEMEGANG GADAIAN (Seksyen 260-269 KTN 1965)**



LAMPIRAN 2

CONTOH NOTIS PERISYTIHARAN JUALAN OLEH PENTADBIR TANAH ATAS
PERMINTAAN PEMEGANG GADAIAN

1. Contoh Notis Perisytiharan Jualan oleh Pentadbir Tanah Klang Selangor.

PERISYTIHARAN JUALAN
NOTIS PERISYTIHARAN JUALAN PERMINTAAN PEMEGANG GADAIAN
(NOTIS PERISYTIHARAN JUALAN)

MALAYAN BANKING BERHAD (PENGHARGA) ANTARA PEMEGANG GADAIAN
BAN
A. MUNINDU AL BARMALINGAM (No. K/P: 70036/18/050) PEMEGANG GADAIAN
B. R. THAMARASAPU A/P R. RAMAKRISHNAN (No. K/P: 70036/18/050) PEMEGANG GADAIAN
Majikan Pentadbir Tanah Klang yang ditunjuk oleh Pentadbir Tanah Klang pada 2011 telah mengemukakan kepada Pentadbir Tanah Klang permohonan untuk menjual tanah di bawah pentadbiran Pentadbir Tanah Klang.

**AKAN MENJUAL SECARA
LELONGAN AWAM**
PADA HARI JUMAAT, 14 SEPTEMBER 2018 JAM 10.00 PAGI,
DI AUDITORIUM, LINGKAT 2, PEJABAT TAJERBAHUTAN KLANG,
JALAN KOTA, 41902 KLANG, SELANGOR DARUL KEJANG.

NOTA: Untuk maklumat lanjut mengenai permohonan untuk membeli tanah di bawah Pentadbir Tanah Klang, sila hubungi Pentadbir Tanah Klang.

Butir-butir mengenai tanah yang ditawarkan bersejarah 15672614:

No. Tanah	1. 15672614
No. Lot	1. 15672614
Petempatan/Sejarah	1. Klang/Klang/Sejarah (Tanjung Klang)
Tempat	1. Jalan Klang, Klang, Selangor
Pemegang Hak Milik	1. MAMUNINDU AL BARMALINGAM
Kelulusan Hartanah	1. 15672614 (K/P: 1.190/95/18/050)
Cukai Tanah	1. RM100.00
Kategori Pemilikan Tanah	1. Perumahan
Pemilik Hak Milik	1. MUNINDU AL BARMALINGAM & R. THAMARASAPU A/P R. RAMAKRISHNAN
Syarat Nyata	1. Mempunyai hak milik penuh
Keputusan Persekitaran	1. N/A
Rakaman	1. Pejabat Tanah MALAYAN BANKING BERHAD (No. Pendaftaran: 018/2011/Notarialis/15672614)

LOKASI DAN PERHILIAH TANAH:
Terdapat pentadbir tanah di bawah pentadbiran Pentadbir Tanah Klang yang ditunjuk oleh Pentadbir Tanah Klang, iaitu Pejabat Tanah Klang, Jalan Klang, Klang, Selangor Darul Kejang.

HARGA BERAH:
Majikan Pentadbir Tanah Klang telah mengemukakan permohonan kepada Pentadbir Tanah Klang untuk menjual tanah di bawah pentadbiran Pentadbir Tanah Klang kepada Pentadbir Tanah Klang. Pentadbir Tanah Klang telah menetapkan harga minimum untuk tanah tersebut pada RM100.00 (Seratus Ringgit Malaysia). Pentadbir Tanah Klang berhak menetapkan harga maksimum untuk tanah tersebut pada RM100.00 (Seratus Ringgit Malaysia). Pentadbir Tanah Klang berhak menetapkan harga minimum untuk tanah tersebut pada RM100.00 (Seratus Ringgit Malaysia). Pentadbir Tanah Klang berhak menetapkan harga maksimum untuk tanah tersebut pada RM100.00 (Seratus Ringgit Malaysia).

Untuk maklumat lanjut, sila hubungi Pentadbir Tanah Klang atau Pentadbir Tanah Klang & ASSOCIATES di No. 123456789, Jalan Klang, Klang, Selangor Darul Kejang. Pentadbir Tanah Klang & ASSOCIATES di No. 123456789, Jalan Klang, Klang, Selangor Darul Kejang. Pentadbir Tanah Klang & ASSOCIATES di No. 123456789, Jalan Klang, Klang, Selangor Darul Kejang.

PENYAJUR DAN PENTADBIR:
No. 123456789, Jalan Klang, Klang, Selangor Darul Kejang.
Mohd Khalid bin Mohd Nordin
Pentadbir Tanah Klang

- SYARAT-SYARAT JUALAN**
- 1) Lelongan Awam ini akan diadakan di Pejabat Tanah Klang, Klang, Selangor Darul Kejang pada hari Jumaat, 14 September 2018 jam 10.00 pagi. Semua maklumat mengenai lelongan Awam ini boleh didapati di Pejabat Tanah Klang, Klang, Selangor Darul Kejang.
 - 2) Sekiranya pembeli yang menang dalam lelongan Awam ini, ia adalah wajib untuk membayar deposit 10% daripada harga yang ditawarkan dalam masa 10 hari bekerja selepas lelongan Awam ini. Jika pembeli gagal membayar deposit 10% tersebut, maka pembeli akan dianggap telah menarik diri dari lelongan Awam ini dan akan dikenakan denda sebanyak 10% daripada harga yang ditawarkan.
 - 3) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.
 - 4) Jika pembeli tidak hadir untuk membeli tanah di lelongan Awam ini, maka pembeli akan dianggap telah menarik diri dari lelongan Awam ini dan akan dikenakan denda sebanyak 10% daripada harga yang ditawarkan.
 - 5) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.
 - 6) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.
 - 7) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.
 - 8) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.
 - 9) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.
 - 10) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.
 - 11) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.
 - 12) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.
 - 13) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.
 - 14) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.
 - 15) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.
 - 16) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.

17) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.

18) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.

19) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.

20) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.

21) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.

22) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.

23) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.

24) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.

25) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.

26) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.

27) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.

28) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.

29) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.

30) Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang. Semua pembeli adalah dikehendaki mematuhi semua peraturan dan syarat-syarat yang ditetapkan oleh Pentadbir Tanah Klang.

3. Contoh Notis Perisytiharan Jualan oleh Pentadbir Tanah Gombak Selangor. (Lelongan secara Online di laman web E-Lelong)

PERISYTIHARAN JUALAN
DALAM MAHKAMAH TINGGI MALAYA DI SHAH ALAM
PERLAKSANAAN NO: BA-38-98-01/2023

AKAN MENJUAL SECARA LELONG AWAM
PADA HARI SELASA, 16 MEI 2023, PADA JAM 9:00 PAGI,
SECARA ELEKTRONIK DI LAMAN WEB E-LELONG, PUSAT
OPERASI E-LELONG, KOMPLEKS MAHKAMAH KUANTAN, PAHANG
DARUL MAKMUR

Sila layari: <https://elelong.kehakiman.gov.my/bidderweb>

HARGA RIZAB:	RM 540,000.00
Plaintif	: Hong Leong Bank Berhad
Defendan	: Yusmi Binti Yusuf
No Hakmilik / No Lot	: H.S.(D) 17605 / PT 1483
Mukim/Daerah/Negeri	: Setapak / Gombak / Selangor
Jenis	: A Single Storey Intermediate Terraced House
Keluasan Tanah	: 1,600.00 kaki persegi
Alamat Hartanah	: No. 138, Jalan Permata 3, Taman Permata, 53300, Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.
Peguamcara	: Amin-Tan & Co. (Tel : 03-2247 1268)

Hartanah tersebut akan dijual atas "**sepertimana sedia ada**" tertakluk kepada satu harga rizab dan kepada syarat-syarat jualan sepertimana yang dicetak didalam Perisytiharan Jualan seperti dipautan berikut :
<https://elelong.kehakiman.gov.my/bidderweb/home/detail/33353>
Pembida perlu mendaftar dilaman web
<https://elelong.kehakiman.gov.my/bidderweb> dan membuat serahan bayaran sebanyak **10%** daripada harga rizab sebagai deposit dalam bentuk **Bank Draf** atas nama Plaintiff selewat-lewatnya **(1) hari bekerja** sebelum tarikh lelongan.
Sila rujuk Perisytiharan Jualan untuk cara-cara serahan.

Untuk sebarang pertanyaan, sila hubungi syarikat yang dilantik oleh Plaintiff
EHSAN AUCTIONEERS SDN. BHD.
No. Tel : 03 - 2161 6649 H/P: 016 2161 047
www.ehsanauctioneers.com

PROCLAMATION OF SALE
IN THE HIGH COURT OF MALAYA AT SHAH ALAM
EXECUTION NO.: BA-38-1164-09/2022

WILL SELL BY
PUBLIC AUCTION
ON MONDAY, THE 16TH JANUARY 2023 AT 09:00 AM
ELECTRONICALLY ON THE e-LELONG WEBSITE, e-LELONG OPERATION CENTER
KUANTAN COURT COMPLEX, PAHANG DARUL MAKMUR
Please visit <https://elelong.kehakiman.gov.my/bidderweb>

RESERVED PRICE	RM	650,000.00
PLAINTIFF	:	AMBANK (M) BERHAD
DEFENDANT	:	AZHAR BIN HASBULLAH SAGHRI
TITLE NO. /LOT NO.	:	HSD 52582, PT NO. 1225
MUKIM/ DISTRICT/ STATE	:	BANDAR ULU KELANG / GOMBAK / SELANGOR
SOLICITOR	:	MESSRS HAZERAH & PARTNERS (KL)
AN EXTENDED AND RENOVATED DOUBLE STOREY END TERRACED HOUSE		
LAND AREA	:	1,259.00 SQUARE FEET
PROPERTY ADDRESS	:	NO. 12, JALAN F3, TAMAN MELAWATI, 53100 KUALA LUMPUR

The property will be sold on an "as is where" basis subject to a reserve price and to the conditions of sale as printed in the Proclamation Of Sale as per link below:
<https://elelong.kehakiman.gov.my/bidderweb/home/index>
Bidders are required to register on the website <https://elelong.kehakiman.gov.my/bidderweb> and submit the payment of ten per cent (10%) of the reserve price as deposit in the form of Bank Draft in the name of the Plaintiff at the latest by (1) working day before the auction date. Please refer to the Proclamation Of Sale for submission method

Sumber : Laman web ptd.gombak.gov.my

LAMPIRAN 3

Gambar-gambar Lelongan Awam yang dijalankan di Pejabat Tanah Daerah dan Mahkamah Tinggi (Suasana dalam bilik lelongan adalah tidak dibenarkan untuk dirakam).



Gambar 1 dan 2 : Sesi Pendaftaran Pembida yang berminat untuk membida dalam lelongan awam di Pejabat Tanah Daerah.

Sumber : Laman web ptdkotasetar.gov.my

LAMPIRAN 4

A. UNDANG-UNDANG (MALAYSIA) SEMASA YANG TERPAKAI MELIBATKAN ISU PERISYTIHARAN JUALAN (MAHKAMAH DAN PEJABAT TANAH DAERAH).

1. KANUN TANAH NEGARA 1965 (VERSI TERKINI)
2. KANUN TANAH NEGARA (HAKMILIK MELAKA DAN PULAU PINANG) 1963 (VERSI TERKINI)
3. KAEDAH TANAH NEGERI (VERSI TERKINI) ****Setiap Negeri ada kaedah tanah masing-masing.**
4. PEKELILING KETUA PENGARAH TANAH DAN GALIAN PERSEKUTUAN (VERSI TERKINI)
5. ARAHAN PENGARAH TANAH DAN GALIAN NEGERI (VERSI TERKINI)
6. MANUAL SISTEM E-TANAH (VERSI TERKINI)
7. AKTA PENGAMBILAN TANAH 1960 (VERSI TERKINI)
8. AKTA HAKMILIK STRATA (VERSI TERKINI)
9. AKTA PUSAKA KECIL DAN AKTA GERAN OF PROBATE (VERSI TERKINI)
10. AKTA AKUAN SUMPAH BERKANUN (VERSI TERKINI)
11. AKTA SURAT KUASA WAKIL (VERSI TERKINI)

Sumber : Undang-undang Kerajaan Malaysia

LAMPIRAN 5

BEBERAPA CONTOH IKLAN SENARAI RUMAH MELONG MAHKAMAH DAN PEJABAT
TANAH DAERAH OLEH PERUNDING HARTANAH DI INTERNET.

UTARA MS 1
perkhidmatan kami adalah untuk melindungi kepentingan hartanah dan urusan anda

Senarai Hartanah MELONG KEDAH D.A

013-3319196 / 012-4336479 / 011-15288344 / 01137009547
zuhilman azul sharifah azal

JANUARI 2017

No	NO. LOT	NO. RUMAH	NO. JALAN	NO. BLOK	NO. UNIT	NO. FLOOR	NO. UNIT	NO. UNIT	NO. UNIT	NO. UNIT	NO. UNIT	NO. UNIT
1	10	10	10	10	10	10	10	10	10	10	10	10

FEBRUARI 2017

No	NO. LOT	NO. RUMAH	NO. JALAN	NO. BLOK	NO. UNIT	NO. FLOOR	NO. UNIT	NO. UNIT	NO. UNIT	NO. UNIT	NO. UNIT	NO. UNIT
1	10	10	10	10	10	10	10	10	10	10	10	10

UTARA MS 2
perkhidmatan kami adalah untuk melindungi kepentingan hartanah dan urusan anda

Senarai Hartanah MELONG KEDAH D.A

013-3319196 / 012-4336479 / 011-15288344 / 01137009547
zuhilman azul sharifah azal

MAC 2017

No	NO. LOT	NO. RUMAH	NO. JALAN	NO. BLOK	NO. UNIT	NO. FLOOR	NO. UNIT	NO. UNIT	NO. UNIT	NO. UNIT	NO. UNIT	NO. UNIT
1	10	10	10	10	10	10	10	10	10	10	10	10

"UPMAS - PENERAJU INFORMASI DAN URUSAN HARTANAH ANDA"

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pameran, meyarakat kecil dan lain-lain untuk dibawa PERUM

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013-4946549 **019-4262439**

PERISYTIHARAN JUALAN

TARIKH: 09 APRIL 2018 (ISNIN)
JAM: 10.30 PAGI
TEMPAT: BILIK LELONG MAHKAMAH TINGGI ALOR SETAR
PERMOHONAN PELAKSANAAN: 38-609-11/2018



**NO.26, JALAN KELISA BIA 1/3, TAMAN KELISA BIA,
08000 SUNGAI PETANI, KEDAH DARUL AMAN.**

HARGA RIZAB: RM97,200.00
(SINGGAT MALAYSIA) SEMBILAN TUJUH RIBU DUA RATUS SAHAJA)

JENIS HARTANAH : RUMAH TERES 1 TINGKAT (KOS SEDERHANA)
NO. HAKMILIK TANAH : HSD 34416
NO. LOT : PT 73547
BANDAR, DAERAH/NEGERI : MUKIM SUNGAI PETANI/KUALA MUDA, KEDAH
KELUASAN : 133 METER PERSEGI

LEMBAGA PEMBAYARAN PERUMAHAN SEKTOR AWAM, ... PLAINTIF
SHARUDDIN BIN ISHAK ... DEFENDAN

DEPOSIT: Peminjam yang berminat adalah dikehendaki mendepositi 10% daripada Harga Rizab dalam bentuk bank draft atas nama "LEMBAGA PEMBAYARAN PERUMAHAN SEKTOR AWAM" sebelum jam 9.30 pagi.

CARA PEMBARUAN: Baki yang baki hendaklah dibayar oleh pembeli dalam tempoh Seratus Dua Puluh (120) hari dari tarikh jualan kepada LEMBAGA PEMBAYARAN PERUMAHAN SEKTOR AWAM.

PEGUAMBELA & PEGUAMCARA
TETUAN TAHFEEK BADIJEND & PARTNERS,
SUITE 40C, TINGKAT 3, BANGUNAN TABUNG HAJI, NO.40, JALAN PSE 1,
SIMPANG KUALA, DS400 ALOR SETAR, KEDAH.
[Bil. TRF/AS/17C/PPSA/160467/16/AM/111/3/21]

JURULELONG: NASRUL BIN ABU HASSAN (012-8507757)

PERISYTIHARAN JUALAN

PERMOHONAN PELAKSANAAN NO: KA-38-717-12/2017
PADA HARI RABU, 18 APRIL 2018, JAM 10.30 PAGI
DI BILIK LELONG MAHKAMAH TINGGI ALOR SETAR, KEDAH DARUL AMAN



HARGA RIZAB: RM60,000.00

NOTA: Bilik-bilik godown adalah dikehendaki agar membuat izin hakmilik secara rasmi di Pejabat Tanah dan Hartanah semua tanggungan, sebelum serta mengesamping dengan lesen hakmilik tersebut sebelum jualan berlangsung.

BUTIR-BUTIR HAKMILIK
Jenis Hartanah : Rumah Teres Satu Tingkat
No. Hakmilik/No. Lot : GPI 402 / Lot 9171
Bandar & Daerah/Negeri : Bandar Aman Jaya, Daerah Kuala Muda, Negeri Kedah
Kawasan Rezab : Tikeda
Pegangan : Schara-lamanya
Keluasan Tanah : 64 meter persegi
Syarat Nyata : Tanah yang terkandung dalam hakmilik ini hendaklah digunakan sebagai tapak untuk satu bangunan kediaman sahaja.

Alamat : No. 74, Jalan Anggerik 4/4, Bandar Amanjaya,
08000 Sungai Petani, Kedah Darul Aman

GARA TARBIHAN

Peminjam yang berminat hendaklah mendepositi 10% daripada harga trank dalam bentuk bank draft di atas nama "LEMBAGA PEMBAYARAN PERUMAHAN SEKTOR AWAM" sebelum jam 9.30 pagi pada hari lelongan. Baki yang baki hendaklah dibayar oleh pembeli dalam tempoh Seratus Dua Puluh (120) hari dari tarikh jualan kepada LEMBAGA PEMBAYARAN PERUMAHAN SEKTOR AWAM.

TETUAN LEE YUEN SYAKTIA & RSC, Suite 2.01, Hill Tower, No. 33, Jalan Sultan Ahmad Shah,
10050 Georgetown, Pulau Pinang, Tel: 04-278 1823 Fax: 04-278 8033
(JAM: TAM: KEDAH/KU/16050906)

WKS AUCTIONEER Sdn Bhd, 02009241
No.125, Tingkat 1, Jalan Pahang, Taman Laguna Indah,
08000 Sungai Petani, Kedah Darul Aman
Tel: 04-422 5556 Fax: 04-4225556
Email: admin@wksauction.com

Vib Shari Bin Oh, PPK
Pulitang Derisiam
012-423 3100

Sumber : Facebook [SALL's Penasihat & Perunding Hartanah Lelong & Subsale](#)

LAMPIRAN 6

BEBERAPA INFORMASI BERKAITAN LELONGAN HARTANAH DI INTERNET DAN MITOS JUALAN RUMAH LELONG



Sumber : <https://kongsiceritahartanah.blogspot.com/2017/03/bagaimana-lelongan-untuk-hartanah.html>

Marketing Mix Analysis and International Expansion: A Case Study of Gano Excel Amidst Global Challenges

Shir May Ooi ^{*a}, Afifah Alwani Ramlee^b

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Universiti Utara Malaysia,
06010 UUM Sintok, Kedah, Malaysia.

^b Department of International Business, Marketing and Tourism
University of Bedfordshire
University Square, Luton, LU1 3JU
United Kingdom.

Teaching Case Synopsis

This case study explored the marketing mix (4Ps) strategies of Gano Excel Industries, a global leader in the wellness industry. It offered students insights into the company's international marketing efforts, focusing on product innovation, promotional tactics, pricing strategies, and distribution channels. By examining Gano Excel's approach, students gained valuable experience in navigating the complexities of global marketing. Under the leadership of Mr. Leow, founder and chairman of Gano Excel Industries Sdn. Bhd., the case highlighted critical decisions that drove the company's success. It delved into strategies for product differentiation, brand positioning, and competitive pricing, addressing challenges like product imitation and intense global competition. The study also covered the strategic planning behind Gano Excel's supply chain, ensuring efficient product delivery and market penetration. This case served as a best practice example for courses in International Business, International Business Policy, and Principles of Marketing. It provided real-world insights and challenged students to think critically about global business strategies.

Keywords: International marketing, Marketing mix, Global competition, Product differentiation, Supply chain planning.

FROM ORCHIDS TO GANODERMA: LEOW'S ENTREPRENEURIAL JOURNEY

In May 2020, Mr. Leow, founder and chairman of Gano Excel Industries Sdn. Bhd., faced a critical moment in his entrepreneurial journey. The global wellness industry was booming, particularly in the wake of the Covid-19 pandemic, which had heightened consumer demand for health-enhancing products. Gano Excel, known for its innovative Ganoderma-based products, was experiencing unprecedented demand, especially for its Ganoderma coffee. This case explores how Leow, starting from humble beginnings with an orchid cultivation hobby, built a global brand by pioneering techniques and making strategic decisions that positioned Gano Excel at the forefront of the health and wellness industry.

Mr. Leow embodied the wisdom of Confucius: "The man who moves a mountain begins by carrying away a small stone." This philosophy of incremental progress has guided him from humble beginnings to entrepreneurial success. What began as a simple hobby of cultivating orchid flowers—an interest shared with his mother—blossomed into a ground-breaking business venture. Leow's early fascination with orchids was more than just a pastime; it was a precursor to a transformative journey. Little did he know, this passion for orchids would later lead him to pioneer innovative techniques and eventually find himself at the forefront of the health and wellness industry.

Initially, Leow never anticipated that this interest would evolve into a thriving business. Driven by a desire to expedite the growth of his orchids, he initially relied on traditional methods like waiting for

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the mother plant to mature and using orchid rooting powder. He then progressed to crossing orchids for successive generations. However, it was the tissue culture technique that marked a turning point, allowing him to reproduce orchids with the same traits as the mother plant, producing an unlimited number of small plants. This method proved to be highly successful.

Around 35 years ago, Leow's brother, a Chinese acupuncturist, mentioned an opportunity. He shared,

"Leow, there is a company in Taiwan selling a plant called Ganoderma for more than US\$25 for a small amount. This plant is highly valued for its medicinal properties, particularly in treating cancer patients. Given your expertise in orchid cultivation and Malaysia's high humidity, which is ideal for growing Ganoderma, you should consider venturing into this market. It could be a lucrative business."

Wasting no time, Leow began experimenting with cultivating Ganoderma. Through eight years of trial and error, he refined his techniques, eventually achieving a remarkable success rate of over 90%. Fast forward to November 2022, Leow met with his general manager at the Ganoderma plant in Jitra, Malaysia. Two years after the widespread impact of Covid-19, demand for Gano Excel's products, especially Ganoderma coffee, surged as consumers sought health-enhancing products to boost their immunity and recover from illnesses. During their meeting, Leow and his general manager reviewed their marketing strategies to ensure they could meet the growing demand and sustain the business amidst the pandemic. Gano Excel regularly faces challenges in marketing and operations, such as issues with product distribution, supply chain management, customer acquisition, competition, and regulatory compliance. Recognizing these hurdles, they left the meeting with a shared commitment to finding solutions to maintain the company's competitiveness and meet customer needs in the evolving health and wellness industry.

INDUSTRY LANDSCAPE: NAVIGATING THE WELLNESS REVOLUTION

Gano Excel operates within the dynamic and competitive wellness industry, which has seen substantial growth and transformation over the past few decades. As a pioneer in this field, the company has carved a niche for itself by specializing in Ganoderma-based products, harnessing the unique properties of this prized mushroom for health and wellness benefits. The industry is characterized by a high demand for natural and holistic health solutions, driven by an increasing global awareness of the benefits of alternative medicine and wellness products. Globally, the wellness industry encompasses a wide range of segments, including dietary supplements, functional foods, personal care, and alternative therapies. This sector is continually evolving, with new trends and innovations emerging as consumers increasingly prioritize preventive health measures and natural remedies. The wellness industry's rapid expansion and diversification present both opportunities and challenges, requiring companies to stay agile and innovative to meet changing consumer needs.

CRAFTING A GLOBAL BRAND

Founded in 1995 by Mr. Leow, Gano Excel was created with the vision of transforming lives worldwide. As a leading network marketing company, Gano Excel specializes in providing fast-moving consumer goods focused on healthcare. The company's name is derived from the Latin root "Gano," reflecting its mission to excel in promoting and selling the benefits of Ganoderma. Gano Excel has garnered numerous awards and accolades, boasting the world's largest organic and natural Ganoderma plantation in Pekan Asun, Kedah. The company operates an internationally recognized Good Manufacturing Practices (GMP) factory with food safety assurance systems accredited by HACCP, MESTI, and ISO 9001/2000. Additionally, Gano Excel has obtained HALAL certification, allowing it to cater to Muslim markets, and is a registered member of the Direct Selling Association of Malaysia.

Figure 1: Accreditations Received by Gano Excel



Source: Gano Excel Company's Website

(<https://www.ganoexcel.com/ganoderma-ac.html>, accessed on 06 August 2024)

Originating in Malaysia, Gano Excel has achieved global recognition as a leader in the research, cultivation, production, distribution, and marketing of innovative Ganoderma-based immunology products (see Figure 1). The company has established itself as "Born to Be Global" and "The Pioneer" in its field. Gano Excel offers a borderless business platform, enabling individuals from all backgrounds to pursue their dreams of a healthier and wealthier lifestyle with minimal investment. The company's independent distributors have the opportunity to achieve financial success and enhance their loved ones' lives through dedication, leadership, and positive action.

At Gano Excel, the greatest strength lies in its stakeholders. Leow and the corporate executives have fostered a strong family culture, emphasizing collective growth and the achievement of business goals. They are deeply committed to providing comprehensive education and innovative business methodologies, equipping their distributors with the knowledge and skills needed to become professional network marketers.

MARKETING INSIGHTS FOR GANO EXCEL'S GLOBAL EXPANSION

To transform Gano Excel from a small start-up into a multi-million-dollar enterprise, Leow crafted a comprehensive marketing mix strategy. This approach has enabled the company to successfully navigate an international network spanning over 60 countries, making it the largest Ganoderma company globally. Gano Excel's distributors benefit from opportunities to achieve financial success, improve their income levels, and contribute to their communities through the company's social responsibility initiatives. The following sections delve into the elements of Gano Excel's marketing mix.

Product

Among the 4Ps, the product is a fundamental component shaping Gano Excel's brand identity and corporate image. The company is renowned for the health benefits associated with Ganoderma. Over time, Gano Excel has expanded its product line to mitigate the risks associated with relying on a limited number of market segments. This diversification strategy attracts a broader customer base and enhances business stability. Gano Excel's product portfolio includes beverages, supplements, and personal care items (see Figures 2, 3, and 4).

Figure 2: Company Products – Beverages



Source: Gano Excel Company's Website

Figure 3: : Company Products - Supplements



Source: Gano Excel Company's Website

Figure 4: Company Products - Personal Care



Source: Gano Excel Company's Website
(<https://www.ganoexcel.com/our-offer.html>, accessed on 06 August 2024)

Global Distribution and Supply Chain

Gano Excel tailors its products to meet the preferences and needs of different regions, considering the varying standards of living. Initially, the company aimed for standardization but soon realized the need for customization to stay competitive, especially against similar products available on platforms like Amazon. For example, in the United States, Gano Excel adheres to strict labelling requirements, while in the Philippines, the introduction of Ganoderma-infused coffee captured consumer interest through its aroma and health benefits. This approach, known as 'knocking on doors,' has proven effective in markets like Latin America, where product quality and uniqueness have been well received. Despite language barriers, Gano Excel's products have successfully communicated their value across diverse markets.

Promotion

Promotion, a crucial component of the marketing mix, encompasses various marketing communication strategies aimed at fostering a positive customer response. Gano Excel promotes health and wellness to a global audience through a diverse array of tactics. This element of the marketing mix highlights the company's approach to reaching its target consumers. Gano Excel utilizes multi-level marketing (MLM) as a primary strategy to introduce and promote its products. Despite some negative perceptions of MLM, the company's founder, Mr. Leow, views it as the most efficient method for expanding customer reach and growing the business. With endorsements from respected industry professionals, including doctors and patients, Gano Excel has managed to sustain growth and profitability, even during the COVID-19 pandemic. The following promotional tactics are prioritized based on their impact on the business.

Advertising

Prior to the COVID-19 pandemic, Gano Excel largely depended on its distributors and MLM for marketing, with limited use of conventional advertising. However, the company has since pivoted to embrace digital platforms, placing a greater emphasis on social media channels like Instagram and WeChat. In China, for instance, Gano Excel utilizes multiple WeChat groups to penetrate various regions effectively. Initially hesitant to enter the Chinese market through MLM, Gano Excel opted for a controlled approach by partnering with Tian Mao, one of China's largest online retailers owned by Alibaba. This strategic move allowed the company to maintain market control and prevent the spread of counterfeit products. In Malaysia, Gano Excel has been a pioneer in online sales.

Looking ahead, Gano Excel plans to expand its digital marketing efforts, leveraging platforms like Instagram, Facebook, and collaborations with internet celebrities, including YouTube vloggers. This approach has proven highly successful in China, significantly increasing product awareness and familiarity. As the company prepares to enter new markets, it anticipates that its digital-first strategy will continue to drive growth and market penetration.

Price

Gano Excel has successfully expanded its reach to a diverse range of countries, from developing nations to advanced economies. The company categorizes these markets into zones, each with a standardized pricing structure. For instance, Malaysia, the Philippines, and Thailand form Zone A; Latin American countries are grouped into Zone B, and European nations comprise Zone C. The value of MLM points (PV) also varies across these zones to align with local economic conditions. In more affluent countries like the United States, where the standard of living is higher, Gano Excel not only sets a premium price but also enhances the Ganoderma content in its products to meet local preferences and regulatory standards.

To successfully enter a new market, Gano Excel undertakes a comprehensive adaptation process. This includes modifying product packaging and adjusting prices, as well as recalibrating MLM point values and distributor bonuses. Additionally, the products are tailored to suit the local tastes and preferences of the target market. Reflecting on this strategy, Leow noted:

"Different regions have varying standards of living, and it's a learning curve. We once believed that simply raising prices and offering upgraded products under the same brand would suffice. However, the rapid pace of technological advancements and multimedia exposure has taught us that similar products abound on platforms like Amazon. This has led to competition and underpricing issues, often with imitators out-earning our company."

Learning from these experiences, Gano Excel has had to continuously innovate its packaging across different markets to fend off imitators and competitors. Some rivals attempt to undercut Gano Excel by offering lower-priced, inferior products, creating unhealthy market dynamics. However, Leow remains confident in the company's offerings, believing that a high-quality product can "speak for itself." Such products deliver tangible benefits, fostering consumer trust and encouraging word-of-mouth promotion. Despite the challenges posed by competitors and fluctuating ingredient costs, Gano Excel remains focused not just on selling coffee but on promoting the wellness benefits of Ganoderma. This commitment has solidified its reputation as a leading global brand, unphased by short-lived imitators who rarely last beyond two years.

Place

As of 2024, Gano Excel has made impressive strides by establishing a presence in over 60 countries, supported by a workforce of approximately 500 employees across its farming, manufacturing, and marketing sectors (see Figure 5). To ensure the high quality of its products, the company manages its own Ganoderma cultivation. However, the fluctuating quality of coffee sourced from suppliers has prompted Gano Excel to plan the construction of its own coffee processing facility. They are currently sourcing Robusta beans from Indonesia and Vietnam, and Arabica beans from Indonesia and Latin America, while also exploring optimal bean blends and testing ingredients like Stevia for their products.

Figure 5: Gano Excel's Global Business



Source: Gano Excel Company's Brochure
(<https://www.ganoexcel.us/our-story/>, accessed on 06 August 2024)

To streamline its global operations, Gano Excel has set up sales offices in various countries, leveraging online platforms and direct-to-consumer strategies. For example, a sales office in the Netherlands caters to around 27 European countries. Orders are placed and payments processed via the company's website, with warehouses being promptly notified to fulfil these orders through third-party logistics providers. Each regional warehouse maintains its inventory and generally takes 2 to 3 months to receive stock

from Malaysia, depending on shipping conditions. Consequently, Gano Excel requires international warehouses to place their orders 3 months in advance to ensure timely stock availability. Notably, Gano Excel is unique in Alor Setar for its extensive international reach, which includes markets in the United States, Mexico, Canada, and beyond. The company not only serves Asian communities abroad but also integrates into local markets in these foreign regions.

UNVEILING GANO EXCEL'S MARKETING HURDLES

In exploring Gano Excel's international business landscape, several critical challenges emerge that shape the company's strategic decisions and operational effectiveness. This analysis delves into four key areas: supply chain complexities, customer attraction and retention challenges, navigating market competition, and regulatory compliance obstacles. Each subsection examines the unique hurdles Gano Excel faces in these domains, from the intricate logistics of global supply chains to the fierce competition in the health and wellness industry. By addressing these issues, the case study provides a comprehensive understanding of the multi-faceted nature of international business management and offers insights into the strategies Gano Excel employs to maintain its market position and achieve growth.

Supply Chain Complexities

One of the primary obstacles for Gano Excel in their international operations is ensuring that their products reach their target customers efficiently and on time. This challenge becomes particularly pronounced when dealing with multiple countries, each with its own set of regulations and customs procedures. Securing the necessary import licenses and permits can be a major hurdle, potentially limiting the company's market expansion and requiring substantial resources to navigate complex regulatory environments.

Customs delays add another layer of difficulty, with issues such as regulatory changes, unexpected inspections, and paperwork errors frequently causing disruptions. These delays not only escalate costs but can also negatively impact customer satisfaction and lead to lost sales. Additionally, logistical issues in shipping—especially to remote or difficult-to-access locations—further complicate Gano Excel's efforts, potentially harming their reputation and increasing operational costs.

To overcome these challenges, Gano Excel can consider collaborating with local partners or distributors who are well-versed in navigating regional regulations and customs processes. Such partnerships can streamline the regulatory compliance process and offer valuable insights into local market dynamics and consumer preferences. Furthermore, investing in a robust and efficient logistics network can help mitigate shipping and customs issues. This involves choosing reliable shipping providers, establishing contingency plans for disruptions, and leveraging technology to optimize delivery routes and timings.

In addition, focusing on quality control and packaging design is crucial. Implementing stringent quality control measures and working with packaging experts to create durable and regulation-compliant packaging can minimize transit damage and ensure products arrive in prime condition. By adopting these strategies, Gano Excel can better navigate the complexities of international trade, enhance operational efficiency, and build strong, productive relationships with local partners and customers.

Customer Attraction and Retention Challenges

Gano Excel faces significant challenges in attracting and retaining customers amid rising competition and evolving consumer preferences. The dynamic nature of the marketing and advertising landscape adds another layer of complexity, making it challenging for the company to stay ahead of industry trends and differentiate itself from competitors, such as the major rival DXN. The crowded market can dilute brand visibility, leading to lower brand awareness and slower customer acquisition. Prospective

customers may remain unaware of Gano Excel's unique offerings or find little incentive to choose it over competing brands.

Additionally, inadequate or outdated marketing strategies can hinder the company's efforts to effectively engage target audiences. This includes not fully utilizing social media or digital channels and failing to tailor marketing messages to diverse customer segments. Such shortcomings can damage the company's reputation and erode customer loyalty over time.

To tackle these issues, Gano Excel should focus on crafting a distinct brand positioning and messaging strategy that resonates with its target demographics. Investing in comprehensive marketing strategies across multiple platforms, including social media and digital channels, will help in reaching and engaging customers more effectively. Tailoring content to address the needs and preferences of specific market segments can enhance the company's appeal.

Furthermore, improving customer service is crucial. Gano Excel can achieve this by providing robust training for customer service teams, establishing clear service protocols, and utilizing customer feedback to refine service practices. By addressing these challenges proactively, Gano Excel can build a loyal customer base and distinguish itself in a competitive market.

Navigating Market Competition

In the fiercely competitive health and wellness industry, capturing consumer attention and loyalty is a formidable challenge. For Gano Excel, thriving amidst this competition demands constant innovation and a unique market presence. The company faces significant hurdles from competitors, particularly those in China who offer similar products at lower prices. This aggressive pricing strategy threatens to erode Gano Excel's profit margins and diminish customer loyalty, as price-sensitive consumers may gravitate towards more affordable options.

Moreover, distinguishing their products from those of competitors can be difficult. If consumers fail to see a compelling difference, Gano Excel may struggle to justify premium prices or attract new customers. The introduction of disruptive products and novel marketing strategies by competitors further intensifies the pressure, necessitating rapid adaptation to maintain market relevance.

To surmount these challenges, Gano Excel must develop a distinctive value proposition that clearly differentiates their offerings. This could involve investing in cutting-edge product innovations that deliver unique benefits or crafting a compelling brand narrative that resonates emotionally with customers. Additionally, exploring alternative distribution channels and forming strategic partnerships can help expand market reach and engagement. Investing in customer relationship strategies will also be crucial for fostering long-term loyalty and turning customers into brand advocates. By continuously monitoring market trends and remaining agile, Gano Excel can navigate the complexities of competition, positioning itself as a leader in the health and wellness sector.

Regulatory Compliance Challenges

Navigating the regulatory landscape is a critical yet complex aspect of Gano Excel's operations. The company's products are subject to a diverse array of regulations and guidelines, which vary significantly across different countries and regions. Keeping abreast of these ever-evolving regulations and ensuring compliance with safety and quality standards is a continuous challenge.

One key obstacle is adhering to varied labeling and packaging requirements. Each region has its own set of rules, and failure to comply can result in costly delays or customs rejections, disrupting business operations. Additionally, maintaining high-quality and safety standards is crucial. Products that fall short of these standards can pose serious health risks, leading to costly recalls or even bans, which can severely damage the brand's reputation.

Changes in regulations can also pose significant challenges. New or updated guidelines may necessitate major adjustments to product formulations or production processes, requiring substantial investment in research, development, or production capabilities. Such changes can delay product launches or even force the discontinuation of products if adaptations are not made swiftly.

To overcome these hurdles, Gano Excel can invest in robust quality control measures to ensure all products meet local regulations and safety standards. This includes collaborating with regulatory bodies to stay informed about evolving requirements and enhancing staff training to maintain compliance. The company should also focus on creating flexible production processes and agile supply chains capable of adapting to regulatory changes and shifting consumer preferences. Leveraging data and analytics to understand customer behavior and market trends will help Gano Excel stay ahead of regulatory shifts and position itself for sustained success.

CONCLUSION

“We offer a consumable product that integrates seamlessly into people’s daily lives. Our distributors easily meet their maintenance quotas because our products are used daily and deliver clear benefits through their quality. This strong product performance not only facilitates market penetration but also positions us competitively. Our product’s benefits and consumer loyalty speak volumes, supported by a compelling marketing slogan and meticulously planned supply chains that drive smooth international operations.”

Looking ahead, Leow is confident in the company’s resilience and growth potential, despite the ongoing recovery from the COVID-19 pandemic. He noted a rise in sales during the pandemic, attributing this success to strategic planning guided by the 4Ps of the marketing mix. Although the company is poised for a potential public listing, Leow has chosen to delay this move. With successful market expansions into the American, Chinese, and European markets, he remains optimistic about the company’s continued growth.

ACKNOWLEDGEMENTS

The authors wish to express their gratitude to the following parties, who have assisted them in completing this case study. These parties include:

- i. Universiti Utara Malaysia in funding this study under the Case Study Grant Scheme, S/O Code 14904.
- ii. Pusat Kajian Kes Pengurusan Dan Kepimpinan (PKKPK) and the Research Management Centre (RMC) for administering the progress of this study.
- iii. Mr. Leow Soon Seng, founder and president of Gano Excel Industries.
- iv. The reviewers who have provided valuable comments for the final draft of the reports.

Finally, special thanks are extended to Gano Excel and the individuals who have participated in this case study. The case study would not have been completed without their assistance and involvement.

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Kulat Oh Kulat

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SINOPSIS KES

Koperasi Usahawan Kulat Berhad (KUKB) telah ditubuhkan pada tahun 2009 di bawah fungsi perladangan. Koperasi ini ditubuhkan adalah bertujuan utama untuk menyatukan mereka yang terlibat dengan aktiviti penanaman kulat di negeri Johor. Sehingga kini terdapat seramai 80 orang telah menjadi anggota koperasi. Aktiviti yang terlibat dengan penanaman kulat adalah seperti penyediaan bongkah, pembekalan input, penanaman dan pemasaran. Di samping itu, koperasi juga menjadi penyelaras kepada penyelesaian isu atau masalah yang timbul dalam aktiviti penanaman kulat.

Semenjak penubuhan koperasi, pengagihan dividen tahunan tidak pernah diberi. Setiap anggota telah dimaklumkan bahawa koperasi tidak menjanjikan dividen tetapi koperasi akan memastikan setiap perkhidmatan yang ditawarkan oleh koperasi seperti penjualan bongkah kulat, input bahan mentah serta mesin adalah pada harga yang ketara berbeza lebih murah dibandingkan dengan pasaran luar. Dari segi cabaran koperasi, antaranya adalah tiada pemimpin pelapis (*one-man show*), ketidakberanian mengambil risiko dalam membuat pembiayaan untuk aktiviti koperasi dengan hanya mengharapkan kepada geran dari pihak agensi kerajaan dan ketidakcukupan penghasilan bekalan kulat untuk pasaran.

Namun begitu, usaha kepimpinan koperasi yang ada telah mendapat geran untuk aktiviti sebanyak RM300,000.00 dari agensi kerajaan. Suntikan geran ini membantu koperasi menyelesaikan isu yang ada seperti aktiviti penanaman kulat yang lebih efektif dan dapat mengurangkan jurang ketidakcukupan permintaan bekalan kulat.

Keistimewaan Koperasi Usahawan Kulat Bhd (KUKB)

Suatu pagi, sebulan sebelum Mesyuarat Agung Tahunan Koperasi Usahawan Kulat Bhd (KUKB) kali ke-10, pengerusi koperasi disapa oleh salah seorang penduduk kampung yang ingin menjadi anggota di pejabat koperasi.

“Untuk menjadi anggota, koperasi tidak menjanjikan dividen sekiranya menjadi anggota, namun anggota akan mendapat pulangan lebih daripada dividen 10% daripada melanggan perkhidmatan yang ditawarkan oleh koperasi. Sebagai contoh, pembelian bongkah 1,000 buah bongkah dengan harga anggota RM1.50/bongkah ialah RM1,200, manakala harga bukan anggota RM1.80/bongkah ialah RM1,500. Anggota sudah jimat sebanyak RM300. Sekiranya saham minimum anggota sebanyak RM200 dengan pemberian dividen 10%, anggota hanya mendapat RM20 sahaja”, jelas Encik Othman Ibrahim, Pengerusi KUKB.

Encik Kassim Adam (bendahari koperasi) mencelah, *“Koperasi kita baru mendapat geran daripada Yayasan Kreativiti Malaysia sebanyak RM300,000 bagi menaik taraf kemudahan penanaman kulat. Geran Yayasan ini hanya untuk menaik taraf kemudahan yang sedia ada sahaja. Di samping itu, koperasi dalam perancangan ingin membina rumah hasil berhawa dingin. Namun koperasi dalam proses mendapat geran dari SKM dan bukannya pembiayaan”*. *“... permintaan kulat sekarang ini mendapat sambutan yang tinggi, tetapi koperasi kita kekurangan bekalan”*.

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Latar Belakang Koperasi

KUKB telah ditubuhkan pada tahun 2009 di bawah fungsi perladangan. Koperasi ini ditubuhkan bertujuan untuk menyatukan mereka yang terlibat dengan aktiviti penanaman kulat di negeri Johor. Sehingga tahun 2020, terdapat seramai 80 orang telah menjadi anggota koperasi. Koperasi ini diterajui oleh seramai 15 orang anggota lembaga koperasi (ALK) dengan tiga orang juruaudit dalam.

Aktiviti utama koperasi ialah penanaman kulat termasuk penyediaan bongkah, pembekalan input, penanaman dan pemasaran. Koperasi juga menjalankan aktiviti industri hiliran berasaskan kulat seperti burger kulat, pau kulat, murtabak kulat, popia kulat dan sos cili kulat. Di samping itu, koperasi juga menjadi penyelaras kepada penyelesaian isu atau masalah yang timbul dalam aktiviti penanaman kulat melalui penganjuran latihan kepada anggota.

Senario 1 - Mesyuarat Agung Tahunan KUKB ke-10

Sewaktu mesyuarat agung tahunan (MAT) ke-10 yang diadakan pada Ogos 2019 di Dewan Komuniti Kampung Mawar, pengerusi telah berucap dan antara inti pati ucapan adalah,

"Seperti tuan/puan sedia maklum koperasi, kita telah bertapak selama 10 tahun semenjak penubuhan koperasi pada 2009. Kita harus berbangga walaupun dengan hanya 80 orang anggota, kita dapat berganding bahu menjalankan aktiviti pengeluaran bongkah kulat. Walaupun koperasi tidak pernah membuat pengagihan dalam bentuk dividen kepada anggota, tetapi jiwa berkoperasi ibarat sebuah keluarga. Kita telah berjaya memastikan koperasi dapat bertapak dalam gerakan koperasi. Ibarat 'air dicincang tidak akan putus', begitulah juga pertalian antara anggotalembaga koperasi (ALK) dan anggota koperasi pada hari ini, saling memerlukan satu sama lain."

Beliau menambah,

"Saya dapat tahu, ada anggota jual harga bongkah RM3.00 hingga RM4.00 sebongkah sedangkan beli dengan koperasi RM1.20. Inilah 'dividen' yang kita mahu berikan kepada anggota."

Senario 2 - Sesi taklimat kepada Pegawai Penyelia, Suruhanjaya Koperasi Malaysia (SKM)

Sebulan selepas MAT KUKB ke-10, koperasi menerima kunjungan daripada Pegawai SKM untuk melawat projek kulat koperasi.

"Sepanjang tempoh ini, koperasi belum pernah membuat sebarang pinjaman dengan mana-mana pihak atau memohon tabung modal pusingan, SKM. Kami di barisan ALK telah bersepakat seboleh-bolehnya cuba mengelakkan dan tidak mahu membuat sebarang komitmen sedemikian dan menanggung risiko yang akhirnya akan membebani anggota. Kita perlu 'ukur baju di badan sendiri'. Namun dengan daya usaha ALK, dan kerjasama semua anggota, pengeluaran konsisten yang dihasilkan telah dapat membuka ruang koperasi menerima bantuan geran daripada pihak Yayasan Kreativiti Malaysia. Bantuan ini akan memberikan motivasi kepada koperasi dan kita dapat meneruskan kelangsungan mengekalkan bekalan dan pengeluaran bongkah sentiasa ada. Kita juga akan memastikan daripada penghasilan ini dapat menjana modal pusingan kepada koperasi. Kami berbangga setakat ini bongkah yang dihasilkan adalah berkualiti dan dengan jaminan koperasi, kulat pasti tumbuh," Encik Othman, pengerusi koperasi menjelaskan dengan panjang lebar kepada Pegawai SKM.

Pengerusi koperasi turut memaklumkan,

“Koperasi baru sahaja mendapat geran sebanyak RM300,000 daripada Yayasan Kreativiti Malaysia bagi menaik taraf kemudahan proses penghasilan bongkah kulat sepertimana tuan lihat sekarang. Untuk makluman, kita juga pernah dapat geran RM70,000 daripada SKM pada 2013 untuk permulaan projek penanaman kulat ”.

Senario 3 - Situasi di Pasar Raya Jaya

Pada suatu hujung minggu, Pengerusi KUKB ke pasar raya untuk membeli keperluan harian. Beliau terserempak dengan Cik Wawa (Pegawai Pemasaran Pasar Raya Jaya).

“Encik Othman, macam mana dengan hasil kulat koperasi? Kalau saya order 100 kilogram kulat sehari, agaknya koperasi boleh bekalkan tak?” tanya Cik Wawa,

“Nanti saya cuba tanya anggota yang menanam kulat dahulu, cukup tidak dengan bekalan yang sedia ada. Apa-apa nanti saya maklumkan ya,” ujar Encik Othman sambil di kepalanya ligat memikirkan bagaimana untuk mendapatkan dan memastikan bekalan kulat sentiasa mencukupi.

Senario 4 - Situasi Mesyuarat Lembaga Koperasi

Satu mesyuarat lembaga koperasi telah diadakan pada 15 September 2019 dengan kehadiran kesemua 15 orang ALK.

“Cik Wawa nak order kulat sebanyak 100 kg sehari. Jadi, boleh ke koperasi kita membekalkannya?” tanya Encik Othman, pengerusi koperasi.

“Bekalan untuk 100 kg susah sikit nak dapat tu, anggota kita sudah ada pelanggannya sendiri. Tapi kalau nak bekalkan dalam 50 kg, itu boleh saya cuba usahakan”, jawab Puan Linda, ALK yang mengetuai Biro Perniagaan Koperasi.

“Nampaknya sekarang, koperasi kita masih lagi beroperasi di bawah kemampuan untuk membekalkan kulat secukupnya seperti yang diminta oleh pelanggan. Kita kena kerja kuat lagi membina kemudahan koperasi untuk memenuhi permintaan pelanggan kita”, sahut Bendahari.

“Esok Pegawai SKM akan datang untuk melawat koperasi dan kita akan membentangkan kertas kerja untuk dapatkan geran bagi pembinaan ‘rumah hasil’ berhawa dingin dengan kapasiti muatan bongkah 10 ribu untuk satu buah rumah hasil. Perancangan kita untuk bina dua buah ‘rumah hasil berhawa dingin dengan modal RM100 ribu. Saya harap semua ALK dapat datang masa lawatan SKM esok”, tegas pengerusi.

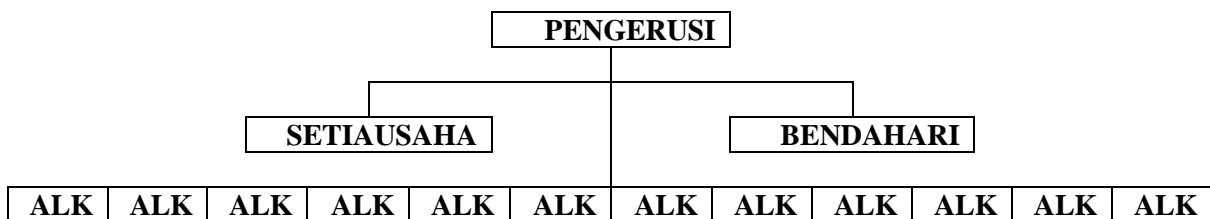
Epilog

Koperasi mempunyai potensi dan masa depan yang cerah dalam aktivitinya. Bagaimanapun, Encik Othman dalam dilema memikirkan hari-hari yang mendatang. *“Nampak gaya, koperasi ni aku sorang saja yang uruskan. Kalau SKM tak luluskan kertas kerja rumah hasil kulat tu, apakah lagi yang aku boleh buat?”* detik hati kecilnya.

**SENARAI ANGGOTA LEMBAGA
KOPERASI USAHAWAN KULAT BERHAD (KUKB)**

1. Pengerusi : Encik Othman Ibrahim
2. Setiausaha : Puan Zaleha Idris
3. Bendahari : Encik Kassim Adam
4. Biro Perniagaan : Puan Linda Sulong
5. Biro Latihan : Encik Kamil Ilias
6. Biro Keanggotaan : Encik Adam Ismail

CARTA ORGANISASI ANGGOTA LEMBAGA KOPERASI KUKB



Lampiran 2

Senarai harga jualan bahan mentah dan peralatan kepada anggota dan bukan anggota seperti berikut:

KEDAI KOPERASI: SENARAI HARGA JUALAN					
1.	1 bongkah Kulat (berat 700 – 800 gm) Anggota: RM1.20 Bukan Anggota: RM1.50	2.	Dedak Padi 1 kg: RM1.20 1 guni 25 kg: RM30.00	3.	Kapor (Calcium Carbonate) 1 kg: RM1.00 1 guni 50 kg: RM35.00
4.	Pengukus Dram Sekali kukus 100 bongkah Anggota: RM250.00 Bukan Anggota: RM280.00	5.	Habuk Kayu Getah 1 guni 30 kg: RM12.00 1 van 3 tan: RM500.00	6.	Plastik Bungkus Kulat Segar Saiz 12” x 18” (gulung) RM8.00/gulung
7.	Pengukus Besar Sekali kukus 1,000 bongkah Anggota: RM5,500.00 Bukan Anggota: RM5,800.00	8.	Mesin gaul 100 kg Motor elektrik 2HP RM5,500.00	9.	Benih Kulat 1 pek tiram kelabu/putih Anggota: RM4.50 Bukan Anggota: RM5.00
10.	Pengukus Kecil Sekali kukus 400 bongkah Anggota: RM2,200.00 Bukan Anggota: RM2,500.00	11.	Plastik Bongkah Saiz 6” x 11” x 0.05 Saiz 6” x 13” x 0.05 RM10.50/kg	12.	Raga Besi (Muat 12 bongkah) Besi leper 12mm: RM19.00/sebiji Besi leper 15mm: RM21.00/sebiji

Lampiran 3

LAPORAN KEWANGAN SEPANJANG 3 TAHUN (2016 - 2018) - KUKB

Lembaran Imbangan bagi tahun 2018, 2017 & 2016			
	2018	2017	2016
HARTANAH, LOJI DAN PERALATAN	2,743.00	4,472.00	3,942.00
ASET SEMASA			
Stok	-	2,235.00	5,700.00
Pelbagai penghutang dan deposit	7,270.00	5,270.00	-
Tunai dan kesetaraan tunai	5,908.29	14,051.17	3,832.78
	13,178.29	21,556.17	9,532.78
LIABILITI SEMASA			
Pelbagai pemiutang	1,300.00	1,300.00	862.00
	1,300.00	1,300.00	862.00
ASET SEMASA BERSIH	11,878.29	20,256.17	8,670.78
	14,621.29	24,728.17	12,612.78
<i>Dibiayai oleh:</i>			
Modal syer anggota	18,900.00	17,750.00	16,450.00
Rizab modal	2,468.34	2,468.34	2,468.34
Tabung kebajikan am	1,469.82	1,469.82	1,469.82
Tabung pendidikan anggota	539.82	539.82	539.82
Keuntungan/(Kerugian) terkumpul	(21,620.69)	(10,363.81)	(21,179.20)
KUMPULAN WANG ANGGOTA	1,757.29	11,864.17	(251.22)
KUMPULAN WANG RIZAB KHAS	12,864.00	12,864.00	12,864.00
Simpanan khas anggota	14,621.29	24,728.17	12,612.78

Akaun Untung Rugi bagi tahun 2018, 2017 & 2016

	2018	2017	2016
Pendapatan	RM	RM	RM
<i>Pendapatan daripada aktiviti:</i>			
Jualan kulat segar	0.00	50,883.00	-
Jualan bongkah kulat	9,900.00	33,300.00	2,400.00
Kursus	5,200.00	10,270.00	-
<i>Pelbagai pendapatan:</i>			
Sumbangan	1,000.00	140.00	6,400.00
Hibah	17.90	18.48	2.49
Yuran masuk	650.00	200.00	-
Jumlah pendapatan	16,767.90	94,811.48	8,802.49

Perbelanjaan

Perbelanjaan aktiviti:

Kulat segar	-	48,153.50	880.00
Bongkah	7,300.00	19,845.50	7,700.00
Kursus	6,770.50	7,426.55	
Produk-produk jualan	2,235.00	250.00	
Stok akhir	-	-	(5,700.00)

Perbelanjaan am:

Susut nilai	2,049.00	1,970.00	4,095.00
Pelbagai perbelanjaan	9,670.28	6,350.54	2,537.92

Jumlah perbelanjaan	28,024.78	83,996.09	9,512.92
KEUNTUNGAN/(KERUGIAN) BERSIH	(11,256.88)	10,815.39	(710.43)

Cegah Sebelum Parah: Kajian Kes Koperasi Bulat Air Bhd

Salwana binti Ali, Mohd Hamzah bin Kasim

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SINOPSIS KES

Koperasi Bulat Air Berhad (KBAB) telah ditubuhkan hampir 30 tahun dengan keanggotaan seramai hampir 300 orang di bawah fungsi perkhidmatan. Aktiviti utama yang dijalankan oleh koperasi adalah menawarkan perkhidmatan kenderaan teksi dan kereta sewa di Hentian Bersepadu, daerah Permatang Air. Masalah samseng di tempat letak kenderaan milik koperasi ini sudah berlarutan hampir lima tahun yang menjejaskan pendapatan anggota koperasi khususnya malah koperasi secara amnya hampir 60 peratus. Ramai anggota membuat rungutan bahawa penumpang mereka telah dirampas oleh Zaim dan isterinya Mona. Sikap Zaim dan Mona berlagak samseng menyukarkan anggota untuk membuat tindakan terburu-buru termasuklah pihak ALK.

Namun begitu, dalam usaha untuk memberikan kelangsungan kepada anggota koperasi sekali gus perniagaan koperasi pada masa hadapan sewajarnya tindakan proaktif perlu dibuat bagi menguruskan risiko yang ada.

Prolog

Tanggal 3 Disember 2022, sekitar jam 11.30 pagi, kelihatan Remy salah seorang anggota koperasi telah diserang oleh Mona, seorang lagi anggota yang masih dalam pertengahan usia. Pertelingkahan mulut di antara Mona dengan Remy telah menarik perhatian orang di sekeliling dan terpaksa melibatkan campur tangan Amran selaku Pengurus Koperasi. Bukan sahaja mukanya diludah, Mona juga mengugut Remy ekoran timbul perasaan tidak puas hati selepas ditegur oleh lelaki tersebut. Kejadian itu telah dirakam dengan jelas oleh kamera litar tertutup (CCTV) di kawasan tersebut. Petang itu juga, Remy dan Amran bergegas ke Balai Polis yang berdekatan untuk membuat laporan kepada pihak berkuasa. Selesai menerima salinan laporan polis, Amran terus menghubungi Wan Ahmad, Pengerusi Koperasi untuk memaklumkan insiden tersebut, "Pak Wan, Remy kena pula. Makin teruk dah ni."

Latar belakang Koperasi Bulat Air Berhad

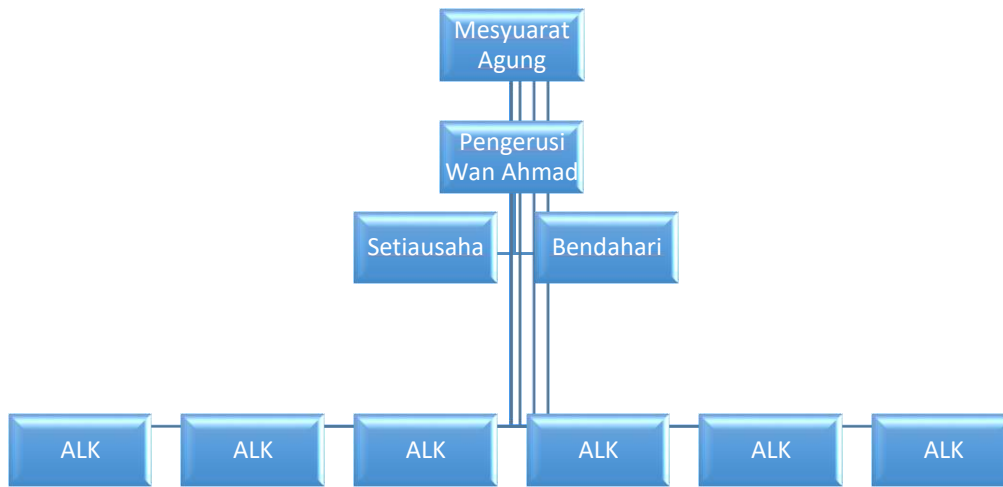
Koperasi Bulat Air Berhad (KBAB) ditubuhkan hampir 30 tahun dengan keanggotaan seramai hampir 300 orang. Aktiviti perniagaan utama koperasi berkaitan menawarkan perkhidmatan kenderaan teksi dan kereta sewa. Lokasi perniagaan koperasi ini terletak di Hentian Bersepadu, daerah Permatang Air di mana terdapat juga perkhidmatan bas, kereta api dan feri bagi kemudahan kepada penumpang. Setiap hari koperasi akan mengendalikan aktiviti seperti berikut:

- a) kutipan sewa tapak letak kereta untuk kenderaan teksi dan kenderaan sewa sama ada menggunakan khidmat pemandu atau tanpa pemandu.
- b) menyediakan kemudahan tempahan teksi dan juga kereta sewa. Pemilik mahupun pemandu teksi dan kereta sewa tersebut merupakan anggota koperasi. Anggota koperasi ini pula menerima

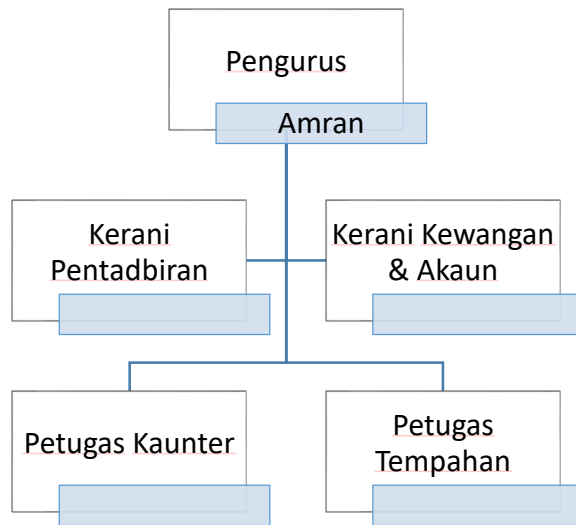
kemudahan tempahan daripada penumpang secara berkompouter melalui dalam talian sekali gus memudahkan urusan harian mereka. Anggota yang melanggan servis ini hanya perlu membayar 10% sahaja daripada trip yang telah diterima.

- c) menyediakan kemudahan bayaran ansuran bagi perkhidmatan penyelenggaraan dan cucian kenderaan. Aktiviti ini mewujudkan semangat setia dan sayang kepada koperasi yang tinggi di kalangan anggota.

Secara keseluruhannya koperasi ini diterajui oleh barisan kepimpinan Anggota Lembaga Koperasi (ALK) yang berpengalaman dan komited serta dibantu oleh pihak pengurusan.



Carta 1: Carta Organisasi Anggota Lembaga Koperasi Bulat Air Berhad



Carta2 : Carta Organisasi Pengurusan & Pentadbiran Koperasi Bulat Air Berhad

Di Pejabat Koperasi Bulat Air, Tingkat 4, Hentian Bersepadu

Petang hari Rabu, Wan Ahmad telah menerima rungutan daripada Amran serta kakitangan koperasi mengenai aktiviti samseng di Hentian Bersepadu. Masalah samseng di tempat letak kenderaan milik koperasi ini sudah berlarutan hampir lima tahun. Ramai anggota membuat rungutan bahawa penumpang mereka telah dirampas oleh Zaim yang juga merupakan anggota koperasi dan isterinya Mona. Modus operandinya sangat licik di mana Zaim dan Mona akan menarik penumpang untuk menaiki atau menyewa kenderaan mereka terlebih dahulu dengan memotong sistem penggiliran (*que*) yang telah diatur oleh koperasi. Lagak samseng Zaim dan Mona menyebabkan pemandu atau pemilik teksi dan kereta sewa ini berasa takut serta terancam ketika berhadapan isu ini. Justeru, isu berlanjutan hampir bertahun ini tidak mampu dikawal oleh anggota dan mula bertindak membuat aduan kepada koperasi ekoran pendapatan mereka terjejas disebabkan aktiviti samseng ini.

Aksi Zaim dan Mona ini bukan sahaja menyusahkan kepada anggota koperasi khususnya malah merunsingkan Amran dan Wan Ahmad apabila ia menjejaskan pendapatan utama koperasi secara amnya hampir 60 peratus. Bukan sahaja komisen tempat letak kenderaan tidak dibayar, malah hutang-hutang Zaim dan Mona dengan koperasi kian meningkat sehingga RM5,550.00. Notis tuntutan hutang telah dihantar oleh koperasi kepada Zaim dan Mona tetapi tidak diendahkan. Kejadian hampir bertumbuk, diludah dan diugut berlaku hampir setiap hari. Laporan polis telah dibuat namun tiada tindakan keras yang masih belum boleh diambil oleh pihak berkuasa ke atas Zaim dan Mona. Hampir semua orang di daerah tersebut mengenali samseng bernama Zaim dan Mona.

Mesyuarat Agung Tahunan, Dewan Komuniti Bidara

Mesyuarat Agung Tahunan (MAT) kali ke 11 telah diadakan pada 28 Disember 2022 bertempat di Dewan Komuniti Bidara, Permatang Air dengan kehadiran seramai 200 orang anggota. Di dalam dewan sebelum mesyuarat bermula kelihatan anggota sedang berhimpun dan suasana pagi itu agak bising membincangkan isu panas yang sedang berlaku. Kebanyakan anggota menyatakan perasaan tidak berpuas hati berkaitan aktiviti samseng yang berlaku di premis perniagaan koperasi. Long Fadil selaku pengerusi mesyuarat meminta semua anggota bertenang agar mesyuarat pada hari itu dapat berlangsung dengan lancar. Sewaktu agenda K berkaitan **Mendengar, Menimbang atau Memutuskan Apa-Apa Cadangan atau Hal Urusan Lain Koperasi Yang Baginya Suatu Notis Tidak Kurang daripada Tujuh Hari Sebelum Mesyuarat Dipanggil Telah Diberikan Kepada Koperasi** disebutkan oleh Pengerusi Mesyuarat, Remy selaku anggota koperasi telah bangun dan membentangkan usul bertulis beliau berkaitan isu samseng. Remy telah meminta perniagaan Zaim dan Mona digantung dan segala aset milik mereka dikeluarkan dan tidak dibenarkan masuk ke kawasan milik koperasi dengan serta merta sehingga hutang Zaim dengan koperasi berjaya dilunaskan. Mesyuarat agung tersebut kembali riuh oleh anggota yang menyokong usul tersebut.

Epilog

Seminggu selepas tamat mesyuarat agung tahunan, sedang Amran mengemaskan meja kerjanya, tiba-tiba dia terpancang salinan laporan polis bertarikh 3 Disember 2022. “Banyak jasa Remy kepada koperasi walaupun Remy bukanlah seorang Lembaga Koperasi. Kalau bukan Remy yang membawa usul itu, tak tahulah bila isu samseng ini dapat diselesaikan.” kata Amran kepada Wan Ahmad.

Wan Ahmad seraya berkata, “Kita patut kena fikirkan supaya kes seperti Zaim dan Mona tidak berulang lagi. Cukuplah bisa yang dulu.”

Sudah Terhantuk Baru Terngadah: Koperasi Radio Berhad

Hajar Azwin Mohamad Ashi, Siti Hafizah Ramli, Norfaezah Mahmood

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SINOPSIS KES

Kajian kes ini adalah mengenai masalah tadbir urus koperasi yang tidak cekap sehingga koperasi menjadi tidak aktif kerana tidak membuat mesyuarat agung selama 5 tahun berturut-turut dan tidak membuat pengauditan akaun. Koperasi di ibaratkan seperti “layang-layang putus talinya” setelah penyelia koperasi meninggal dunia. Ini menambahkan lagi masalah kerana selama koperasi ditubuhkan hanya bergantung harap pada penyelia untuk mengendalikan koperasi. Pihak ALK yang selama ini ‘lepas tangan’ terhadap perniagaan koperasi kini terpaksa menguruskan semula. Keuntungan perniagaan koperasi juga mula terjejas sejak pandemik Covid-19.

Senario kajian kes ini berkisar kepada perbincangan di dalam pejabat koperasi. Ini kerana pihak koperasi telah mendapat surat kompaun daripada pihak Suruhanjaya Koperasi Malaysia kerana tidak membuat Mesyuarat Agung Tahunan. Konflik terjadi apabila ALK yang memaksa untuk menutup koperasi dan menjual segala aset koperasi dan hasil di bahagikan sama rata kepada anggota.

PROLOG

Di bilik mesyuarat koperasi, Mesyuarat lembaga, 1 Mei 2022, pukul 11.00 pagi

Encik Sham (Pengerusi) memandang jam di dinding menunjukkan telah hampir pukul 12 tengahari dan melihat tiada lagi Anggota Lembaga Koperasi (ALK) yang hadir. Selaku pengerusi Koperasi Radio Berhad (KRB), dia termenung sambil memegang sepucuk surat dengan mengeluarkan keluhan yang sangat berat. Baru dia nak menaip pesanan ke whatsapp group ALK, tiba-tiba Puan Hanani (Setiausaha) muncul di bilik sambil tersenyum dan bertanya “*eh, saya ingat mesyuarat dah bermula, mana yang lain?*”.

Setelah 2 jam menunggu, mesyuarat lembaga tetap dimulakan setelah kehadiran En. Ramli (ALK) dan En. Mod (ALK) walaupun kuorum tidak mencukupi kerana tiga lembaga lagi tidak sihat dan dua lagi tidak dapat dihubungi. Belum sempat En. Sham bersuara, En Mod terus bertanya dengan nada yang agak tinggi, “*Betul ke koperasi kita kena kompaun? berapa puluh ribu pula kena bayar? Koperasi ada duit ke nak membayarnya? untung koperasi pun tak seberapa. “Nak senang, kita jual semua aset koperasi, bayar kompaun dan tutup koperasi....”* ujar En. Ramli (ALK).

Latar Belakang Koperasi

Koperasi Radio Berhad (KRB) telah didaftarkan pada 9 Januari 1989 dan tujuan koperasi ini ditubuhkan adalah untuk meningkatkan taraf sosio ekonomi anggota yang bekerja di stesen radio berkenaan. Bilangan anggota KRB sejak awal penubuhan koperasi adalah seramai 245 orang dan sehingga kini, bilangan anggota koperasi hanya tinggal 45 orang sahaja.

KRB ditadbir oleh 9 orang ALK yang majoritinya masih berkhidmat dengan Syarikat Radio Berhad (SRB). Seorang penyelia telah dilantik untuk ditugaskan mengawal dan menguruskan semua hal ehwal koperasi. Penyelia ini merupakan satu-satunya kakitangan yang dilantik sejak awal penubuhan koperasi.

Wabak pandemik Covid-19 yang melanda pada tahun 2020, menyebabkan hampir semua pengusaha perniagaan termasuk koperasi terkesan. Tidak terkecuali KRB, bermula pada tahun 2019 koperasi tidak

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E-mail:

dapat melaksanakan MAT kerana masalah kesihatan penyelia dan pada tahun 2020 beliau telah meninggal dunia.

Aktiviti Perniagaan Koperasi

Terdapat empat aktiviti utama yang dilaksanakan oleh KRB. Aktiviti ini menjurus kepada aktiviti perniagaan dan perkhidmatan seperti berikut:

i. Pembiayaan Anggota

Aktiviti pembiayaan anggota ini merupakan aktiviti utama koperasi. Anggota koperasi boleh membuat pembiayaan dari koperasi dengan kadar faedah serendah 6 peratus. Setelah beberapa tahun, isu kutipan hutang wujud apabila anggota berhenti bekerja. Ini menyebabkan koperasi sukar untuk mencari penghutang dan mengalami hutang lapuk yang tinggi.

ii. Kedai Mini Koperasi

Kedai ini menawarkan makanan ringan dan alat cenderamata. Selepas 25 tahun beroperasi, KRB ini telah mengalami masalah untuk menguruskannya dan terpaksa menyerahkan kepada orang luar untuk disewakan. Pihak ALK menyerahkan kepada penyelia untuk menguruskan perjanjian sewaan bersama penyewa tanpa perlu kelulusan daripada pihak ALK. Sehingga kini, koperasi masih memberikan kadar sewaan yang murah kepada penyewa.

iii. Sewaan lot kedai

Koperasi mempunyai 2 lot kedai yang terletak di Cheras dan Ampang. Pihak koperasi telah menyewakan lot kedai kepada anggota dengan kadar yang minimum dan pemilihan penyewa adalah berdasarkan untuk membantu anggota bagi menjalankan perniagaan. Terdapat anggota yang telah meninggal dunia dan mempunyai tunggakan bayaran sewa.

iv. Sewaan Rumah Rehat

Rumah rehat milik koperasi adalah jenis apartment yang terletak di Pantai Morib, Selangor dan lokasinya di pesisiran pantai. Rumah rehat tersebut disewakan dan kadar sewaan untuk sehari adalah RM400 untuk pelancong dan RM250 untuk anggota koperasi. Malangnya, selepas pandemik Covid-19, rumah rehat ini tidak diselenggara dengan baik dan terbiar sehingga pihak koperasi tidak mampu membayar kos penyelenggaraan.

Situasi di pejabat koperasi pada 8 April 2018

- En. Sham(Pengerusi) : Morning Silva, laporan kewangan untuk bulan Februari, Mac dan April dah siap ke? Kita nak buat Mesyuarat Lembaga akhir bulan ni..
- En. Sham(Pengerusi) : Laa kenapa tak siap lagi... dah berbulan saya bagi masa. Ada masalah ke? Bukan ke setiap hari transaksi perlu direkod?
- En Silva(Penyelia) : Bukan bos, banyak resit yang telah hilang dan saya perlu cari semula. Bukan itu sahaja, malah saya ada kerja lain yang perlu diuruskan. Pn. Hanani (Setiausaha) minta saya promosikan rumah rehat di Pantai Morib sebab, dah lebih setahun tiada penyewa. Semua saya kena buat bos.
- En. Sham(Pengerusi): Eh, kenapa Hanani suruh awak? Ash pun tidak bantu ke? Tak boleh harapkan seorang je buat kerja semua ni.

Tiba-tiba En. Ash muncul di depan pintu

- En. Ash (Bendahari) : Saya dengar ada orang seru nama saya? Saya dah bagitau dengan Silva supaya tukar dari manual ke sistem untuk merekod akaun tetapi dia yang tak nak buat.. Kalau sistem, dari rumah pun saya boleh bantu.
- En. Silva(Penyelia) : Bukan saya tak nak buat, tapi bagi saya sistem tu susah nak faham
- En.Ash (Bendahari) : Itu semua kan boleh belajar, lagi satu saya risau sekarang banyak dokumen macam resit dan baucer yang telah hilang maklumatnya sebab tidak disimpan dengan baik. Silva, fail penghutang yang saya minta tempoh hari ada dekat mana?
- En. Silva(Penyelia) : Errr...saya belum buat lagi En Ash, nanti saya buat
- En. Sham(Pengerusi): Macam mana ni Silva, koperasi kita bukan banyak aktiviti pun. Ini kalau saya tanya berkenaan pembiayaan anggota pun mesti tak boleh nak tunjuk ni
- En. Silva(Penyelia) : Saya tahu lah kerja saya!!
- En. Silva berlalu pergi sambil diperhatikan En. Sham dan En. Ash terkedu dan saling berpandangan.

Perkara ini berlarutan terjadi dari tahun 2018 hingga tahun 2022 koperasi masih tidak dapat melaksanakan Mesyuarat Agung Tahunan disebabkan akaun koperasi tidak diuruskan dengan baik. Encik Sham sudah banyak kali mengingatkan Encik Ash supaya membantu Encik Silva menguruskan akaun koperasi, akan tetapi kata-katanya seperti mencurahkan air di daun keladi oleh Encik Ash. Pada tahun 2020 ketika pandemik covid-19, koperasi mendapat khabar duka apabila satu-satunya tulang belakang koperasi iaitu Encik Silva telah meninggal dunia dan keadaan koperasi menjadi lebih huru hara.

Situasi di pejabat koperasi pada 30 Januari 2022

- En. Sham (pengerusi) : Ash, laporan kewangan sudah siap ke? pihak Suruhanjaya Koperasi Malaysia (SKM) dah banyak kali bagi peringatan pada kita untuk buat Mesyuarat Agung.
- En Ash (bendahari) : Saya sedang usaha menyiapkan laporan kewangan sebelum diserahkan pada pihak audit. Lagipun banyak dokumen yang perlu dicari.
- En. Sham (pengerusi) : Habis tu, bila kita boleh buat mesyuarat agung?
- En. Ash (bendahari) : Saya minta maaf Encik Sham, selama ini saya dibantu oleh penyelia dan sekarang perlu buat sendiri dengan kerja yang ditinggalkan oleh Encik Silva yang tidak lengkap dan tersusun. Berikan saya sedikit masa untuk siapkan laporan kewangan ya.. Banyak juga dokumen yang saya tak jumpa ni.
- En. Sham (pengerusi) : Oklah begitu, saya berharap kita dapat menjalankan mesyuarat agung secepat mungkin. Tahun ini merupakan tahun ke 5 kita tidak membuat MAT. Saya risau SKM akan ambil tindakan terhadap kita.

EPILOG

Di bilik mesyuarat koperasi pada 2 Jun 2022, pukul 9.30 pagi

Encik Sham(Pengerusi) meletakkan surat kompaun dihadapan semua ALK, lalu berkata, *Ya, koperasi kita telah mendapat surat kompaun Isnin lalu kerana koperasi tidak membuat MAT selama 5 tahun berturut-turut walaupun telah dinasihatkan oleh SKM. Disebabkan itulah saya memanggil semua ALK pada 1 Mei lalu untuk membincangkan jalan penyelesaian secepat yang mungkin sebelum lagi banyak masalah yang datang. Cadangan En. Ramli (ALK) untuk tutup koperasi bukan mudah, banyak perkara yang perlu diuruskan..modal saham anggota yang dah berhenti perlu dipulangkan, pembiayaan anggota mana yang dah selesai pun kena cari balik dokumennya.. En.Mod(ALK) sendiri belum uruskan bayaran tunggakan kos penyelenggaraan rumah rehat!!* kata En. Sham dengan suara yang tegas.

LAMPIRAN 1

**Koperasi Radio Berhad
Kunci Kira-kira
Pada 31 Disember 2017**

	2017 RM	2016 RM
HARTA TANAH LOGI DAN PERALATAN		
Bangunan koperasi	290,000.00	243,000.00
Lot Kedai	600,100.00	550,251.00
Rumah Rehat	186,000.00	156,000.00
Perabot & Kelengkapan	79,060.00	86,490.00
	1,155,160.00	1,035,741.00
ASET SEMASA		
Stok perdagangan	11,800.00	12,500.00
Pelbagai Penghutang	350,000.00	275,000.00
Wang di Bank	40,000.00	55,000.00
	401,800.00	342,500.00
TOLAK:LIABILITI SEMASA		
Fi Audit Rahman & Co.	4,200.00	4,200.00
	397,600.00	338,300.00
JUMLAH ASET	1,552,760.00	1,374,041.00
Dibiayai oleh :		
Syer Anggota	145,750.00	154,053.00
Modal Yuran Anggota	400,000.00	317,186.00
Tabung Kebajikan	79,950.00	70,950.00
Tabung Pendidikan anggota	56,000.00	76,000.00
Keuntungan/(Kerugian) terkumpul	(69,258.60)	(45,000.00)
KUMPULAN WANG ANGGOTA	612,441.40	573,189.00
KUMPULAN WANG RIZAB STATORI	150,690.00	180,560.00
	763,131.40	753,749.00
TOLAK : LIABILITI BUKAN SEMASA		
Pinjaman TMP SKM	789,628.60	620,292.00
	1,552,760.00	1,374,041.00

LAMPIRAN 2

**Koperasi Radio Berhad
Akaun Untung Rugi Induk
Pada 31 Disember 2017**

	2017	2016
	RM	RM
PENDAPATAN		
Pendapatan Daripada Aktiviti:		
Faedah Atas Pembiayaan	86,700.50	102,300.50
Sewaan Kedai Mini Koperasi	42,000.00	36,000.00
Sewaan lot Kedai Cheras	48,000.00	72,000.00
Sewaan lot kedai Ampang	72,000.00	90,000.00
Sewaan Rumah Rehat Pantai Morib	4,248.00	17,000.00
Komisen BPA	17,340.10	20,460.10
Pelbagai Pendapatan		
Hibah Bank	176.00	287.00
JUMLAH PENDAPATAN	270,464.60	338,047.60
TOLAK :		
PERBELANJAAN		
Perbelanjaan		
Am:		
Gaji dan Perbelanjaan Kakitangan	33,600.00	33,600.00
Susut Nilai Aset	37,334.00	36,283.02
Elaun Ahli		
Lembaga	2,250.00	4,200.00
Pelbagai Perbelanjaan		
Caj		
Bank	117.00	230.00
Bil		
utiliti	124,000.00	108,000.00
Cukai Pintu	20,460.00	18,600.00
Hutang Lapuk	420,673.00	340,720.50
Kos Penyelenggaraan Cheras	6,000.00	4,500.00
Kos Penyelenggaraan Ampang	12,000.00	8,000.00
Kos Penyelenggaraan Rumah Rehat Pantai Morib	10,390.00	9,790.00
Caj Pembiayaan TMP-JPK	14,984.50	15,629.30
Fi Audit	4,200.00	4,200.00
JUMLAH		
PERBELANJAAN	686,008.50	583,752.82
Keuntungan/ Kerugian Bersih	(415,543.90)	(245,705.22)

Is It Revive or Survive: The Case of Langkawi's Muslim-Friendly Budget Hotel (MFBH)

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Abstract

Despite the significance of Malaysia's Tourism Small and Medium Enterprises (Tourism SMEs) and Islamic tourism landscape, the research regarding the recovery of Muslim-Friendly Budget Hotels (MFBH) post-COVID-19 has been overlooked. Tourism SMEs, including the MFBH are particularly vulnerable to the pandemic's impacts and this study investigated the major challenges faced by Langkawi's MFBH in the post-COVID-19 era. A list of budget hotels accredited by the Malaysia Budget & Business Hotel Association (MyBHA) was identified. Subsequently, the registration or certification status of these hotels was verified with respected entities such as Salam Standard, CrescentRating, Muslim-friendly Hospitality Services (MFHS) or Islamic Quality Standard (IQS). This study employs a qualitative approach and seven managers from MFBH in Langkawi were interviewed in this study. After conducting the thematic analysis, there are six significant themes have been identified namely: Theme 1 addressed low occupancy; Theme 2 focused on financial sustainability; Theme 3 discussed maintenance and repairs; Theme 4 examined transportation and accessibility issues; Theme 5 analyzed regulatory challenges; and Theme 6 explored competitive positioning. While this study offers valuable insights, its scope is restricted by geographic and sample size constraints, potentially impacting the broader applicability of its conclusion. Moreover, methodological limitations arise from the specific managerial profiles examines and the utilization of cross-sectional data. Future research endeavors should strive to mitigate these limitations by diversifying the sample across various Malaysian states, integrating diverse perspectives, and employing longitudinal data analysis to elucidate evolving relationships over time.

Keywords: Post-COVID-19, Muslim-Friendly, Budget Hotel, Langkawi

INTRODUCTION

Tourism Small and Medium Enterprises (Tourism SMEs) refers to small to medium-sized tourism operations that offer various tourism products and services. These are lodging, food and beverage service, transportation, travel tours, cultural and recreational services, and other tourism services (Set, 2013). Tourism SMEs play a significant role in the tourism industry, which is also regarded as the backbone of the tourism industry (Mamad, 2020; Shin et al., 2020). Before the COVID-19 pandemic, SMEs in the services sector (wholesale & retail trade, food and beverages, and accommodation sub-sector) had the highest share of SMEs employment comprising more than 50 percent (Department of Statistics Malaysia, 2020). This figure illustrates the significant contribution of tourism SMEs to the tourism industry as well as the Malaysian economy. At the same time it also reduce poverty and increase the standard of living among the local communities.

Along the enrichment of tourism SMEs, Islamic tourism concept is blooming as it is well-aligned with Malaysia's image as one of the preferred Muslim-friendly destinations worldwide. The Global Muslim Travel Index (GMTI) survey stated that Malaysia remained the most preferred destination for the ninth consecutive year (CrescentRating, 2019). This segment is a subsector of the tourism industry, which also carries the bright potential that contribute to the Malaysian economy. Islamic tourism is a tourism

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activity designed to cater to Muslim travelers' needs and wants. It is also one of the preferred forms of travel among non-Muslims (Battour & Ismail, 2016; Henderson, 2009).

Before the spread of COVID-19 throughout the world, in 2017, Malaysia managed to attract 25.9 million tourists, and 5.3 million or 20 percent of the total tourists are Muslim (The Star, 2018). This tourism subsector shows the significant prospects for budget hotels in Malaysia to revive in the post-pandemic period. Currently, Malaysia is in the transition stage from pandemic to endemic. Foreign and domestic travellers are free to travel and budget hotel operators need to make the right move towards attracting these travellers.

Tourism SMEs and Islamic tourism contributions toward the economy have been interrupted and slowed down by the COVID-19 pandemic. The COVID-19 pandemic has shown its overwhelming effects on the economy, causing the total disruption to tourism activities due to the lockdown. This sector is experiencing a rapid and sharp drop in demand and business losses worldwide, putting many tourism SMEs at risk. Among the tourism SMEs are budget hotel business operators. The significance of both tourism SMEs and Islamic tourism to the Malaysian economy has inspired this study to investigate MFBH which are those small and medium budget hotels that offer accommodation designed for Muslims.

BACKGROUND OF THE STUDY

Tourism SMEs and Islamic tourism are rarely discussed together. Malaysia, which is among the top Muslim-friendly destinations has all the characteristics such as the abundance of halal cuisine, prayer facilities, and Islamic attractions (CrescentRating, 2019; The Star, 2018). These characteristics adequately cater to Muslim tourists' needs and wants. In addition, the majority of tourist destinations are commonly initiated by small businesses or tourism SMEs.

According to United Nations World Tourism Organization (UNWTO, 2020b), tourism SMEs are among the vulnerable segments which require support recovery in battling with COVID-19 pandemic. Malaysia Budget & Business Hotel Association (MyBHA) Sabah chapter chairman James Ong said the industry had suffered due to travel bans and movement restrictions. He added some operators had to throw in the towel, unable to cope with the financial cost of keeping their establishments open without regular income. Thus, this study will focus on MFBH as many of the small and medium business operators are among the locals.

The discussion on the challenged face by the Muslim-Friendly Budget Hotel (MFBH) post-COVID-19 has received inadequate attention. To the researcher's best knowledge, there is no published article on the budget hotel operator's difficulties, well-being and performance. Mamad (2020) interviewed five Muslim-owned tourism SMEs regarding challenges and strategies due to the COVID-19 pandemic. However, the study approached tourism SMEs that offer various tourism products and services. Due to the fact that tourism business is diverse as it ranges from travel agent's operators to food service providers this study aims to focus on MFBH group.

The MFBH hotels are not necessarily owned by Muslims, but the operations make it easy for the Muslim travellers to practice Islamic obligations (such as prayer) while traveling at a low price. Other articles solely focus on tourism SMEs related to the COVID-19 pandemic concerning various issues such as crisis management practices (Kukanja et al., 2020; Surya et al., 2022) and operators' mental health (Lindsay-Smith et al., 2022). Most of these articles were conducted quantitatively which limits the capture of in-depth and new information of tourism SMEs concerning the COVID-19 pandemics. Furthermore, currently many countries especially Malaysia have started to shift from pandemic to endemic stage signalling the need to quickly strive to recover and compete.

This study that specifically focus on MFBH may produce new findings and enrich the information regarding MFBH as part of tourism SMEs vulnerable segments which require support recovery in battling the COVID-19 pandemic. Investigating the major challenges faced by this type of hotel will

assist the sustainability of the budget hotels that target Muslim travellers. Therefore, the findings may assist future policies to enhance Islamic tourism offerings.

LITERATURE REVIEW

Tourism and COVID-19

The tourism industry is extensive and demanding. Before the COVID-19 pandemic, in 2019, it accounted for 10.3 percent of the global Gross Domestic Product (GDP) (World Travel & Tourism Council, 2021). In 2020, the GDP decreased to 5.3 percent due to ongoing restrictions on travel mobility (World Travel & Tourism Council, 2021). Although the tourism industry is huge, it is also among the most vulnerable sectors of the economy. This industry is easily impacted by various disruptive events. Endemics, epidemics, and pandemics have been reported to impact the tourism business throughout history (Félix et al., 2020). Reports showed that the number of infections, death, and economic losses caused by these diseases has horrified the world (Aldao et al., 2021; Félix et al., 2020), and consequently affect the tourism industry. Although formerly the pandemic has resulted in business losses, the tourism industry and budget hotels business have the potential to revive as Malaysia has started to open the country's border and all businesses have started their operation.

COVID-19 is the latest pandemic. People may regard this pandemic as similar to the earlier pandemics (inclusive epidemics and endemics) and the tourism industry revive. However, this pandemic has impacted travel and tourism like no other event before in history (United Nations World Tourism Organization (UNWTO), 2020b, 2020a). COVID-19 has resulted in massive losses comparable to previous diseases (Carr, 2020). This is due to the COVID-19 pandemic having impacted the global tourism industry. To avoid massive contagion, various tourism activities have been restricted; aircraft have been grounded, hotels have been closed and bans put on all travel (UNWTO, 2020b, 2020a). COVID-19 is an unanticipated "epic disaster" with a cost of roughly \$USD 280 million. The massive impact of the COVID-19 pandemic is only can be compared to the Great Depression or World Wars I and II (Carr, 2020). Apart from closing business operations, travellers' fear of travel as a result of prohibitions on the mobilization from their habitual place of residence is also significantly related (Rokni, 2021; Yang et al., 2022).

This situation has forced the tourism players to close their business temporarily but, in some cases, permanently closed. In Malaysia, the Deputy Minister of the Ministry of Tourism, Arts and Culture (MOTAC) reported that 55 hotels have closed down while 86 hotels have been temporarily closed starting March 2020 until October 2021 (Malaysia Now, 2021). To overcome the negative impacts of Movement Control Order, the Malaysian government has initiated several incentives that is meant to revive tourism activities and employment in the tourism sector. Some of the incentives are the Strategic Programme to Empower the People and Economy (Pemerksa), National People's Well Being and Economic Recovery Package (Pemulih), Langkawi Economic Recovery Action Plan (PTPEL), Tourism Recovery Plan (TRP) under the National Tourism Policy 2020 – 2030 (MOTAC., 2020) and a program called Travel Bubble (MOTAC., 2021).

Islamic Tourism

Islamic tourism is described as a new goldmine for the tourism industry that brings a great opportunity for the global tourism industry (Yusuf et al., 2021). Islamic tourism involves a series of activities related to Muslims' traveling activities. Thus, Islamic tourism consists of many components such as Shariah-compliant products, from food and beverage, Islamic finance, Islamic takaful industry, hotels, cosmetics, and travel to transport services (Abdullah et al., 2020).

The potential of Islamic tourism lies in its core market group. The core market group for the Islamic tourism business is Muslim travellers, who are one of the world's fastest-growing demographics. Between 2015 and 2060, the Muslim population is expected to rise more than twice as fast as the global

population, according to Pew Research Centre (2017). In the next three decades, the world's population is expected to expand by 32 percent. From 1.8 billion in 2015 to 2.4 billion in 2030 and over three billion in 2060, the Muslim population is anticipated to grow by 70% (Pew Research Centre, 2017). The primary cause of this rapid expansion is that Muslims are encouraged to have more children (Pew Research Centre, 2017).

Apart from the activities involving Muslim tourists and their potential, the titles used to refer to this sort of tourism are debatable. An abundance of names was applied to define this tourism, such as Islamic tourism, halal tourism, Shariah-compliant tourism, and Muslim-friendly tourism, which were used interchangeably in literature (Abdullah et al., 2020; Battour & Ismail, 2016). There are several bases for the various definitions.

Firstly, the various interpretation of Islam and what should be involved in the tourism associated with Muslims (Khan & Callanan, 2017; Vargas-Sánchez & Moral-Moral, 2020). Secondly, the locality of the terms used to illustrate the Muslim-friendly destinations also varies. For instance, Malaysia promoted 'Islamic tourism' by setting up an advisory body to the MOTAC, called Islamic Tourism Centre (ITC). Further, in Egypt, various terms were used in association with Muslim tourism such as "Family Tourism" and "Halal Tourism". Whereas in Indonesia, "Sharia Tourism destinations" were used to promote the Muslim market segment (Khan & Callanan, 2017).

Lastly, the ambiguity of the definition arises from the market segmentation. It was also found that most of the studies highlighted Muslims as the main target market, but there is also a perspective that views non-Muslim as the potential target market (Battour & Ismail, 2016). This perspective added the complexity to destination attributes and motivations of tourists associated with Muslim travel (Battour & Ismail, 2016). Thus, none of the definitions were based on a singular perspective (CrescentRating, 2015). Among all definitions initiated in academic discussions, the terms halal tourism and Islamic tourism are frequently used. In a content analysis-based study conducted by Khan and Callanan (2017), they found that Islamic tourism was widely used in academia, while the media used various terms such as halal tourism and halal destinations.

Concerning the COVID-19 pandemic, Islamic tourism also faced similar situations consequences due to the COVID-19 pandemics. Referring to National Tourism Policy 2020 – 2030, the government is working hard to solidify Malaysia as the world's top Muslim-friendly tourism destination by enhancing the spiritual experience and great Muslim hospitality. Although the COVID-19 pandemic has impacted Islamic tourism, however, it is believed that attractions of Malaysia as the top Muslim-friendly destination can help to boost Islamic tourism.

Muslim-Friendly Hotel (MFH)

As a top destination choice for Muslim tourist domestic and international, the accommodation sector plays an important role to attract the tourist for visit and stay. As mentioned by Osman et al. (2024), Malaysia has introduced "Recognition of Muslim Friendly Hotels," which is a form of accreditation recognition for Islamic compliant accommodation for tourists. Malaysia is the first country to have a government-supported initiative as such Muslim Friendly Accommodation Recognition (MFAR) which now to be introduce as Muslim-Friendly Tourism and Hospitality Assurance and Recognition (MFAR). The accreditation was carried out and issued by the Islamic Tourism Centre (ITC).

Muslim Friendly Hotel (MFH) can be defined as a hotel that can fulfil at least basic needs of Muslim guest such as Qiblah direction, halal food, prayer facilities, and services (Mansor et al., 2018). The development of MFH and its concept can be traced back to 2015, following the introduction of Malaysian Standard (MS) Muslim Friendly Hospitality Services-requirements. Generally, the Malaysian Standard of MS2610:2015 was created with the goal of guaranteeing the hotel's products and services that provided to Muslim customers are in line with the needs of Muslims and Shariah order.

MFH can be an objective for a tourist's choice of destination when deciding to visit a foreign country. Muslims might be interested to travel to a particular destination because of the religious environment (Collins & Tisdell, 2002) thus it is appropriate to guarantee that Islamic religious characteristics are accessible in those destinations. This may satisfy the Muslim tourists and lead to various return visits to the country.

Muslim-Friendly Budget Hotel (MFBH)

Budget refers to the “cost” and “worth”, particularly the “price” than “cheap”. Budget hotel is defined as hotel that offers limited facilities and services to accommodate the low price offered (Bastaman et al., 2022). In Malaysia, Malaysia Budget & Business Hotel Association (MyBHA) classified budget hotels as particularly for two star rated hotels and below (MyBHA, 2022). The term Muslim-friendly budget hotel is quite rare. Despite the lucrative market of Muslim travellers, the offering of Muslim-friendly budget hotel is quite limited. Most of the literature on Muslim-friendly accommodation focuses on the engaging facilities such as halal food, the segregation of public facilities for female and male (Stephenson, 2014).

METHODOLOGY

Sample Size

This study adopted a qualitative approach by applying the in-depth interview to achieve the aims and research objective. In this study, purposive sampling was applied to approach Muslim-friendly budget hotel managers. A list of budget hotels registered by the Malaysia Budget and Business Hotel Association (MyBHA) was obtained, and these hotels were cross-checked to determine if they were registered or certified with either Salam Standard, CrescentRating, Muslim-friendly Hospitality Services (MFHS), or Islamic Quality Standard (IQS). Only those hotels deemed Muslim-friendly were approached and contacted for permission to conduct in-depth interviews. For this study, managers were chosen because they were responsible for business planning and organizing, especially when facing a crisis such as the COVID-19 pandemic.

Sampling Location

For this study, Langkawi was chosen to be the location for data collection. Langkawi was the first tourist attraction to be re-opened after tourism restrictions, particularly on September 16, 2021. Langkawi is one of the beautiful islands which suitable for Muslim leisure travellers due to several motivations (a) sightseeing, dining and shopping, (b) visiting relatives and friends, (c) honeymoon, (d) Islamic heritage and history, (e) adventure seekers, and (f) to experience the local culture (COMCEC, 2016). As for now, there have been almost three years of re-operation, and the tourism SME operators, especially in the lodging sector that targets Muslim travellers, are expected to be in the stage of business recovery.

Data Collection

Data collection was conducted in March 2023 and lasted two weeks. An interview protocol with semi-structured questions guided the process, which took an average of 20 minutes per interview. Respondents were interviewed individually to ensure comprehensive responses, which allowed the researcher to guide the interview session effectively.

Data Analysis

The data were analysed using Thematic Content Analysis. Thematic content analysis is a descriptive presentation of qualitative data that involves identifying, analysing, and reporting data patterns. There were the six-step process of thematic content analysis, namely familiarization, coding, generating themes, reviewing themes, defining and naming themes, and writing up. The thematic content analysis began with the familiarization with the data. All interviews were transcribed and reviewed with recorded audio to determine the accuracy of the data. The researcher recorded all the initial ideas in the transcript. Next, the transcript was coded. After that, all the codes were interrelated in the transcript grouped under the same theme. Themes were named, read and repeated to ensure consistency. Miles and Huberman (1994) named this level of data reduction. This level refined and organized the data so that conclusions can be confirmed. Finally, the theme was interpreted, and a report was generated. Interpretation of the data was influenced by the researcher's understanding of such phenomena narrated by respondents.

FINDINGS

Demographic Data

Seven managers of Muslim-friendly budget hotels in Langkawi participated in this study, and Table 1.0 below presents their demographic profiles.

Table 1: Informant Demographic.

Participants	Age	Position
R1	50-55	General Manager
R2	35-40	Assistant General Manager
R3	50-55	General Manager
R4	25-30	Executive Manager
R5	30-35	Front Office Manager
R6	30-35	Front Office Manager
R7	30-35	Reservation Manager

In this study, the demographic profile of seven participants encompassed a diverse range of ages and managerial positions within MFBH. The participants included individuals such as General Managers, Executive Managers, Front Office Managers, and a Reservation Manager. Participants ranged from 25 to 55 years old, with a notable concentration between 30 and 35 years old. This distribution reflects a blend of seasonal professionals with considerable experience in leadership roles, particularly pertinent for business planning and organizing amid the challenges posed by the COVID-19 pandemic.

This is evident through the inclusion of individuals in their 50s occupying General Manager Positions, alongside younger professionals assuming managerial responsibilities. Such a varied demographic profile offers a rich perspective for the study, incorporating insights from individuals at different stages of their careers and with varying levels of experience and expertise within the industry.

The Major Challenges Faced by Langkawi MFBH

As this study objective is to investigate the major challenges faced by MFBH for their business survival, data analysis revealed six significant themes as below diagram:

Table 2: Themes from Thematic Analysis

Research Objective	Theme
The Challenges Faced by Langkawi's MFBH	Theme 1: Low Occupancy Theme 2: Financial Sustainability Theme 3: Maintenance And Repairs Transportation And Accessibility Theme 5: Regulatory Challenges Theme 6: Competitive Positioning

Low Occupancy

The predominant challenge highlighted by nearly all participants is the issue of low occupancy rates. R1, R2, R6, R7, R3 and R4 shared:

"Currently, the hospitality industry in Langkawi is experiencing unsatisfactory business conditions. Our hotel occupancy is also very low. Today's occupancy rate is only 6%." (R1)

"The occupancy rate is only 40%-50%. It has decreased by 60% compared to before." (R2)

"The occupancy rate decreased to 70%." (R6 and R7)

"Today, my occupancy is below 15%, and there are times when it goes below 10%. The break-even point is around 40-45%, so it's definitely a loss for us." (R3)

"We are maintaining a safe occupancy rate of 80%-85%. But we are not opening all the rooms." (R4)

Financial Sustainability

The decline in hotel occupancy has a direct impact on profitability, making it challenging for these establishments to cover operating expenses and pay salaries. Financial sustainability remains a significant concern, as indicated by the challenges faced in meeting regular expenses like salaries and utilities.

R1 contended, *"Indeed, in terms of salary payments, we must pay salaries every month. Utility bills still need to be paid."*

R3 also expressed the same sentiment, *"Low occupancy rate. The hotel needs to pay many costs such as salaries, utility bills, etc."*

Besides that, R4 also stated, *"Has everything been recovered? No, not yet, up to now."* This indicates that the budget hotel is still facing challenges in terms of finances.

Maintenance and Repairs

After being closed for nearly two years, the hotel was finally able to reopen its doors. However, hotels face maintenance and repair challenges due to prolonged closures. According to R2, *“The furniture became mouldy, and the gas in the air conditioner turned oily. It needed replacement. The pool and rooms required a lot of repairs. Fresh paint was needed, and it was quite costly”*.

R4, who owned Muslim-friendly budget hotels that have been established over 20 years, stated that facilities such as piping, which have expired or are long overdue, urgently require renovation and refurbishment. R4 added that to maintain relevance in the industry, there is a critical need to undertake a comprehensive redevelopment of the entire premises.

According to R4, *“Facilities that have expired or are overdue, like piping that’s over 20 years old. We need to renovate and refurbish. To remain relevant, we have to redevelop the whole place.”*

Transportation and Accessibility

Limited ferry services are significantly impacting tourist arrivals in Langkawi, as highlighted by R1 and R6. R1 emphasized that the shortage of ferry options has emerged as a prominent concern within the hospitality industry, leading to decreased business satisfaction levels.

R1 complained, *“These days, the hospitality industry in Langkawi is not doing well because there aren’t enough ferries available.”*

R6 also expressed the same complaint, *“When there are no ferry trips, our business suffers. Recently, for a few days in February (2023), there were no trips from Kuala Perlis to Langkawi. We don’t get visitors without ferry trips, which means no income and empty places. If one ferry trip can carry 300-400 people, then with five trips, we could have up to 2000 people coming in.”* (R6)

Regulatory Issues

According to R5, challenges arise from local governing bodies as they impose regulations or policies that can hinder business operations and impede development initiatives.

R5 stated, *“The issue lies with the governing bodies of Langkawi, LADA and the Langkawi Municipal Council Tourism City. Their actions could harm Langkawi’s tourism industry.”*

Moreover, parking restrictions and insufficient infrastructure exacerbate the situation in Pantai Cenang making it difficult for tourists to access attractions or businesses.

According to R5 and R6, *“Along Cenang Mall all the way to the end, they (the local government) placed cones on both sides, not allowing cars to park. So where are tourists supposed to park? There are many hotels around here.”*

R6 added, *“If you park, you will get fined.”*

Competitive Positioning

Competition from other destinations, perceived as more affordable or appealing, poses a challenge. According to R7,

“Many people are choosing to visit Hat Yai, Thailand, instead of Langkawi because they believe it offers better value for money. They feel that vacationing in Hat Yai is more worthwhile than in Langkawi due to the perception that Langkawi is expensive.”

DISCUSSION

Firstly, low occupancy rates emerge as a significant challenge, resonating with multiple participants in the study. Despite the initial boost of occupancy rates relatively related to Travel Bubble Program, in the subsequent months, R1, R2, R6, R7 and R4 underscored the detrimental impact of low occupancy on their respective Muslim-friendly budget hotels. For instance, R1 was deeply worried about the poor condition of the hospitality industry in Langkawi, mentioning an extremely low occupancy rate of just 6%. Similarly, R2 highlighted a sharp decline in occupancy rates, from 40% to 50%, marking a 60% decrease compared to previous figures. This sentiment was echoed by R6 and R7, who reported a notable decrease to 70%. Even those maintaining relatively higher rates, like R4 with 80% to 85%, faced challenges, as not all rooms were being utilized to their full potential. According to Datuk Noorazly Rosly, the Chairman of MyBHA Langkawi chapter, visitor arrivals have plummeted by a substantial 70% compared to before the pandemic (Osman, 2023). These accounts show how Muslim-friendly budget hotels are really struggling because of low visitor arrivals that leads to low occupancy rates.

Secondly, the decrease in hotel occupancy directly affects hotel revenue, making it hard for them to cover day-to-day expenses such as staff wages and utility bills. For instance, R1 highlighted the struggle to meet monthly salary and bill payments, a sentiment echoed by R3, who also emphasized the financial burden posed by low occupancy rates. Additionally, R4's remarks underscore the persistent financial challenges, indicating that the budget hotel has yet to fully recover financially. These observations underscore the continued financial hardships encountered by Muslim-friendly budget hotels.

Thirdly, maintenance and repair. The statement illustrated the maintenance and repair challenges faced by R2 describes how the extended closure led to issues such as moldy furniture, malfunctioning air conditioners, and the need for extensive repairs in various areas like the pool and rooms. R2 added these repairs, including replacing furniture and fixing infrastructure, incur significant costs for the hotel. Additionally, R4 emphasized the necessity of renovation and refurbishment, particularly for facilities like piping that may have exceeded their lifespan. R4 also underscored the need for comprehensive redevelopment to ensure the hotel's continued relevance in the market. This indicates the importance of maintaining the hotel's infrastructure to meet industry standards and remain competitive.

Fourthly, transportation and accessibility. R1 and R6 emphasized the significant impact of limited ferry options affecting tourist arrivals in Langkawi. R1 pointed out the shortage of ferry services as a prominent concern, leading to decreased satisfaction levels among tourism businesses. This sentiment was echoed by R6, who highlighted the direct correlation between ferry availability and business performance. This statement also retorted by Datuk Noorazly Rosly, the Chairman of MyBHA Langkawi chapter, who said that Langkawi can only be assessed by ferry and flights, the main factor for the reduced demand was infrequent ferry trips to the island, making it difficult for visitors to plan their journey (Osman, 2023).

Fifthly, regulatory issues pose significant challenges for businesses in Langkawi, as local governing bodies implement regulations and policies that hinder operations and impede development initiatives. According to R5, the actions of governing bodies such as LADA and the Langkawi Municipal Council Tourism City have the potential to negatively impact Langkawi's tourism industry. Additionally, parking restrictions and insufficient infrastructure exacerbate the situation in Pantai Cenang, making it difficult for tourists to access attractions or businesses. Both R5 and R6 highlighted concerns about parking availability along Cenang Mall, where the local government has placed cones on both sides, prohibiting cars from parking. R6 emphasized the punitive nature of the restrictions, stating, "If you park, you will get fined." This confluence of regulatory hurdles and infrastructure limitations adds to the operational challenges faced by businesses in the tourism sector.

Sixthly and lastly, competitive positioning. Competitive positioning is crucial for Langkawi's tourism industry, yet it faces challenges from other destinations perceived as more affordable or appealing. R7 stated that the allure of destinations like Hat Yai, Thailand poses a significant challenge. R7 highlighted

that many tourists opt for Hat Yai over Langkawi because they perceive it to offer better value for money. These perceptions stem from the belief that vacationing in Hat Yai is more worthwhile due to the perceived expense associated with visiting Langkawi. It underscores the importance of affordability and value in tourists' decision-making processes. If visitors believe they can get more for their money elsewhere, Langkawi risks losing out on potential tourism revenue. Additionally, it raises questions about Langkawi's competitive positioning strategy. Efforts may be needed to address misperceptions about the destination's affordability and highlight the unique value propositions it offers.

LIMITATION

Firstly, the study's sample is limited. For this study, managers were chosen because they were responsible for business planning and organizing, especially when facing a crisis such as the COVID-19 pandemic. Most participants are from a case study context, Langkawi Kedah. This narrow geographic focus limits the generalizability of findings to other regions within the country. Future studies should aim to include a broader sample across different states within Malaysia to capture diverse perspectives.

Another limitation is the profile of managers affected the outcomes of the result. In this study, specific managers working only in management departments and the status of occupation may affect the results due to different needs and expectations.

Besides that, cross-sectional was used. Cross-sectional data is where the researchers only consider collecting information regarding the study at a particular point in time. Although cross-sectional studies in Malaysia seemed common, Western scholars have pointed its shortcomings since decades ago (Kesmodel, 2018). The shortcomings of cross-sectional data rely on the fact that the potential reciprocal relationships between variables may not be fully interpreted causally, and it may overlook the importance of the interaction over time leading to common method variance.

MANAGERIAL IMPLICATION

The findings of this study will aid in the survival of Langkawi MFBH Business operation. In their daily operation business, MFBH operators should prioritize improving the accessibility to their budget hotel. A strategic plan with government bodies such as Langkawi Development authority (LADA) and Langkawi Municipal Council Tourism City will help to create a better sustainable tourism development in the Langkawi that not only beneficial to travelers but also business operator. It will help indirectly promoting the business and increase the occupancy rate at the accommodation.

Besides the accessibility of accommodation, MFBH demands the frequent transportation touchdown at Langkawi. As only two modes of transportation can be accessed to Langkawi, which are the air and water transportation, tourism business operators like MFBH can have a discussion with transportation provider to increase the volume of service and daily operation. As demand to visit Langkawi keeps increasing, cooperation between service providers accommodation and transportation will help to increase the travelers experience and smooth their journey.

CONCLUSION

In conclusion, this study investigates the challenges faced by Langkawi's MFBH in the post-COVID-19 era upon their business survival. The study identified several challenges hindering the survival and growth of these hotels. Low occupancy rates, financial sustainability concerns, maintenance and repair issues, transportation and accessibility constraints, regulatory hurdles and competitive positioning challenges were among the major obstacles faced. Despite providing valuable insights, this study has limitations that warrant consideration. The narrow geographic focus and limited sample size may limit the generalizability of findings. Additionally, the specific profile of the manager interviewed, and the

use of cross-sectional data pose methodological constraints. Moving forward, future research should aim to address these limitations by incorporating a broader sample across different states in Malaysia, considering diverse perspectives and exploring longitudinal data to capture dynamic relationships over time.

ACKNOWLEDGEMENT

We gratefully acknowledge the support of Universiti Utara Malaysia (UUM) through Geran Penjanaan (SO CODE 21365), which made this research project possible. We extend our sincere thanks to all the experts and authors who participated in this study and contributed their valuable insights. Their cooperation and input are crucial in enhancing the quality and depth of this research. We are truly grateful for their time and effort in making this study a success.

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A Study of Digital Marketing Through Consumers: The Impact of Digital Marketing Tools on Consumer Behavior (USAS Students)

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ABSTRACT

This study examines how digital marketing, through its impact on consumer behavior, influences purchasing decisions. It explores how customers' perceptions are shaped by various online marketing tools across different markets and industries on platforms like social media and e-marketplaces. Understanding the consumer behavioral factors that influence online marketing impact is crucial. The purpose of this study is to investigate the relationship between online marketing tools and customer purchasing decisions. The objectives are to identify: (1) the impact of consumer engagement (relationship marketing), (2) the impact of social media platforms on consumers, and (3) how digital promotion activities influence initial customer purchasing decisions. This paper aims to examine key consumer behaviors and their interrelationships within a digital marketing context. Digital marketing technologies offer organizations a cost-effective means to promote products, build customer relationships, and increase sales. This study explores the relationship between digital marketing and consumer behavior using primary data (in-depth interviews) and secondary data (recent and previous literature, internet resources). It aims to identify how digital marketing impacts consumer behavior. Findings show a significant positive impact of digital marketing on consumer engagement, social media platforms, and purchasing decisions influenced by digital promotion activities. Moreover, social media platforms are crucial for businesses to understand and leverage to impact customer purchasing decisions.

Keywords: Digital Marketing, Digitalization, Consumer Behavior, Impact of Digital Marketing, Social Media, E-Marketplace

INTRODUCTION

Overview: In today's fast-paced digital world, the internet has revolutionized how businesses interact with customers. The emergence of digital marketing has transformed traditional strategies into innovative, data-driven approaches. Characterized by rapid technological advancements, the digital era offers new avenues for disseminating product and service information. Digital marketing encompasses a wide range of tools and applications used for advertising, marketing, and transactions, significantly influencing consumer behavior. It involves leveraging digital channels to reach customers and promote brands.

Consumer buying behavior has evolved with the internet, leading to the growth of e-commerce. Digital marketing has emerged as a powerful tool in this landscape, offering advantages such as higher return on investment, reduced campaign costs, quicker results, and improved tracking capabilities compared to traditional marketing. For instance, social media platforms enable brands to build relationships with customers through feedback and engagement.

This research aims to identify how consumer behavior is influenced by the effectiveness of digital marketing. According to Philip Kotler (2020), "Digital Marketing is a set of activities that a company or person runs on the Internet in order to attract new businesses and develop a brand identity." In the contemporary interconnected marketplace, businesses often combine traditional and digital marketing strategies to maximize their impact. Understanding the strengths and weaknesses of each approach is

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crucial for effective resource allocation and achieving marketing objectives. Factors such as brand perception, marketing promotions, and online advertising influence consumer purchasing decisions. Digital marketing has emerged as a highly effective platform in this context.

LITERATURE REVIEW

The table below compares various online marketing methods, highlighting their strengths and limitations across different areas and opportunities.

Table 1. Comparison of Traditional and Internet Marketing

Traditional Marketing	Internet Marketing
Audiences Reach Targets a broad audience through channels like TV, radio, print (newspapers, magazines), direct mail, and outdoor advertising (billboards).	Reaches a targeted audience online through channels such as websites, social media, e-market, search engines, email, and mobile apps.
Flexibility and Real-Time Adjustments Campaigns are often planned and executed well in advance, with limited ability to make changes once launched.	Offers flexibility to make real-time adjustments based on performance data. Campaigns can be optimized continuously to improve results.
Targeting and Personalization Can build brand awareness through repeated exposure over time, leveraging mass media channels.	Offers opportunities for immediate exposure and viral sharing, potentially reaching a wide audience quickly through social media and online platforms.
Engagement and Interaction Generally one-way communication from the business to the audience, with limited interaction or feedback.	Enables two-way communication, allowing businesses to engage directly with customers through social media comments, email responses, live chats, etc.

Digital Marketing

One of the most well-known definitions is Keller's (2016): "Marketing is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others." The role of marketing itself has changed dramatically due to rapid technological advancements in various industries. Internet marketing involves using the internet to market or sell goods and services. Electronic commerce supports the selling, buying, and trading of products or services online.

News and social media channels have successfully transformed consumer attitudes and perceptions, revolutionizing many businesses. This was achieved through providing customers with trustworthy feedback about their experiences. Businesses can use this feedback to meet customer needs more accurately. (Coltman, 2017) The term "digital marketing" was first used in the 1990s. By the 2000s and 2010s, it had become a sophisticated way to build deep and relevant relationships with consumers. (Ebrahim, 2020) Social activities have transitioned from the real world to the virtual world through social networking sites. Real-time messaging enables interaction and information sharing, making social media platforms essential tools for online success.

(Chaffrey, 2013) Digital marketing involves using technologies to improve customer knowledge by matching their needs. Traditionally, businesses relied on newspapers and word-of-mouth. However, digital marketing has gained popularity due to its use of mass media devices. (Chaffrey, D., & Smith, P, 2008) (Chaffrey, D, 2013, Feb 16) Internet marketing has been defined as "achieving marketing objectives through applying digital technologies." Digital marketing, electronic marketing, e-marketing, and internet marketing are similar terms referring to online marketing through websites, online ads, emails, interactive kiosks, TV, and mobiles.

(Smyt., 2007) The concept of digital marketing originated from the internet and search engine rankings. The internet boom of 2001 led to search optimization dominance by Google and Yahoo. The increased use of mobile devices in 2007 facilitated convenient online connections through social media. (Kiani, 1998) New technologies have created business opportunities for marketers to manage websites and achieve objectives. Companies in developed countries have recognized the importance of digital marketing. (AJ Parsons, M Zeisser, R Waitman , 1996) To succeed, businesses must combine online and traditional methods to better meet customer needs. (Mort, Gillian Sullivan, Drennan, Judy, 2002) The rapid advancement of technology and changing market dynamics have driven the growth of digital marketing.

The Impact of Social Media Platforms on Consumers

(HerlinaLiemubun, 2021) highlights the crucial role of social media in digital marketing for business development. Platforms like Instagram and Facebook have enabled businesses to reach millions of potential customers, opening up new marketing opportunities. (Hanna, Rohm, Crittenden, 2011) noted that market dynamics are shifting due to young people's increased access to and use of social media. Organizations are integrating social media into their marketing communication strategies. In-depth interviews revealed that young people aged 21-28 frequently use the internet, social media, and e-marketplaces for purchases. This demonstrates that digital markets connect with young people, offering access to social media beyond social networking.

(Pai.P, Arnoot. DC, 2013) found that social media use enhances users' self-esteem and enjoyment, motivating businesses and marketing professionals. Social media platforms, built on Web 2.0 principles, facilitate user-generated content creation and sharing. Their interactive nature, enabling knowledge sharing, collaboration, and participation among large communities, makes them essential channels for spreading brand information. (E.Arrigo, 2018) defines social media as encompassing blogs, internet forums, consumer review sites, and social networking websites like Twitter, Blogger, LinkedIn, Instagram, and Facebook.

The Impact through Consumer Engagement (Relationship)

Understanding customer engagement refers to the interactions, experiences, and emotions customers have with a brand throughout the consumer journey. It encompasses a wide range of activities, including social media interactions, website visits, content consumption, feedback, and purchase decisions. (Palazon, 2015) characterizes customer engagement as repeated interactions between customers and the company, which can indirectly strengthen the emotional, psychological, and physical investment customers have in the company.

By actively engaging customers, businesses can create connections that extend beyond transactions, fostering stronger brand affinity and loyalty. Customer engagement is foundational to building trust and brand loyalty. When businesses connect with their audience, they establish authenticity and credibility. Engaged customers are more likely to become brand advocates, referring others and providing positive reviews, thereby amplifying the brand's reach. Research indicates that digital media companies employ various strategies to enhance consumer engagement, particularly through social media interactions. Media players leverage available technologies and applications to maintain and interact with customers.

(Chandra,C.N.,&SARI,W.P., 2021) demonstrated that content marketing influences customer engagement on the Lazada ID Instagram account. Customer value and engagement directly impact repeat purchases. (Susanti.D, 2021) found that digital marketing directly influences customer value and engagement in the marketplace. Hidayah (2019) defines customer engagement as the intensity of individual participation by current or potential customers in relation to organizational offerings or activities undertaken by customers or the organization.

(Raouf, 2019), highlighted **FOUR (4)** strategies for business to maintain consumer engagement which include the following:

- a) **Absorption:** a pleasant state that describes the customer's feelings such as feeling happy when using a brand.
- b) **Enthusiasm:** a strong feeling of enthusiasm for the object attention, the level of customer attention to a brand.
- c) **Identification:** can help explain the customer's relationship with the brand. A strong corporate customer relationship depends on the customer's identification with the company.
- d) **Interaction:** the exchange of thoughts, ideas and feelings with others.

The results of the study show that digital companies must implement various strategies to maintain consumer engagement by consistently delivering high-quality and creative content through digital marketing.

Digital Promotion Activities Influence Customer Purchasing Decisions

Digital marketing significantly influences purchasing decisions. It has been found that digital marketing, encompassing digital media and personal selling, positively impacts consumer purchasing decisions. The use of digital marketing channels, such as online platforms and social media, enables businesses to reach and engage with consumers, providing information about products and services. This information can shape consumers' perceptions and preferences, ultimately influencing their purchasing decisions.

According to (Chaffey D. , 2011), social media marketing involves "encouraging customer communications on company-owned websites or through its social presence." As a crucial digital marketing technique, social media allows companies to distribute messages to target audiences without traditional marketing's reliance on publishers or distributors. Consumer purchasing decision-making and consumer behavior are complex processes. Social media marketing tools, particularly advertising, should be informative and trustworthy, as noted by Martins et al. (2019). Research by Juliana et al. (2021) demonstrates that increased advertising and social media content usage correlate with higher levels of consumer engagement.

(Tortorice, Mike, 2017) suggests that while advertisements are not solely responsible for informing consumers about needed products or services, they effectively introduce consumers to potential needs. Understanding how advertising influences consumer behavior empowers marketers to create more impactful and memorable ads. Key considerations include human behavior, advertising management, and brand management, which collectively impact consumers' ability to proceed with purchases. (Ibrahim B., Aljarah A., 2018) define social media marketing (SMM) as the commercial promotion of products or events online to attract potential consumers. The rise of community websites has prompted organizations to leverage these platforms for building strong relationships and communications with users, fostering online brand communities. Overall, digital marketing plays a pivotal role in shaping consumers' purchasing decisions by providing relevant and trustworthy information, enhancing product and service awareness and consideration, and building brand trust and confidence.

Figure 1.1: Malaysia Population in 2024 (I-Comm Avenu (Thailand) Co; Ltd, 2024)

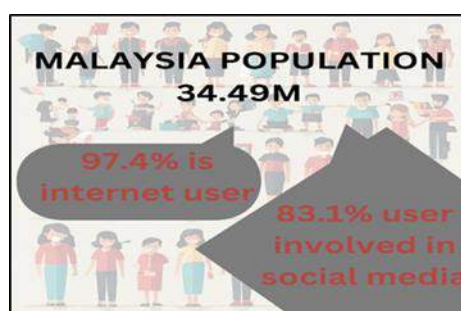
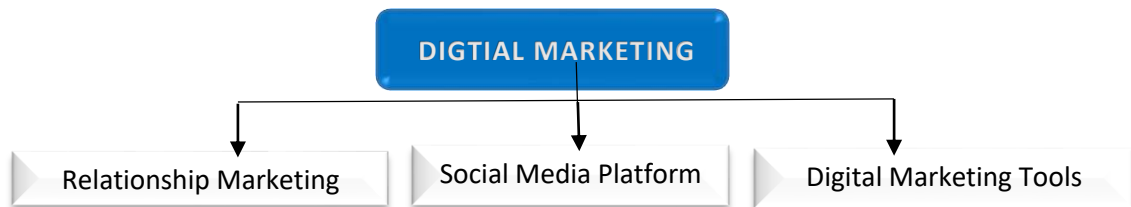


Figure 1.2 The Effect of Social Media Platform on Consumers
(I-Comm Avenu (Thailand) Co; Ltd, 2024)

	2023	2024	
Total Population	31.13M	33.59M	
Internet Penetration Rate	96.80%	78.50%	Δ 0.6%
Active Users in Social Media	97.40%	83.10%	Δ 4.6%

According to the statistical report above, Malaysia's population increased from 2023 to 2024, accompanied by a rising percentage of internet penetration rate and active social media users. As of January 2024, Malaysia's population reached 34.49 million. With a flourishing digital environment, there were 33.59 million internet users, showcasing a remarkable internet penetration rate of 97.4%. Additionally, 28.68 million users were actively engaged in social media, representing an impressive 83.1% of the total population. Compared to 2023, there was a significant 0.6% growth in internet users and a substantial 4.6% increase in active social media users. This indicates Malaysia's growing reliance on social media. Overall, the 83.1% social media user rate suggests a promising landscape for social media and internet marketing.



PROBLEM STATEMENT

In today's digital era, the proliferation of digital marketing tools has significantly transformed consumer behavior. Understanding how these tools influence consumer decisions and actions is crucial for businesses to effectively strategize their marketing efforts. Malaysians are increasingly comfortable with online living, necessitating a forward-thinking approach to digital marketing for businesses. Digital marketing can be defined as the projection of traditional marketing tools and strategies onto the internet. It has become a phenomenon that combines customization with mass distribution to achieve marketing goals. Internet marketing has pushed boundaries to create a new concept of digital marketing that is more measurable, interactive, and user-centered. Internet advertising formats include banners, pop-ups, search engine advertisements, and social media ads.

Digital marketing involves using digital channels to reach consumers and promote brands through various digital media, such as social media and e-marketplaces. These platforms enable sellers/marketers to gather consumer feedback and assess the impact of digital marketing. Social media offers a valuable opportunity to build strong relationships and foster social interaction between sellers/marketers and buyers. It is a booming platform with a diverse user base, particularly among the youth.

The important of these studies are to showcasing the impact of various digital marketing tools, including social media, e-marketplaces, search engine optimization (SEO), email marketing, and online advertising, on consumer behavior. By analyzing consumer perceptions, preferences, and purchasing patterns influenced by these tools, the research seeks to provide insights for businesses to optimize digital marketing strategies and enhance consumer engagement and conversion rates. Understanding how these tools impact consumer decision-making processes, platform usage, purchase intentions, and overall engagement is crucial for marketers and businesses aiming to effectively leverage digital market.

This research aims to identify the impact of digital marketing on consumer behavior in three areas: the impact of digital marketing on consumer engagement (relationship), the impact of social media

platforms on consumer purchasing decisions, and the impact of digital marketing activities on consumer purchasing decisions. The research seeks to provide actionable insights to inform strategic marketing decisions and optimize digital marketing efforts to better meet consumer needs and expectations in the digital age.

RESEACRH QUESTIONS

The key research question for this study is whether digital marketing impacts consumer behavior through three dimensions:

- i. The impact on consumer engagement.
- ii. The impact of social media or e-market platforms on consumers.
- iii. The impact of initial digital promotion activities on customer decision-making.

PURPOSE OF THE STUDY

The purpose of conducting research in digital marketing is its immense significance. Businesses seek a clearer understanding of how digital marketing impacts social media and e-marketplaces to boost consumer engagement and purchasing activities.

The main objective of the paper is to examine how digital marketing impacts consumer engagement, the impact of social media or e-market platforms, and the influence of digital promotion activities on purchasing decisions among Universiti Sultan Azlan Shah (USAS) students in Malaysia.

RESEARCH METHODOLOGY

This research was conducted in three stages: (1) an exploration involving the qualitative data collection from participants (2) determining relevant literature through the application of inclusion and exclusion criteria at the levels of title or abstract and full text, and (3) preparing a thematic analysis of qualitative findings.

The study commenced with preliminary investigations aimed at discerning the influence of consumer behavior on digital marketing. It adopted an exploratory qualitative approach, complemented by limited quantitative data gathered through in-depth interviews with 15 students from various academic disciplines at Universiti Sultan Azlan Shah (USAS) who actively engaged with digital platforms in their daily routines and other activities.

Researchers conducted a thematic analysis of qualitative data within the studies according to (Braun, V., & Clarke, V., 2006) Thematic analysis primarily depends on utilizing text to combine the most significant patterns from various studies in a manner that remains rooted in the data. Researcher undertook thematic analysis within the following steps or phases according to (Jones, 2022):

- Recognizing and listing the data
- Search for patterns or themes in the codes
- Defining and naming themes
- Review themes
- Reporting

The secondary data and information were gathered from various scholars, researchers, existing research reports, e-books, and publicly available articles on digital marketing. The study's limitation is its focus on Universiti Sultan Azlan Shah (USAS) students. However, this target population was considered ideal for the research due to their status as a young generation immersed in technology. As students pursuing

higher education, they demonstrate a higher level of understanding and engagement with digital platforms compared to other populations. Nonetheless, students have limited financial resources.

FINDINGS

This section will share the findings of an in-depth interview conducted at Universiti Sultan Azlan Shah (USAS), Malaysia. A total of 15 students from various faculties and areas within USAS participated. The respondents also have active access to digital platforms.

Table 7. Summary of the respondents.

Students	Gender	Age
A	F	21
B	M	21
C	F	22
D	F	23
E	M	22
F	F	23
G	F	21
H	M	24
I	F	24
J	F	21
K	M	27
L	M	22
M	F	28
N	F	23
O	F	21

M: Male F: Female

Table 7.1.1 Gender of respondents.

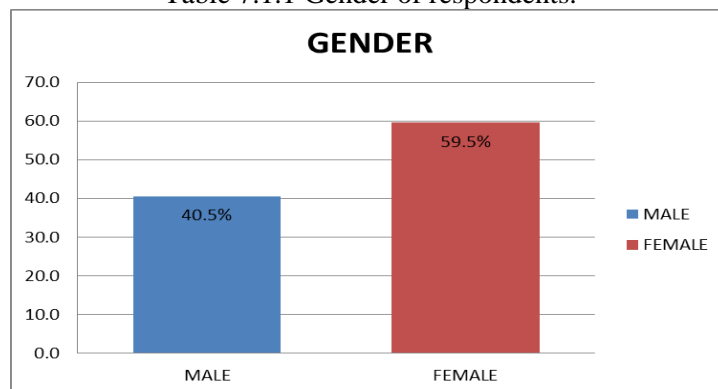
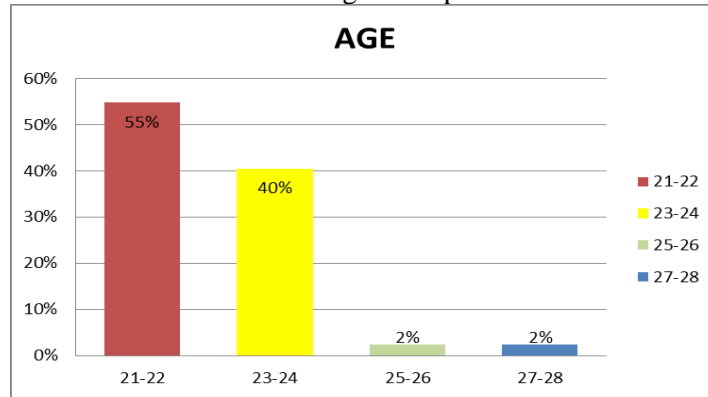


Table 7.1.2: Age of respondents.



The table above shows that young generation respondents aged 21-28 at Universiti Sultan Azlan Shah (USAS) access and actively use social media networks.

Knowledge about digital marketing

(Salim,S.M,&Rahim,N.Z.A., June, 2021) As the world becomes more connected, technology has become the go-to medium for connecting consumers to the products they wish to purchase. (Valentina Simona Pascalau, Ramona Miheale Urziceauna, 2020) In Malaysia, online purchasing is showing encouraging progress among consumers.

Social media or e-market platforms respondents usually use regularly for online purchases.

According to the interview, respondents were asked to specify whether they typically use social media or e-market platforms for online purchases. Based on the results, 85% of respondents shopped on social media, while 15% used e-market platforms. Therefore, the young generation respondents, who are students, prefer shopping on social media rather than e-market platforms.

Table 7.2: Online Shopping



Social media and E-market places platform respondents using for shopping

According to the interview, respondents listed several social media and e-market platforms used for online shopping. The results showed that social media platforms (70%) had significantly higher accessibility compared to e-marketplaces (12%). Respondents indicated that the most popular platforms were TikTok (46%), Instagram (15%), WhatsApp (11%), X (4%), Facebook (5%), and Telegram (5%) for online purchases. This suggests that the young generation respondents prefer social media to e-marketplaces such as Shopee (10%), Temu (1%), Mudah (1%), and other unspecified platforms (1%).

Furthermore, (Chang,H.H,&Wang,H.W., 2011) noted that online stores offer convenience and time-saving benefits. However, (Sembadam,A.Y.,&Koay,K.Y., 2019) pointed out that purchasing on social media exposes consumers to higher risks of fraud due to the lack of seller verification and payment protection services typically offered by e-marketplaces.

Table 7.3: Social Media Platforms

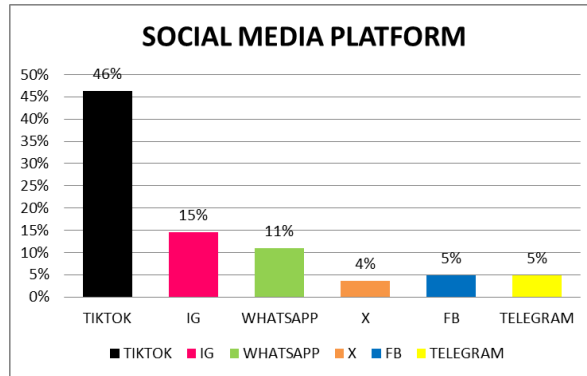
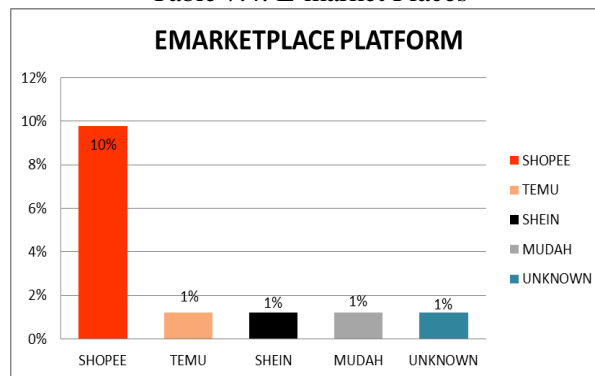


Table 7.4: E-market Places



Frequency of Online Purchases.

According to the interviews, respondents indicated the frequency of their online purchases as mostly monthly. The frequency of online purchases showed that more than four times a month accounted for 33%, three times a month for 14%, twice a month for 19%, once a month for 31%, and 2% did not shop online. This trend might be attributed to the increasing popularity of online shopping among the youth. According to (Libai.M,B,A.;Y.,Gensler, S.,Hofacker, C.F., Kaplan, A.,Kotterheinrich, K'&Kroll,E.B., 2020), online shopping allows consumers to quickly research prices and related information using technology. (Hoekstra, 2020)

Based on reviews, feedback, and ratings, consumers can assess the demand and reliability of a fashion product. (Arumugan, M.A.P., Lasi, A., Nisa, K., & Halabi, M. , 2021) By analyzing and comparing different brands while considering cost, color, and quality, consumers can make informed purchasing decisions. Therefore, 100% of respondents utilized online platforms, including social media and e-marketplaces, for purchases.

To measure the impact of digital marketing on consumer behavior during online shopping, respondents reported spending more than two hours per day (43%), one hour per day (29%), and 30 minutes per day (29%) on online shopping. Respondents stated that even if they did not make purchases, they would still spend time browsing products on social media or e-marketplaces daily.

Table 7.5 Frequency of Online Purchases

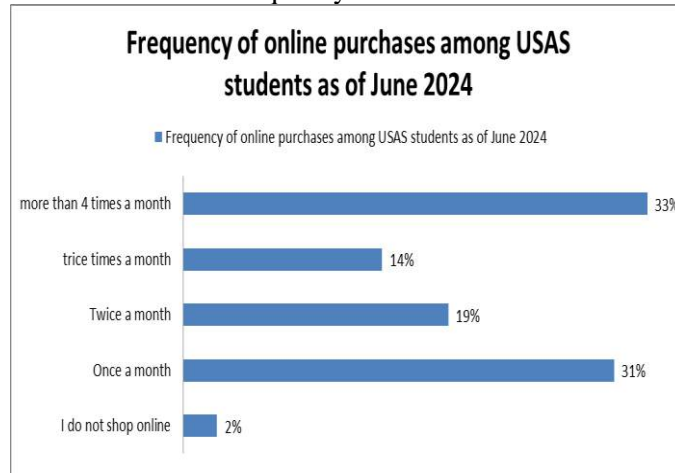
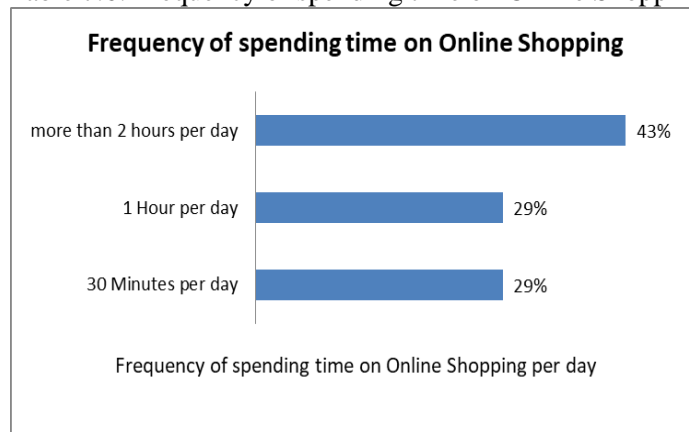


Table 7.6: Frequency of spending time on Online Shopping



The Impact on Consumer Engagement (Relationship Marketing).

Q: How likely is it you would recommend a product to others?

Based on the interviews, 100% of respondents indicated that they would recommend products to others after purchasing or using them. Respondents such as C, F, H, and M provided the following insights:

C: “I would recommend products to others when I find them valuable because they fulfill all my needs and wants and meet my expectations.”

F: “I am highly likely to recommend a product if it is of excellent quality.”

H: “I would highly recommend purchasing online rather than in-store because the prices are more affordable.”

M: “If the product is good enough, I will highly recommend it to my closest friends and family.”

Furthermore, ten respondents expressed their willingness to recommend products, while five would share product links after purchase or use. These results demonstrate that respondents are willing to engage with marketers, sellers, or businesses after purchasing products to provide feedback on their

satisfaction. Social media and e-market platforms can benefit from this customer engagement by measuring product and service performance post-purchase.

Q: Do you rate or share feedback after purchasing (post-purchase)? What do you write in the review?

Based on the interviews, all 100% of respondents stated they would share feedback after purchasing (post-purchase). To assess the significance of these viewpoints, the research was divided into three segments based on how respondents rate or share feedback:

1. The product itself/product quality
2. Delivery services
3. Marketer or seller services

The results indicated that 35% of respondents would rate or share feedback on the product itself or its quality. Additionally, 3% would provide feedback on delivery services, and 6% on marketer or seller services.

Respondents such as A, B, and I provided the following insights:

A: "Yes, I wrote that the product is good and claimed it suited me very well."

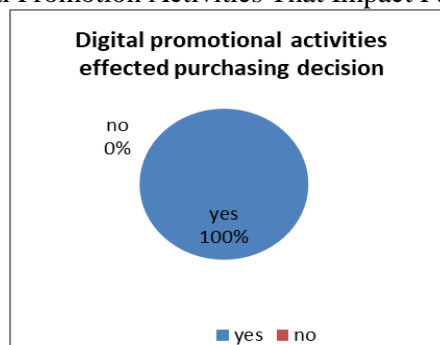
B: "Yes, I will give an honest review of the product, whether I am satisfied with the purchase or not. It will help other customers make better purchases, and the seller can use the review to improve."

I: "Yes, I will write a review that satisfies my needs and wishes for the purchased items. Sometimes I will write a good or bad review based on the product's performance."

These findings suggest that respondents, as customers, are willing to rate or share feedback after purchasing via the seller's social media or e-market platform. Some respondents also mentioned using a rating scale of 1-10 to indicate their overall satisfaction with the purchased product or service and whether it met their expectations.

Digital Promotion Activities That Impact Purchasing Decision.

Figure 7.7: Digital Promotion Activities That Impact Purchasing Decision.



Based on the interviews, 100% of respondents agreed that digital promotion activities influence their purchasing decisions. Referring to the results on online shopping through social media, 85% of respondents made purchases through social media, with TikTok being the most popular platform at 46%. Respondents expressed satisfaction with obtaining more information about sellers, products, and testimonials through TikTok Live before making purchase decisions. Other platforms included Instagram (15%), WhatsApp (11%), X (4%), Facebook (5%), and Telegram (5%).

While 10% of respondents used Shopee for e-marketplaces, with smaller percentages using Temu, Mudah, and other unspecified platforms, both TikTok and Shopee offered live streaming to engage customers and encourage purchases. Additionally, marketers and sellers utilized digital promotion tools such as vouchers, discounts, and special promotions. Collaborating with social media influencers during live streams further boosted sales. The effectiveness of digital promotion tools in attracting, engaging, selling, and retaining customers on online platforms was evident.

Therefore, based on the results, respondents were satisfied with digital promotion activities. Several factors within these activities influenced their purchasing decisions.

Findings

Malaysians have seen a positive opportunity in the digitalization of online shopping. As a result, most student consumers at USAS have dramatically shifted their purchasing attitudes and behaviors from traditional to online shopping, perceiving it as more convenient, time-saving, and efficient.

Based on the interview results, three dimensions of impact were identified: the significant impact of digital marketing on consumer engagement (relationship), the significant impact of social media platforms on consumer purchasing decisions, and the significant impact of digital promotion activities on consumer purchases. Additionally, all three dimensions demonstrated increased online shopping and enjoyment among respondents who adopted online shopping through social media.

Furthermore, identifying target market platforms for online digital marketing and online shopping has become a challenge for businesses and marketers. On the other hand, the retail industry faces the challenge of keeping up with trends that impact online shopping to meet consumers' evolving expectations. Businesses must explore and utilize digital marketing to reach consumers and potential buyers.

Online shopping is expected to continue penetrating the market in the coming years as customer purchasing patterns change. The study found that most respondents acknowledged the impact of digital promotions on their purchasing decisions. This impact is likely to lead to increased sales volume and higher profits for online businesses. It is recommended that marketers and sellers take full advantage of live streaming on social media by developing effective and efficient sales promotions to increase consumer awareness and drive purchases. According to (Kozinets, R.V., De Valck, K., Wojnicki, A.C., & Wilner, S.J.S., 2010), customer engagement not only minimizes costs but also significantly impacts achieving various company or brand goals.

This demonstrates a close relationship between digital media and digital/online marketing, encouraging traditional businesses to transition to digital marketing.

Further Research

Future studies should look into relationship benefits and relationship outcomes resulting from company versus consumer interactions and the role of customer engagement in these interactions. Research on digital marketing behavior could be explore more on the side of influencer marketing, live streaming, social service enhancement, and the dark side of social media marketing. It is clear that there is a gap and there is a requirement for further investigations of social media marketing influences and customers engagement. Some of areas is unquestionable underdeveloped and therefore need additional explorations.

Furthermore, the adoption and application of blockchain technology, participative marketing via the Internet of Things (IoT), as well as privacy and data protection issues related to these technologies, present promising areas for further exploration in understanding the impact on customer-firm relationships. By delving into these aspects, researchers can contribute to a deeper understanding of the evolving landscape of digital marketing and its effects on consumer behavior.

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Building and Repairing Homes for the Poor: Prudent or Burden?

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Abstract

Poverty is one of significant issues in any nation and may impede the development and advancement of a nation. The depiction of poverty encompasses various essential elements, including scarcity, adversity, individual character, and the challenges encountered in the lives of individuals, families, and communities as being researched by several scholars. Supports from the state are indeed important in any circumstances in order to render the community who are unable to escape from the cycle of poverty. Therefore, in order to ensure the citizens wellbeing and improve the quality of life, Malaysian government had implemented the Development Programme for Extreme Poor or Program Pembangunan Rakyat Termiskin (PPRT) since 1989. There are other programmes as well targeted to poor group in the community such as cash assistance. Indeed, PPRT is a programme specifically targeting individuals who are in the most impoverished conditions. The primary objective of PPRT is to assist the extreme poor whose income is less than half of the Poverty Line Income (PLI). The efficacy of PPRT in alleviating poverty demonstrates that the programme is among the most effective poverty alleviation initiatives implemented by the government. This paper will focus on historical background of the programme and criteria used to define who will be eligible to be part of the programme. The implementation of this programme at state of Penang will be the main focus of this case research. Interviews among relevant policy stakeholders and government documents have been used to gather the information about the programme. The paper will further discuss on the implications of the programme to community, government as well political implication.

Keywords: PPRT; Programme implementation; Capacity building

INTRODUCTION

Poverty is a significant issue inside a nation. Poverty can impede the development and advancement of a nation. The depiction of poverty encompasses various essential elements, including scarcity, adversity, individual character, and the challenges encountered in the lives of individuals, families, and communities (Aboo Talib@Khalid, 2016). According to Syukri et al. (2019), poverty is characterised by the lack of well-being and progress in a society. Jamil & Che Mat (2014) define poverty as a state of deprivation characterised by insufficient income to purchase essential necessities, limited education, absence of possessions, poor health, inadequate access to food and clothing, lack of suitable housing, and absence of employment that ensures survival. In the absence of assistance and support from the state, these circumstances will render the community unable to escape the cycle of poverty.

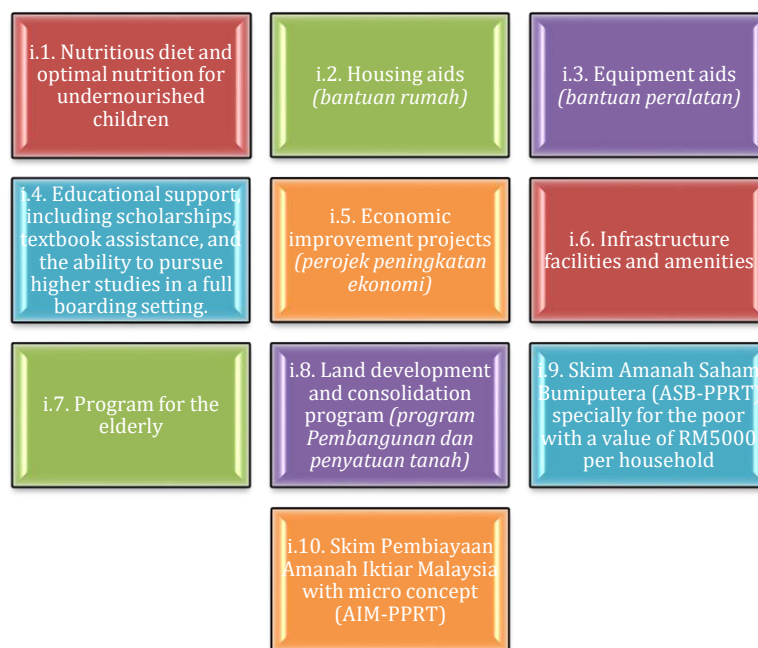
Therefore, in order to ensure the citizens wellbeing and improve the quality of life, Malaysian government had implemented the Development Programme for Extreme Poor or Program Pembangunan Rakyat Termiskin (PPRT) in 1989 (Siwar, 2000). PPRT is a programme specifically targeting individuals who are in the most impoverished conditions. The primary objective of PPRT is to assist the extreme poor whose income is less than half of the Poverty Line Income (PLI). The efficacy of PPRT in alleviating poverty demonstrates that the programme is among the most effective poverty alleviation initiatives implemented by the government.

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BACKGROUND OF THE PROGRAMME

The PPRT programme was initially implemented by the Implementation and Coordination Unit (ICU), an agency under the Prime Minister Department (PMD). However, this programme has been transferred under the supervision of the Ministry of Rural Development at the Federal level. For the state level, it is placed under the supervision of the State Development Office and the District Office (Chamhuri & Khairi Ismail, 2019). The strategy for the development of PPRT is based on the process of development, creation of job opportunities, training and education, and the transition from low-productivity jobs in the rural sector (agriculture and rural areas) to the modern sector. The PPRT programme is a dual-pronged initiative aimed at (1) assisting impoverished households and the extremely poor; and (ii) targeting the development of impoverished areas at the village and sub-district levels (Chamhuri & Khairi Ismail, 2019).

Figure 1 Types of Assistance Under PPRT



Although there are several programmes in place to mitigate extreme poverty, this study will primarily focus on the housing assistance initiatives. The housing assistance initiative have been implemented at federal and state level. For instance, Ministry of Rural and Regional Development has implemented Program Perumahan Rakyat Termiskin (PPRT) as part of rural poverty eradication program which aims to provides assistance of repairing and building new house for the poor. Besides that, Ministry of Housing and Local Government also implemented a housing program as a resettlement of slums for those who are qualified as well as meeting the housing needs of low-income groups (B40) which is Program Perumahan Rakyat (PPR). This programme consists of two categories which are PPR Rental and PPR Owned. Apart from the federal initiative, Penang and Selangor state government have also implemented similar initiative like PPRT. Penang had implemented Program Bina Baru dan Baik Rumah Rakyat Termiskin, while Selangor implemented Program Bantuan Rumah Kerajaan Prihatin. Each initiative is aims to provides better homes for the poor family.

Penang State Government has adopted the same initiative as federal government pertaining to housing assistance to enhance the living conditions of the poor population in the state. As of 23 October 2023 the total number of extreme poor are 3,227 while the poor are 12,194 makes the total of 15,421 poor in Penang (*Mesyuarat Kedua Penggal Pertama Dewan Undangan Negeri Pulau Pinang Yang Kelima Belas, 17 November 2023*). The Penang State Government has implemented Programme Bina Baru

Dan Baiki Rumah Rakyat Termiskin (PBBBRRT) as part of its efforts to alleviate poverty and enhance the living conditions of those who are poor in Penang. This programme aims to offer secure and pleasant housing to those in need. The programme was initially implemented in 2008, following a transfer of power in the Penang State Government Administration from the Barisan Nasional government to Pakatan Rakyat. This programme is executed utilising state allocations under the Rural Development Executive Council (Majlis Mesyuarat Kerajaan Pembangunan Luar Bandar). PBBBRRT encompasses two distinct forms of execution, including repairing and building new houses. Each project has its own specific objectives and must adhere to and fulfil the requirements established by the state government, which may differ somewhat from the procedures and criteria for programmes carried out under the federal government.

Figure 2 Terms and Conditions

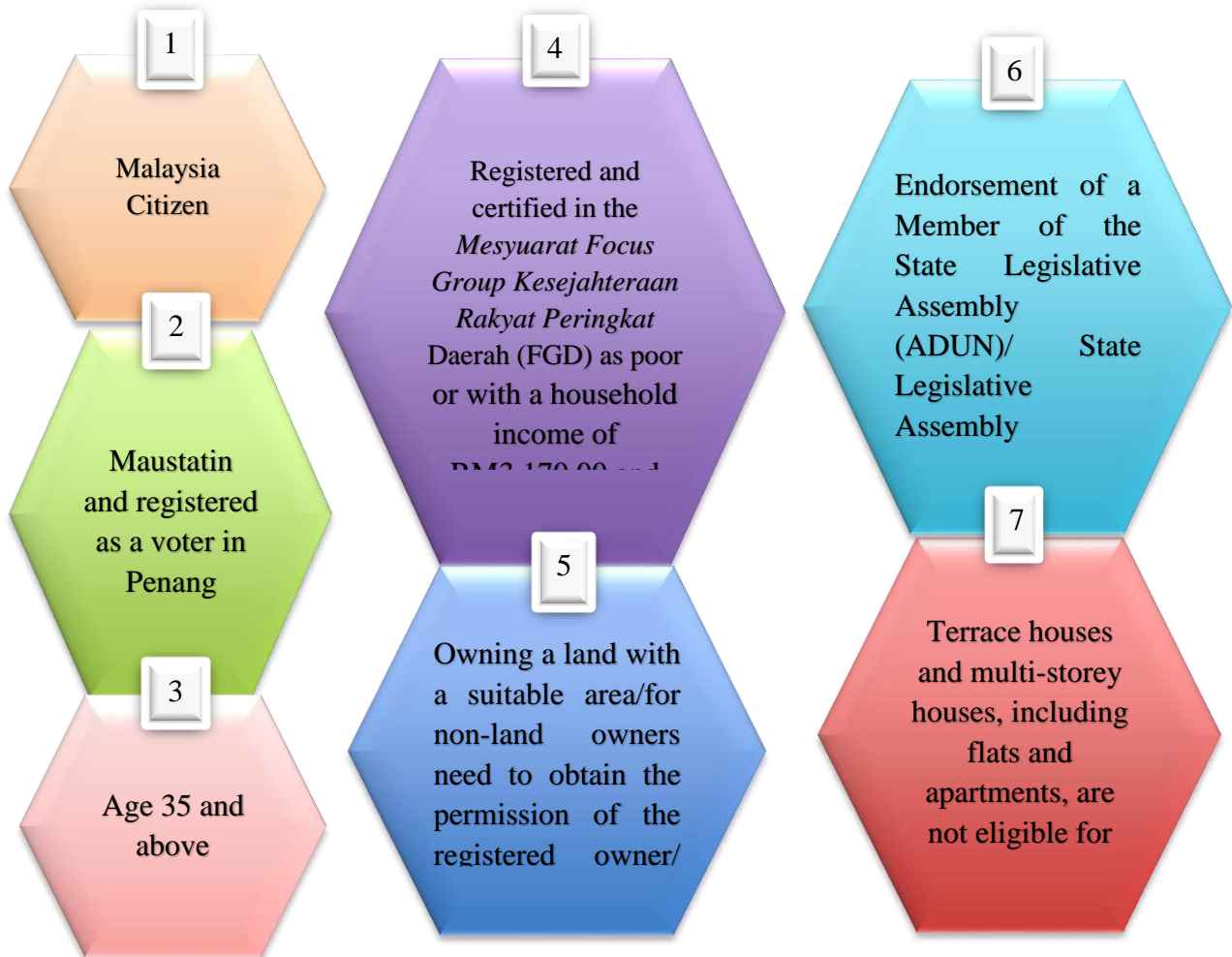
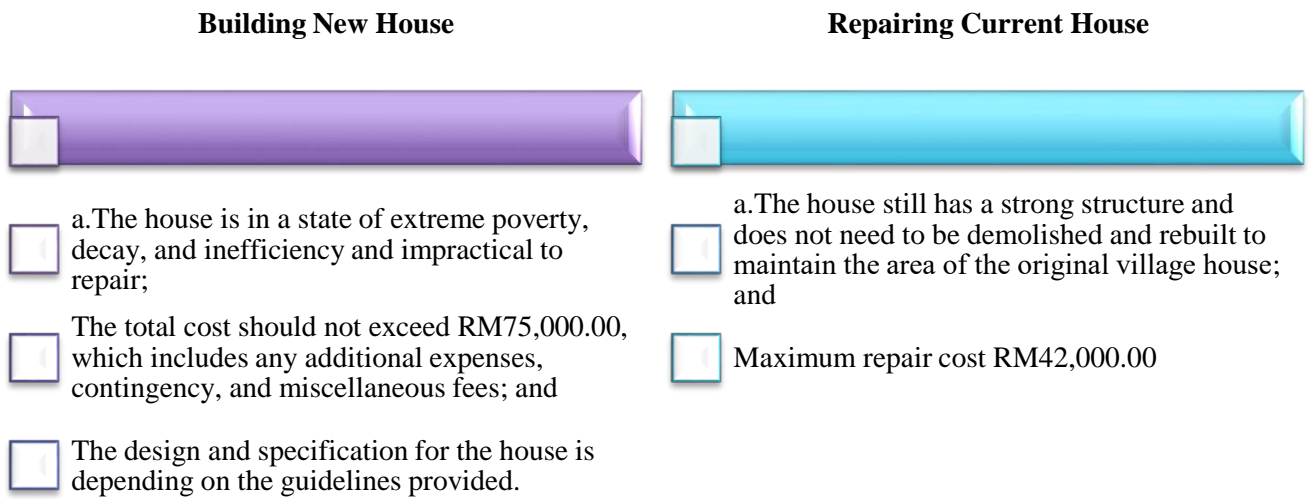
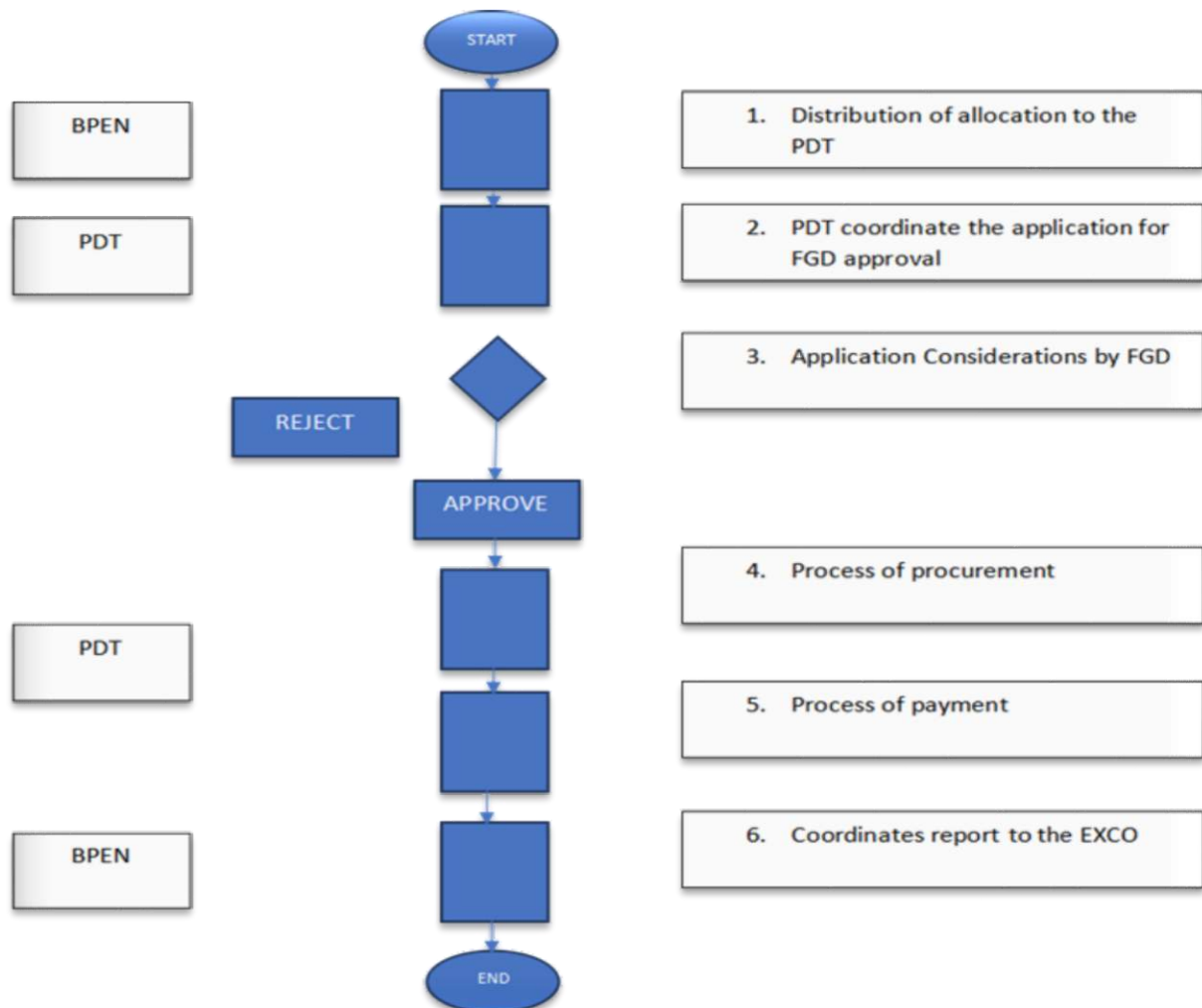


Figure 3 Scope of project



Process of PBBRRT Application

Figure 4 Application Process



According to the PBBBRRT guideline, the process of the application is as follow:

Distribution of Allocation

The State Economic Planning Division (BPEN) will allocate a specific amount of funding to each district and land office for the building or repairing houses as part of the Special Economic Project. The allocations to each district vary based on both the district's area and its population density.

Applications

Applicants may submit their application to the District and Land Office (PDT) using the provided application form. Every District and Land Office has the responsibility for carrying out an initial evaluation of every application. The District Development Division (*Bahagian Pembangunan Daerah*) is responsible for overseeing this application procedure. Local authorities, including YB MP/ADUN and the *Majlis Pengurusan Komuniti Kampung* (MPKK), have an important role in identifying individuals in need of assistance within their respective areas. An initial assessment of the application documents is made to ensure that the documents are complete and organized, particularly in the section of endorsement by YB ADUN/KADUN.

Subsequently, once the application has been assessed and determined to be comprehensive, the *Penghulu* and the assistant engineer will conduct an on-site investigation to personally evaluate the condition of the applicant's house. This process needs to be carried out before the application is presented in the *Focus Group Kesejahteraan Rakyat Peringkat Daerah* (FGD).

Mesyuarat Focus Group Kesejahteraan Rakyat Peringkat Daerah (FGD)

The primary role of FGD is to execute policies and initiatives aimed at promoting the welfare of individuals, while also offering detailed profiles and information about certain target groups at the district level. The use of the Focus Individual Countdown (FIC) aims to enhance the characterization of the target demographic at the district level (*Arahan No. 1 Penyelarasan Pelaksanaan Negara, 2023*).

The application of PBBBRRT will be presented and the selection of recipients will be officially finalised during the meeting, following the established criteria.

Members of FGD	
Chairman	District Officer/Residen (Sarawak)
Members	MP/ADUN appointed by Chairman of MTPNg, Mayor/President of Local Authority, District Health Officer, District Education Officer, District Engineer (JKR), District Community Development Department (KEMAS) Officer, District Religious Administrator, District Social Welfare Officer, Regional Development Board Officer, Majlis Amanah Rakyat (MARA) officer, District Agriculture Officer, District RISDA Officer, District Youth and Sports Officer, Amanah Ikhtiar Malaysia Officer, <i>Penghulu/Pengghu/Community Leader</i> .
Invitation	Heads of Departments/Government Agencies as well as any body invited based on the issues discussed
Secretary	Chief Assistant District Officer (Development)/Deputy Resident
Secretariat	District Office/Resident Office
Frequency of Meeting	FGDs will be held every two months

Procurement process

After the list of recipients is officially approved during the FGD Meeting, the District Development Division will carry out the procurement procedure according to *Pekeliling Perbendaharaan, PK2.1-Kaedah Perolehan Kerajaan*. The entire procurement process is expected to last around three to four months until the contractor is appointed.

Project construction

Upon the selection of the contractor, the repair or construction works will commence promptly, with an estimated project completion time ranging from 12 to 16 weeks. During the project implementation, PDT is required to send regular reports to BPEN for the purpose of monitoring.

Project Completion

After the completion of the project, PDT will organise a session for handing the project to the recipients, with the participation of local leaders.

Reporting

After handling the project to the recipient, PDT will make a report and submit to BPEN for updating to the EXCO.

THE IMPLEMENTATION OF THE PROGRAMME

Politics and administration play a significant role in ensuring that the Program Pembaikan Rumah Rakyat Termiskin Pulau Pinang (PBBRRT) is successfully implemented and achieve the objective to provides better homes for the poor. The balance of power may shift at different levels, such as politicians particularly those holding legislative roles, might have more influence due to their power to set budgets and pass laws at national level. However, at the implementation level, administrators with expertise in urban planning and housing management might hold more sway. Politicians might drive initiatives with a strong ideological or electoral focus, while administrators might lead initiatives focused on technical feasibility and budgetary constraints.

According to Wei et al. (2019), the relationship between politics and administration is crucial in determining how decisions are made, policies are implemented, and services are delivered to citizens in the municipal council. This is because politics represent the majority opinion of people that set the vision and priorities through policies, while administration specialised in carrying out policies and initiatives in accordance with the political agendas established by elected leaders. The relationship of politician and administrator can be illustrated through the integrated approach which rejects the classical view of a strict dichotomy between politics and administration, instead recognising that the two domains are inextricably linked and cannot be separated, prioritises a mix of political and administrative roles with the goal of reducing differences and achieving harmony in decision-making and policy execution. According to Durokifa, Dominique, and Enaifoghe (2022), the political side specialises in building solid connections with the community, whereas the administrative side specialises in the technical implementation of effective programmes. This cooperation between politics and administration will result in better policies. Furthermore, this approach enables the government to adapt to changing community needs (Ikeanyibe, Obiorji, Osadebe, & Ugwu, 2020). This is because effective communication between political leaders and administrative officials enables the government to quickly identify social, economic, or political changes that may affect society. This enables the government to plan and carry out appropriate initiatives quickly.

Political Will and Support

The role of politician in PBBBRRT is important because they involve in decision making process and come out with the policy. Their role became more prominent when there was a change in the administration of the state government in 2008. The administration of the government under the leadership of Pakatan Rakyat in Penang brought changes to the administrative pattern in the state. When there was a change in Government administration in 2008, the Penang State Government became one of the opposition states and due to that, the Federal Government's allocation to Penang was limited. Following that as well, Penang state government has introduced several initiatives to improve the standard of living of the people in Penang thus reducing the poverty rate in the state. PBBBRRT is one of the state government's initiatives to show their commitment to the trust that has been given by the Penang people. Penang State Government has agreed and approved the PBBBRRT under Rural Development Executive Council and the allocation for the program is fully borne by the state government through Development Vot P01 (64) – Special Economic Project (*Projek Khas Ekonomi*).

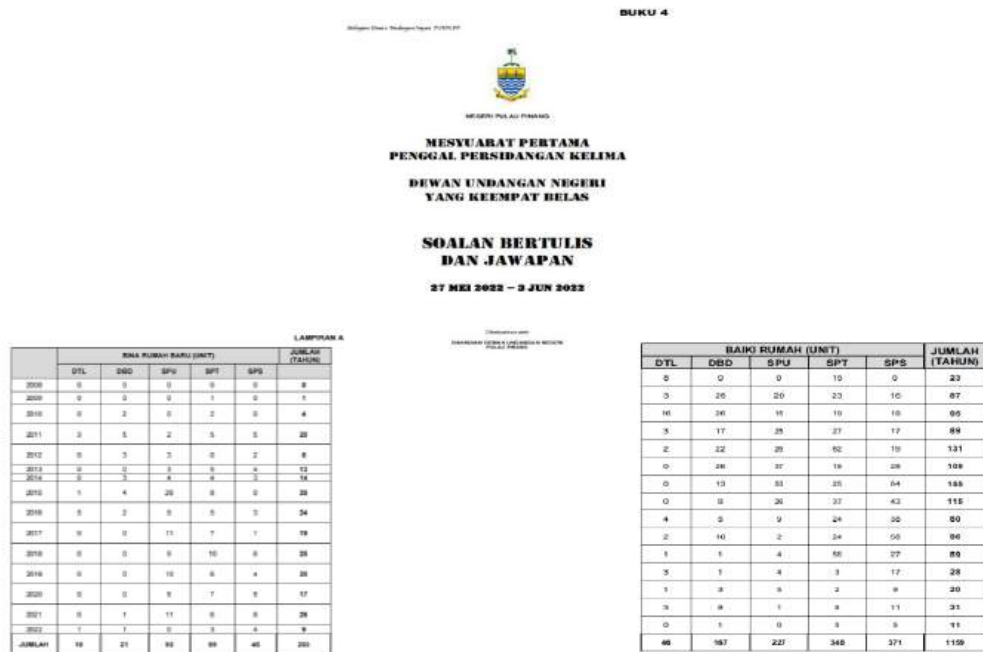
Policy Development and Decision Making

PBBBRRT objective is to provide a better, safe and convenience home for the poor in Penang. Penang state government has agreed to provides the housing assistance in two categories which are repairing and building new house. The guideline for PBBBRRT has been develop in year 2016 as an initiative to expedite the application and approval process. After a few years, the Rural Development EXCO has suggested for some amendment for the guideline improvement. Therefore on 17 Dismember 2020, the EXCO meeting has approve the amendment. There is a continuous effort to improve the implementation of PBBBRRT. For instance, several series of meeting involving BPEN, *Jabatan Kewangan Negeri* and Member of Rural Development Executive Council has been organised and result of the meeting, a new guideline has been created to replace the previous guideline on 27 October 2022. The result showed that the decision made by the politician or the EXCO are based on the advice of the administrator. This shows the significant relationship between the politics and administration (Bahagian Perancang Ekonomi Negeri, 2022).

Accountability and Transparency

The Penang State Government is committed to ensuring the efficient delivery of services through measures aimed at accountability and transparency in the administration of the PBBBRRT. For instance, the selection process for PBBBRRT recipient involves a rigorous procedure that includes a Focus Group Meeting at the district level. During these meetings, Bahagian Pembangunan Daerah presents all eligible applications to a panel comprising various agencies and local leaders (MP and ADUN). This collaborative decision-making process ensures that the distribution of allocations is fair and transparent, with decisions made based on objective criteria and community input. Additionally, the government demonstrates transparency in resource allocations by including details of the PBBBRRT in the Hansard. For example, in the Hansard on 27 May to 3 June 2022, the information on the allocated funds for the initiative and how much money has been spent on various aspects of the program has been published. By providing transparent reporting on financial expenditures, the government enhances accountability to the public and ensures that resources are utilized effectively to achieve the program's objectives.

Figure 2 Total number of PBBBRRT project in 2008-2022



THE IMPLICATIONS OF THE PROGRAMME

The implementation of the house assistance initiative that the state government has carried out has indeed given various implications to all stakeholders. Through the study of the implementation of this programme, there has been identified that the implication is not only focused on the target group, which is the poorest people in Penang, but also across the surrounding community, the government and politicians.

Community Implications

This pure initiative has indeed changed or transformed the socio-economic landscape of the community in Penang. This is said to be so because the success of this assistance shows a positive impact from three main aspects, which are the better living conditions of the population, the reduction of social gaps and the formation of unity in the community. This is in line with the government's desire to restructure the national economy to make Malaysia a developed country. As mentioned by the economist, Prof. Tan Sri Dato' Seri Dr. Noor Azlan Ghazali, one of the elements that is the main focus of the country for the year 2024 is to improve the dignity and well-being of life. (“[COLUMNIST] Main Agenda 2024: Restructuring the National Economy,” 2024). The provision of basic facilities, which is a safe place to live for the poorest residents, leads to an increase in good health standards and further increases the dignity of their lives among the surrounding residents. Since 2008 until 2022, the Penang State Government has successfully provided comfortable homes to 1340 families where 203 families receive the new house while another 1137 families receive the home repair assistance (*Mesyuarat Pertama Pengkal Persidangan Kelima Buku 4 (27 Mei 2022- 3 Jun 2022)*). In addition, social cohesion can also be fostered among the responsible parties involved. This is said to be so because the sense of empathy and helping each other to those in need can also be felt by all parties involved through the various life experiences shared by the recipients. This particular situation has the potential to enhance the bonding of social relationships and harmonious interactions within the community.

Government Implications

The government's success in implementing PBBBRRT serves as a benchmark for achieving quality and effectiveness in public service delivery. The government's dedication to safeguarding the welfare and needs of the community has bolstered public confidence in the commitment of Penang government, thereby enhancing its reputation and generating public value. As mentioned by Hartley et al. (2019) the establishment of public values can be facilitated by adopting a people-centric approach, which prioritizes the well-being of individuals and ensures that all actions and decision-making align with this objective. Therefore, these values and trust are crucial in ensuring public participation and support in policy making and future planning. It also can contribute to the continuation of the initiatives by the state government. However, while building the trust and value, the PBBBRRT also will leave a negative implication to the government when the projects are not completed on time or are delayed. In such cases, the public may begin spreading rumours that the government are not accountable and responsible in delivering services.

Political Implications

Politicians are individuals who are elected by the public through the democratic process. They play a crucial role in shaping policies, allocating resources, and overseeing the implementation of programs, including housing initiatives. They are accountable to their constituents for implementing their promises that has been made during the election. Therefore, the effectiveness of PBBBRRT had a significant impact towards their carrier. They had gained not only the voters trust and support but also the public confidence towards them as well as potentially enhancing their electoral prospects in future elections. For instance, since 2008 until now, the ruling government has successfully maintained their administration. This shows that they had gained the support from the Penang people to continued ruled the state. Once they obtain the trust and support from the public, they able to strengthen their positions and proves their capability to serve the public (Bernama, 2023). Politician may also face a negative implication in response to the PBBBRRT. The politician has a role to support the application, however it does not guarantee the approval from the FGD. They can promise to the applicant, but they have to fulfil the requirement and followed the procedure. When the promised applicant is not qualified, then the politicians have to face the consequences like losing the support from the particular applicant and other parties related to the applicant.

CONCLUSION

The initiatives of *Program Bina Baru Dan Baiki Rumah Rakyat Termiskin (PBBBRRT)* that implemented by the Penang State Government highlights the importance of a balanced and collaborative approach between politics and administration for the effective implementation of public policies, particularly in addressing the needs of the most vulnerable populations. One key takeaway is the significance of establishing clear communication channels between politicians and administrators. This ensures that everyone is aligned with the program's objectives and expectations, leading to smoother operations and better outcomes. Another key lesson is the importance of transparent decision-making processes. For instance, the process of selecting the recipient is carried out based on the procedures and through FGD meeting which involve various government agencies as well the local leaders. By clearly defining criteria for selection, allocation of funds, and project approvals, it can foster trust among stakeholders and minimize misunderstandings. Through of the program's implementation, it becomes evident that its impact goes beyond the intended beneficiaries, namely the impoverished people of Penang. The engagement and impact extend to the community, government, and politicians alike. Besides the implications, the program also has faced several challenges including limited financial resources, the necessity to upkeep the residence, escalating expenses for construction materials, and an intricate application process. These challenges may interrupt the implementations if the government are not taking any action to overcome it. So, in order to make the program implementation smoother, it is crucial for the state government to consider several ideas such as digitalising the application, providing feedback platform and enhancing capacity building pertaining to the social wellbeing program

specifically PBBBRT. In conclusion, the case study underscores the importance of balancing political priorities with administrative efficiency to achieve the best outcomes for public policies. By fostering a collaborative approach between politicians and administrators, public policies can be implemented more effectively, particularly those aimed at addressing the needs of the most vulnerable populations.

ACKNOWLEDGEMENT

This case is a part of the assessment in one of the elective courses in MPM by coursework (GMGA5043 Politics and Administration). Students are required to do research on the topic related to the dichotomy of politics and administration.

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The Relationship Between Actual Revenue and Gross Regional Domestic Product, in Indonesia 2010 - 2023: Provinces Level Analysis

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Abstract

The case study focuses on the Actual Revenue of Provincials in 33 provinces in Indonesia. This study's primary goal is to examine the relationship between actual revenue and gross regional domestic product in dominant economic activities in 33 provinces in Indonesia. The data analysis method used in this research is a quantitative analysis method with a static panel data analysis method we compare to 33 Indonesian provinces. The specific methods adopted are Pooled OLS, Fixed effect and Random effect. The data used are Gross Regional Domestic Product (GRDP), Actual Revenue (REV), and Gross Fixed Capital Formation (GFCF), in 33 Provinces from 2010-2023. The data obtained for this study is secondary data, taken from the Central Bureau of Statistics (BPS). The main findings of this study are that the actual revenue generated in individual provinces has a positive relationship with Gross Regional Domestic Product in 33 provinces in Indonesia. Moreover, the effect of actual revenue and economic growth in individual provinces is also positive and significant.

Keywords: Actual Revenue, Gross Regional Domestic Product, Gross Fixed Capital Formation, Population, Economic Growth, Indonesia.

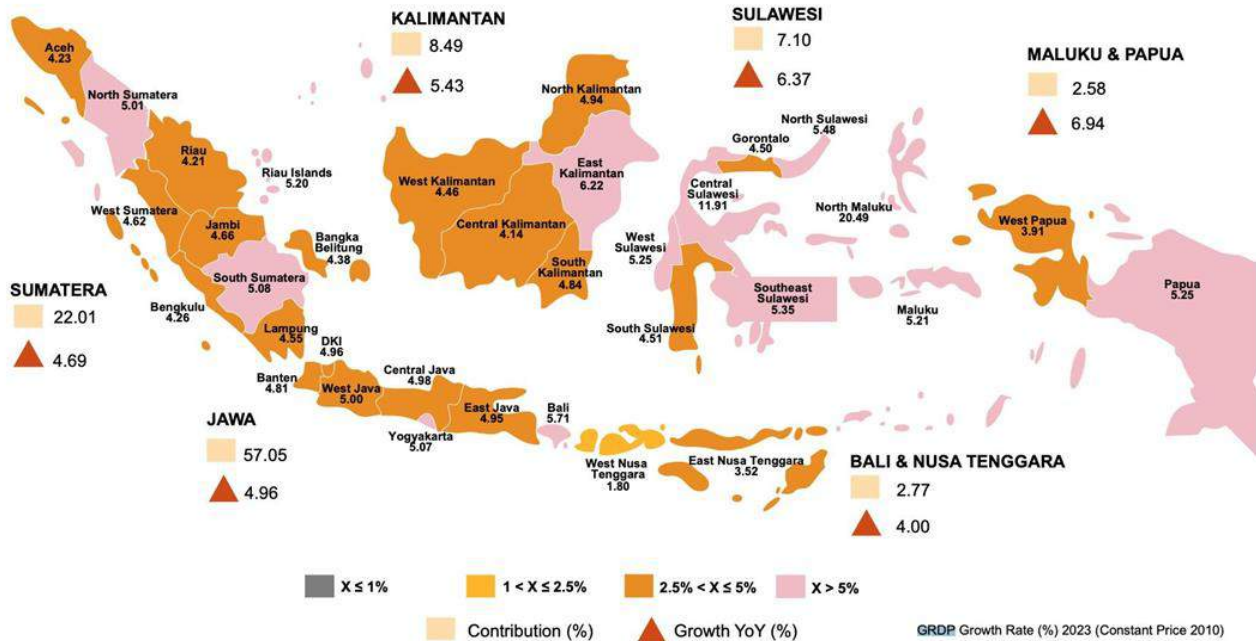
Introduction

An important area of research is the correlation between the actual revenue and Gross Regional Domestic Product (GRDP) in Indonesia from 2010 to 2023. This analysis provides insights into the overall economic trends within the country. Indonesia has shown strong economic growth over the last ten years, with an average annual GDP growth rate of approximately 5% (OECD, 2022). The growth has been propelled by diverse sectors such as manufacturing, services, and agriculture, which substantially contribute to the overall economic output and, consequently, to government revenue.

According to PwC Indonesia (2024), the Gross Regional Domestic Product (GRDP) of Indonesia provides a measure of the economic performance of its provinces and is crucial for understanding disparities in regional development. Indonesia's total economic growth in 2023 was 5.05%, which was slightly lower than the previous year's growth of 5.31%. This was due to global economic problems and significantly lower inflation rates, which dropped from 5.51% to 2.61%. This expansion demonstrates resilience in the face of external challenges while also highlighting the varying economic performance of different regions.

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Figure 1.0 Gross Regional Domestic Product growth and contribution in 2023



Source: Central Bureau of Statistics Indonesia (BPS) (2024)

Despite some positive advancements, the ratio of actual revenue to GRDP remains a significant cause for concern. Indonesia's government has consistently underperformed in generating potential revenue, as indicated by a tax-to-GDP ratio that is notably lower than that of its neighbouring nations (IMF, 2021). The disparity between the two quantities poses challenges in attaining sustainable development and facilitating public investments. Implementing this necessitates modifying tax policies and devising strategies to generate revenue (Gaspar et al., 2016).

Literature Review

"Gross Regional Domestic Product (GRDP)" is the monetary worth of all final products and services created inside a defined geographic area during a specified time frame. One important indicator of economic health in a region is its Gross Regional Domestic Product (GRDP). According to BPS-Statistics Indonesia (2024), it is the total monetary worth of all final products and services created within a province's borders within a given time. The production, expenditure, or income method can be used to complete the computation. Although GRDP growth rates vary by province, Java Island and Sumatra Island are the two islands that have historically contributed the most to Indonesia's GDP (PwC Indonesia, 2023). North Maluku and Central Sulawesi provinces had the fastest growth rates in the first quarter of 2023, according to PwC Indonesia (2023). This was mostly because of the region's increased investment in nickel.

Ihenyen and Ogbise (2022) investigated the connection between tax collections in Nigeria and the country's economic expansion. Regression analysis used value-added tax, corporation income tax, petroleum profit tax, and customs and excise duties as proxies for the independent variable of tax revenue and the dependent variable of economic growth. Using the Microsoft Excel program, the study used multiple linear regression analysis to examine the data. The findings indicated that while customs and excise duties hurt the economy, value-added tax, corporation income tax, and petroleum profit tax positively affect Nigeria's economic growth. In the meantime, a substantial correlation was found overall between tax revenue and Nigeria's

economic growth. According to the study, the government should fully inform its people about the fundamental justifications for imposing taxes. (Ayebaenemi et al., 2024)

According to Arifin (2022) the study found that GRDP had a positive and significant effect on regional original income in DKI Jakarta Province between 2010 and 2019. This indicates that as the region's economic output rises, so does local revenue, emphasizing the importance of economic growth in increasing local government income. According to the research, regional expenditures have a positive but insignificant impact on regional original income. This suggests that, while government spending may contribute to local revenue, it did not have a statistically significant impact during the time period studied. The study concludes that, when combined, GRDP and regional expenditures have a significant and influential impact on regional original income. The importance of both economic growth and government spending in determining local revenue levels is highlighted by this finding. Based on the findings, policymakers in DKI Jakarta should concentrate on measures that boost GDP growth in order to increase local revenue. Even though expenses are required, their direct impact on revenue generation might necessitate additional research or a different strategy to maximize effectiveness.

According to another study (Wasani & Purwanti, 2022), Java will account for approximately 59% of Indonesia's total GRDP in 2021. This concentration demonstrates a stark economic disparity between Java and other regions, where contributions are significantly lower, with Sumatra contributing 21% and the other islands contributing less than 10% each. This finding highlights the uneven economic development across the country. According to the study, population density, labor force participation, and the Human Development Index (HDI) all have a significant impact on GRDP per capita. Higher population density correlates with increased economic activity, whereas a larger workforce boosts economic output. Furthermore, provinces with higher HDIs tend to have better economic conditions, as evidenced by higher GRDP per capita. These factors are critical to understanding regional prosperity and economic inequality. The decision to relocate the nation's capital from DKI Jakarta to East Kalimantan is discussed in terms of reducing economic disparities. According to the study, this policy has the potential to redistribute economic activity and investment, with the goal of reducing economic power concentration in Java. However, the relocation has sparked debate about its priorities, urgency, and associated risks, implying that, while the policy seeks to equalize economic conditions, its effectiveness remains to be seen.

The study (Sulastri et al., 2020) discovered that, in 11 of the 23 districts examined, locally produced money significantly and favorably influences economic growth. The idea that higher revenue produced locally is correlated with faster economic expansion is supported by this. Overachieving the average statewide growth rate, Aceh Utara and Banda Aceh City had the largest improvements in economic growth. This suggests that the communities in question made efficient use of the money they received locally to promote economic growth. On the other hand, because of locally produced income, 12 districts saw a decline in economic expansion. With the lowest fixed effect value, the city of Sabang was found to be experiencing slower economic growth even when local income was rising. This implies that increased local taxes may not have a positive economic impact in some areas, possibly due to low acceptance rates or high taxes discouraging consumption. Based on the results of the Chow and Hausman tests, the fixed effect model was found to be the best suitable method for analysis in this study. This model took into account unobserved variability and accurately represented the differences in economic growth among the districts. The results are also consistent with earlier research showing that infrastructure development, which promotes economic growth, is heavily dependent on local revenue. Raising local revenue enables governments to fund regional requirements, enhancing neighborhood amenities and the state of the economy as a whole.

With a deep understanding of public finance and regional economics, we can establish a solid theoretical framework to examine the connection between actual revenue and GRDP. As economic growth flourishes, it broadens the tax base and strengthens the funding capabilities of local governments. Therefore, we

anticipate a higher GRDP to be associated with an increase in actual revenue (Bahl & Martinez-Vazquez, 2020).

Methodology

This study utilizes panel data analysis, time series data (2010-2023) and cross-section data (33 provinces in Indonesia). Our case study utilized the following secondary data: Gross Regional Domestic Product (GRDP), Actual Revenue (REV), Gross Fixed Capital Formation (GFCF). The Central Bureau of Statistics (BPS) provided secondary data for this research. The selection of an econometric model plays a crucial role in how we interpret this relationship, as it affects how we deal with unobserved differences.

- **Pooled OLS Model**
The Pooled OLS model is commonly employed in studies that investigate the correlation between GRDP and actual revenue. People favour this model for its straightforwardness and effectiveness in estimating average effects across various provinces. Mardiasmo et al. (2023) used this model to assess the influence of GRDP on regional original income in various Indonesian provinces. The results showed a positive relationship, indicating that when GRDP increases, actual revenue also tends to go up. This supports the idea that economic growth plays a role in generating revenue.
- **Fixed Effect Model**
The Fixed Effect Model takes into consideration the variations that cannot be directly observed by accounting for the characteristics of provinces that remain constant over time. Researchers conducted a study to examine how GRDP affects local government revenue in East Java. To isolate the effects of GRDP, they used the Fixed Effect Model and took into account other variables like unemployment and the Human Development Index (International Journal of Economics and Development Research, 2023). The results showed that GRDP has a significant impact on actual revenue, which supports the idea that economic growth improves fiscal capacity.
- **Random Effect Model**
The Random Effect Model enables the incorporation of both observed and unobserved variables, under the assumption that the unobserved effects are not correlated with the independent variables. According to a study conducted by Seddighi et al. (2024), a comparative analysis using the Random Effect Model found that actual revenue is influenced by GRDP, but this effect is influenced by factors like population growth and investment levels. This model offers a comprehensive understanding of the relationship, highlighting the significance of external factors in determining actual revenue.

Using various econometric models, we can gain different perspectives on the correlation between real revenue and GRDP. The pooled OLS model indicates a clear positive relationship, whereas the fixed effect model emphasises the significance of accounting for unobserved characteristics that could impact revenue. By taking into account additional moderating variables, the Random Effect Model adds complexity to the narrative, suggesting that broader economic conditions, rather than GRDP, influence the relationship. The data we examine of 33 provinces from Indonesia are included in the study area's boundaries, set at the province level for 2010–2023, through the official website (www.bps.co.id), accessed in 2024. The table that follows displays the definition of variables.

Table 1: Definition of Variables.

No	Variable	Variable Definition
1	GRDP	Gross Regional Domestic Product (GRDP) the entire gross value added resulting from all goods and services, as well as business entities established in a domestic area through different economic activities over a specific time frame. GRDP at Current Market Prices by Regency/Municipality Expenditure (Million Rupiahs) (BPS,2024)
2	REV	Actual Revenue of Provincial Government
3	GFCF	Gross Fixed Capital Formation (GFCF) at Current Market Prices by Regency/Municipality

Source: processed by authors, 2024

To analyze the relationship between actual Revenue of 33 provincial governments and economic growth using panel analysis, the estimated model of the dependent variable gross regional domestic product (GRDP) is regressed against the independent variables Actual revenue (REV) and gross fixed capital formation (GFCF).

$$GRDP = f(REV, GFCF)$$

In panel data analysis, a combination of data collected from time to time for many individuals (cross-section) at a certain time (time series). The following equation display the relationship between variables:

$$\ln GRDP_{it} = \beta_0 + \beta_1 \ln REV_{it} + \beta_2 \ln GFCF_{it} + \varepsilon_{it}$$

Where the β_0 is the constant term, β_1 is the estimated coefficient of the hypothesized variable, which is the actual revenue, β_2 is the estimated coefficient of the control variable gross fixed capital formation. ε_{it} is the error term. The variables were transformed into logarithmic form.

Panel analysis techniques Pooled OLS, fixed effect and random effect methods were applied. Two other tests were also applied to determine which method is more appropriate to be used in this study. Breusch & Pagan LM test has been used to determine the best model between pooled OLS and random effect. The Hausman test is used to determine the best model between fixed effect and random effect.

A number of diagnostic checking tests were also conducted. The Variance Inflation Factor (VIF) test is used to check for multicollinearity problems. The Modified Wald test is performed to test for Heteroskedasticity. Finally, the Wooldridge test is performed to check for serial correlation.

Results

Table 2: Descriptive Statistics of the underlined variables.

Variable	Observation	Mean	Std. Dev.	Minimum	Maximum
GRDP	462	16.47335	1.09713	14.21995	20.17566
REV	462	15.44128	.9173276	13.29365	18.09478
GFCF	462	15.31957	1.116298	12.74583	19.10535

Source: Author's calculation by STATA 17.

In Table 2, there are a total of 462 observations. The mean values for GRDP, REV, and GFCF are 16.47335, 15.44128, and 15.31957, respectively. The standard deviation values for Gross Regional Domestic Product (GRDP), Revenue (REV), and Gross Fixed Capital Formation (GFCF) are 1.09713, 0.9173276, and 1.116298, respectively. The GRDP has a minimum value of 14.21995 and a maximum value of 20.17566. The minimum and maximum values of REV are 13.29365 and 18.09478, respectively. The minimum and maximum values of GFCF are 12.74583 and 19.10535, respectively.

Table 3: The Results of Correlation Matrix.

	GRDP	REV	GFCF
GRDP	1		
REV	0.7568	1	
GFCF	0.9820	0.7394	1

Source: Author's calculation by STATA 17.

Table 3 provides an explanation of the results of the correlation matrix. It indicated that there is no presence of multicollinearity in the data. Additionally, it demonstrated the robustness and significance of the relationship among the selected variables. The correlation matrix indicates a weak relationship (correlation coefficient of 0.7394) between the variables REV and GFCF. On the other hand, there is a strong association (correlation coefficient of 0.9820) between the variables GRDP and GFCF.

Table 4: Results of Panel data Analysis: Dependent Variable GRDP.

	Pooled OLS	Random Effect	Fixed Effect	OLS with Hetero & Serial Correlation
Constant	1.191614 (7.47)***	2.0759 (11.49)***	2.18474 (11.69)***	2.0759 (3.48)***
REV	.0810073 (5.32)***	.0285831 (1.60)	.0242861 (1.28)	.0285831 (0.63)
GFCF	.9158796 (73.25)***	.9109978 (52.43)***	.9082243 (48.20)***	.9109978 (13.06)***

Breusch & Pagan LM test	1574.01 (0.0000)***		-	-
Hausman test	-	4.11 (0.1281)		-
Observation	462	462	462	462
Multicollinearity (mean VIF)	-	2.21	-	-
Heteroskedasticity (χ^2 -stat)	-	15065.86 (0.0000)***	-	-
Serial Correlation (F-stat)	-	43.175 (0.0000)***	-	-

1. Figures in the parentheses are t-statistics, except for Breusch-Pagan LM test, Hausman test, Heteroskedasticity and Serial Correlation tests, which are p-values.
2. *** indicate the 1% significance levels.

Table 4 reports the results of three different models we estimated, namely Pooled OLS model, Fixed effect model and Random effect model. The table also reports the results of Breusch & Pagan LM test and Hausman test. These two tests were performed to determine the best estimator between the three models. The Breusch & Pagan LM test is used to determine the best estimator between Pooled OLS and Random effect by searching whether the datasets have specific-effect or heterogeneity. The results of Breusch & Pagan LM test indicate that the null hypothesis of Pooled OLS model is rejected because the p-value is less than 0.05. We can conclude that the random effect model is more appropriate than Pooled OLS. In other words there are province-specific effects in the data. The Hausman test is performed to determine the best estimator between the Random effect and Fixed effect. The results of the Hausman test indicate that the null hypothesis of Random effect is not rejected because the p-value is more than 0.05. So, the Random effect model was used for the interpretation of the result compared to other models. Thus, this study adopted the Random effect model to estimate the effect of Actual revenue on the gross regional domestic product of 33 provinces in Indonesia.

Table 4 also shows the results of some diagnostic checking tests performed to check for Multicollinearity, Heteroskedasticity and Serial Correlation. To detect multicollinearity in the results, Variance Inflation Factor (VIF) test was used. The results of the VIF test conclude no multicollinearity problem in the model since the VIF is less than 10. To test for heteroskedasticity, we used Modified Wald Statistic for groupwise heteroskedasticity in the residuals of the random effect regression model. The p-value of the Modified Wald Statistic test is less than 0.05 and the null hypothesis of no heteroskedasticity is rejected. This means that the variances are not constant and there is a heteroskedasticity problem. Finally, to detect the serial correlation problem, we perform Wooldridge test for autocorrelation in panel data. The p-value is less than 0.05 and the null hypothesis of no serial correlation is rejected. This means that there is a serial correlation problem.

The two diagnostic checks performed indicated the presence of heteroskedasticity and serial correlation problems in the model. To rectify these two problems, we used the OLS with heteroskedasticity and serial correlation Robust Standard Error. This is intended to overcome the problem of heteroskedasticity and serial correlation. Table 4 also shows the results of Robust Standard Error. The results show a positive relationship between actual revenue and provinces economic growth in Indonesia but it is insignificant.

Moreover, there is a strong significant positive relationship between Gross Fixed Capital Formation and economic growth in provinces in Indonesia. These findings confirmed that the actual revenue can be used as a measurement tool to assess the economic development of the provinces, as their economic growth is highly dependent on the revenue of the districts concerned. The actual revenue reflects the volume of economic activity.

To confirm these findings, we tested the effect of actual revenue on economic growth across 33 provinces in Indonesia. The findings of the effect of actual revenue on economic growth across 33 provinces is reported in table 5. The results show a strong positive and significant relationship between actual revenue and economic growth in all provinces in Indonesia except for Papua province, it shows insignificant but positive relationships.

Table 5: The Findings Based on the Individual Province.

#	Province	Coefficient	t-statistics
1	Aceh	.7490564	25.63***
2	Sumatera Utara	1.27008	12.92***
3	Sumatera Barat	1.210653	11.84***
4	Riau	2.530565	25.58***
5	Jambi	1.821389	17.44***
6	Sumatera Selatan	1.626251	16.37***
7	Bengkulu	1.110815	10.14***
8	Lampung	1.687621	16.71***
9	Kepulauan Bangka Belitung	1.711132	15.38***
10	Kepulauan Riau	2.553087	24.14***
11	DKI Jakarta	2.936263	27.50***
12	Jawa Barat	1.842156	18.51***
13	Jawa Tengah	1.274371	12.90***
14	DI Yogyakarta	2.12278	20.46***
15	Jawa Timur	1.527163	15.27***
16	Banten	2.602047	26.34***
17	Bali	1.810221	17.85***
18	Nusa Tenggara Barat	1.430566	13.73***
19	Nusa Tenggara Timur	.3968805	3.79***

20	Kalimantan Barat	1.363259	13.31***
21	Kalimantan Tengah	1.365901	13.13***
22	Kalimantan Selatan	1.305773	12.95***
23	Kalimantan Timur	2.11589	21.56***
24	Sulawesi Utara	1.41126	13.19***
25	Sulawesi Tengah	1.431095	13.72***
26	Sulawesi Selatan	1.315736	13.22***
27	Sulawesi Tenggara	1.010813	9.43***
28	Gorontalo	1.387755	11.94***
29	Sulawesi Barat	1.487769	12.87***
30	Maluku	.6012536	5.49***
31	Maluku Utara	.70625	6.31***
32	Papua Barat	.3180084	3.17***
33	Papua	.0706757	0.72

Conclusion

The main objective of this study is to examine the relationship between the actual revenue and regional economic growth in 33 provinces in Indonesia from 2010-2023. To fully grasp the connection between actual revenue and Gross Regional Domestic Product (GRDP) in Indonesia, one must adopt a comprehensive approach that takes into account the various constraints and advantages of different econometric models. This study utilised Pooled OLS, Fixed Effect, and Random Effect Models have found that economic growth, as measured by GRDP, has a significant impact on boosting local government revenues. The results of the three models produce various findings. Breusch & Pagan LM test results show that there are Province-specific effects in the data and confirm that Random effect results are more appropriate than Pooled OLS. The Hausman test results could not reject the null hypothesis of favoring the Random effect model results and indicate that Random effect is more appropriate over the Fixed effect. The results confirmed the positive relationship between actual revenue and regional economic growth in the panel data of 33 provinces in Indonesia and in the individual provinces. Further research should focus on improving these models and investigating additional factors that could influence this correlation, thus offering a more comprehensive insight into the economic dynamics in Indonesia by using dynamic panel data analysis. Furthermore, other research can include more detailed revenue components and make disaggregate analysis to grasp the relationship between specific revenue variables on regional economic growth.

Acknowledgements

We want to extend our heartfelt thanks to everyone who contributed to this case study on the correlation between actual revenue and gross regional domestic product (GRDP) in Indonesia. We would like to express our sincere gratitude to our author for their unwavering commitment and diligent efforts in conducting this research, which greatly enhanced our comprehension of regional economic dynamics. We are grateful for the guidance and support of academic mentors, whose valuable insights helped shape our approach and analysis. In addition, we would like to express our gratitude to the Central Bureau of Statistics (BPS) for providing us with the secondary data necessary for our research. This data allowed us to use robust econometric models in our study. We are thankful for the support and encouragement from our sponsor, Baznas Indonesia, which greatly motivated us during our research journey. We appreciate everyone who helped this collaboration succeed. It has been a truly fulfilling experience.

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Strategic Analysis Case Study: M K Land Holdings Berhad

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Abstract

This case study assesses M K Land Holdings Berhad's business strategy using established formulation frameworks. The significance of the research stems from its potential to guide M K Land's future strategic decisions, allowing for effective problem-solving and capitalization on growth opportunities. As a publicly listed entity in Malaysia's real estate sector, M K Land demonstrates significant internal strengths, including a robust financial position, diverse property portfolio, strong brand reputation, and local procurement practices. These factors support its sustained competitive advantage, bolstered by strategic investments in renewable energy, such as the development of a 10.95 MWac solar plant in Perak. However, the company faces challenges due to rising property development costs and declining net profit margins. The external analysis identifies a growing real estate market driven by urbanization and government incentives, tempered by economic volatility, intense competition, and rising construction costs. Financial projections indicate moderate growth in key performance indicators such as net margin and return on assets, supporting the feasibility of the company's strategies. To reinforce its position, three strategic recommendations are proposed: (1) consolidate growth in the core property segment to achieve an 8-10% annual revenue increase; (2) expand existing solar energy projects and explore new sites for a 15 MWac solar plant; and (3) initiate a pilot project for solar-powered luxury residences, aiming for a 5% contribution to the property segment's performance. This strategic assessment confirms that M K Land's direction aligns with current market dynamics, promoting growth and stability in a competitive environment. M K Land's commitment to sustainability and innovation positions it well for long-term success in the evolving real estate market.

Keywords: Strategic Analysis, Real Estate Market Dynamics, Renewable Energy Projects, Sustainable Development, Property Development.

INTRODUCTION

The Malaysian real estate market is expected to experience a positive trend. Market size is estimated at USD 36.76 billion in 2024, and is expected to reach USD 50.69 billion by 2029, reflecting a compound annual growth rate (CAGR) of 6.64% (Mordor Intelligence, 2024). In the year 2023, the sector exhibited the second highest level of performance on Bursa Malaysia, as indicated by the Kuala Lumpur Property Index's (KLPRP) returns of 34.5%, in contrast to the 2.7% decline observed in the Kuala Lumpur Composite Index (KLCI) (Sinar Daily, 2024). The growth is supported by a consistent interest rate climate, improved rates of mortgage approval, and the implementation of policies such as the Foreign Workers Employment Relaxation Plan. Furthermore, the growth is further accelerated by the introduction of the New Energy Transformation Roadmap in July 2023, which signifies a strong and dynamic market environment that is well-positioned for continuous expansion (Bursa Malaysia, 2023).

In the vibrant landscape of Malaysia's real estate sector, M K Land Holdings Berhad, incorporated in 1978, stands tall as a beacon of innovation and resilience. Since its inception in the Bursa Malaysia stock exchange in August 1999, the company has secured its position as one of the largest property companies in the industry, boasting a paid-up capital of approximately RM 1.2 billion. Its parent

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company, the EMKAY Group, owned 48% of its shares and was founded by Allahyarham Tan Sri Datuk (Dr.) Haji Mustapha Kamal bin Haji Abu Bakar (M K Land Holdings Berhad, 2023).

Diversification is the cornerstone of M K Land Holdings Berhad's success, with multiple business segments spanning over property, resort and leisure, investment holding, solar, and education. The company's diverse portfolio of projects, ranging from residential and commercial developments to hotels, resorts, property investment, a water theme park, and an education arm, underscores its commitment to meeting the diverse needs of its clientele.

Driven by its vision to be a reliable provider of timely, budget-friendly, high-quality products and services, the company's mission promotes excellence through team collaboration, benefiting both the organization and society. M K Land Holdings Berhad continue to build affordable housing while also catering to high-end markets and adaptable structures to meet evolving demands, it remains steadfast in its pursuit of profitability and sustainable growth (M K LAND Holdings Berhad, 2024).

The main objective of this case analysis is to evaluate M K Land's strategic position in the competitive property sector. Through comprehensive assessment, the research intends to identify the company's strengths, weaknesses, opportunities, and threats, thereby providing essential insights for the purpose of maintaining and enhancing its market position. The study's significance is derived from its capacity to guide M K Land in making future strategic decisions, enabling effective navigation of challenges and capitalization on growth opportunities. Furthermore, the findings will serve as a valuable reference for other property development firms, offering a strategic evaluation framework. By aligning resources and capabilities with strategic goals, M K Land can foster sustainable growth and long-term success in an increasingly competitive market. This analysis will not only benefit M K Land but also contribute to the broader understanding of strategic positioning within the property sector, potentially impacting industry practices and decision-making processes.

The structure of this case study is as follows. The second section discusses the methodology, using both qualitative and quantitative approaches. The third section presents the findings. The fourth section discusses the limitations of the analytical frameworks used. The fifth section provides strategic recommendations for M K Land and includes a financial forecast. The final section concludes the study.

METHODOLOGY

The research methodology for analyzing M K Land Holdings Berhad's strategic position employs a combination of primary and secondary qualitative analysis along with quantitative analysis. This integrated approach ensures a comprehensive understanding of the company's current status and future potential.

To gather relevant data, the research employs both primary and secondary data collection methods. Primary data is collected through face-to-face interviews with key personnel, including the Deputy Chief Operating Officer and other senior management members at M K Land Holdings Berhad. These interviews provide insider perspectives on the company's strategic initiatives, sustainability practices, and overall business operations, targeted to ensure comprehensive insights into the company's strategic direction and decision-making processes.

Secondary data collection involves an extensive review of various sources to validate and complement the primary data. Key sources include the company's official websites, annual reports, and company announcements, as well as minutes from Annual General Meetings (AGMs). Additionally, academic journals (both Scopus and non-Scopus indexed), industry reports, news articles, and other relevant publications are reviewed. This approach ensures that the data is validated through cross-referencing multiple sources, enhancing the reliability and robustness of the research findings.

For the qualitative analysis, the strategy formulation framework is conducted in three distinct stages: (1) the Input Stage; (2) the Matching Stage; and (3) the Decision Stage. The Input Stage involves conducting internal and external evaluations to understand the company's current strategic position. Internally, the Resource-Based View (RBV) Model and Value, Rarity, Imitability, and Organization (VRIO) Framework Analysis are used to assess the company's resources and capabilities, determining their potential to provide sustained competitive advantages. Externally, a Political, Economic, Social, Technological, Environmental, and Legal (PESTEL) Analysis examines the macro-environmental factors affecting the company, while Porter's Five Forces Analysis evaluates the competitive forces within the industry. Additionally, the External Factor Evaluation (EFE) and Internal Factor Evaluation (IFE) matrices are employed to quantify and prioritize the key external opportunities and threats, as well as internal strengths and weaknesses.

The Matching Stage uses matrices to match the company's internal capabilities with external opportunities and threats. In this stage, both Strategic Position and Action Evaluation (SPACE) and the Internal-External (IE) matrices are employed. The SPACE Matrix helps determine the strategic posture of the company, whether it should pursue aggressive, conservative, defensive, or competitive strategies. The IE Matrix positions the company's various divisions in a nine-cell matrix, guiding strategic decision-making based on the internal and external assessments.

The final stage, the Decision Stage, involves the use of the Quantitative Strategic Planning Matrix (QSPM) to objectively evaluate the relative attractiveness of various strategic options. The QSPM uses the information from the previous stages to prioritize and select the most appropriate strategies for the company to pursue, ensuring that the decision-making process is data-driven and aligned with the company's overall strategic goals.

The quantitative analysis focuses on the financial analysis of M K Land's financial performance, sector comparison, and ratio analysis. This involves examining financial data sourced from the company's annual reports over the past five years, Bursa Malaysia, and open technology solutions such as Refinitiv Eikon and Trading View. Key financial metrics, including revenue, profit margins, Return on Assets (ROA), Return on Equity (ROE), and various financial ratios, are analyzed to assess the company's financial health. Benchmarking these metrics against identified industry peers provides context and highlights the company's competitive standing. Scenario forecasting is also employed to anticipate potential future financial conditions, enabling a proactive approach to strategic planning.

The findings from both qualitative and quantitative analyses are synthesized to formulate strategic recommendations. Based on the prioritized strategies from the QSPM and insights from scenario forecasting, detailed strategic recommendations are formulated. Each recommendation includes a clear rationale, expected outcomes, and implementation guidelines. For example, if expanding renewable energy projects is a recommended strategy, the plan would detail the steps, resources required, potential challenges, and expected benefits. This comprehensive methodology ensures a holistic and detailed analysis M K Land Holdings Berhad's strategic landscape, enabling well-informed decision-making for the company's future direction.

RESOURCE-BASED VIEW MODEL

Based on the information provided from the analysis conducted on M K Land (2023) documents, here are the identified resources and characteristics.

Tangible resources

Financial assets. As of 2023, M K Land demonstrated robust liquidity, with a significant rise in cash and short-term investments from RM 80.51 million in 2019 to RM 96.30 million. This indicates the company's solid financial health and ability to finance its operations and expansions.

Local procurement (supply chains and talents). M K Land's commitment to local sourcing boosts development quality by accessing Malaysian expertise and materials, enhancing authenticity. This strategy promotes effective operations, reduces reliance on distant suppliers, and mitigates supply chain risks. The company also prioritizes nurturing Malaysian talent, strengthening its workforce, supporting local labour market growth, and fostering a culturally diverse workforce. Overall, this approach reinforces M K Land's relationship with local communities while driving value creation.

Real estate and property developments. M K Land's investment in real estate assets, such as land, buildings, and development projects, has shown consistent growth in total assets from RM 1,664.44 million in 2019 to RM 1,715.94 million in 2023.

Renewable energy. Notable as the first venture of its kind under the Large-Scale Solar Programme (LSS4) within the state of Perak, M K Land's completed a 10.95 MWac large-scale solar photovoltaic solar plant located in Kerian in 2023.

Operational assets. Positive cash flow from operating activities and strategic investments in capital expenditures reflect M K Land's operational assets, including infrastructure for property development, resort, and leisure facilities, and educational institutions.

Intangible resources

Brand reputation and market position. M K Land's dedication to sustainability, innovation, and quality boosts its market position and brand reputation, distinguishing it apart from peers and drawing in a loyal customer base. They prioritize fostering strong relationships with media outlets to bolster corporate branding and reputation management. Engaging with media partners enables the company to shape its brand narrative, build trust, and establish credibility as a reliable source of information.

Corporate governance. M K Land's dedication to human and labor rights is evident through its focus on nurturing local talent and promoting workforce diversity and ethical workplace. To reinforce the company's commitment, M K Land has published a Code of Conduct, in align Anti-Bribery and Corruption ("ABAC") Policy, as a framework of standards for the conduct and personal behavior of directors, management and employees. Furthermore, as a component of their ABAC Policy, M K Land has established a whistleblower mechanism to promote transparency and ethical standards within the workplace for its employees.

Strategic partnerships and relationships. M K Land's interactions with stakeholders, encompassing customers, suppliers, government, and local communities, along with its collaborations with solar industry participants, demonstrate significant strategic partnerships and relationships.

Digitalisation and technology. M K Land's key resources and capabilities in digitalization and technology include advanced project planning, design, and construction technologies, digital marketing expertise and presence on social media platforms, strategic partnerships with online platforms such as Peatix, Tripcarte, and Wowshop, and integration of digital tools to optimize resource use, minimize waste, and enhance project efficiency.

Heterogeneous characteristics

Sustainability focus. M K Land's dedication to green building design and sustainable development sets it apart from competitors, indicating a diverse attribute that aligns with worldwide sustainability trends. Additionally, M K Land has established a Sustainability Policy to promote the integration of environmental, social, and governance (ESG) principles into the governance agenda and framework of the Group.

Comprehensive property portfolio. M K Land's property portfolio is extensive, featuring a diverse range of developments in residential, commercial, leisure and education sectors. This showcases a heterogeneous portfolio that caters to different market segments.

Innovative sales and marketing strategies. M K Land demonstrates its innovative strategy of reaching and engaging customers by leveraging digital platforms and social media for marketing. In addition to traditional sales channels, M K Land also implemented integrated digital marketing strategies, utilizing Facebook and Instagram. This transition was also supported by strategic partnerships with online platforms like Peatix, Tripcarte, and Wowshop.

Immobile characteristics of resources

Real estate holdings. The geographical location and inherent value of M K Land's real estate holdings are immobile, deeply rooted in the local market dynamics and regulatory environment.

Brand equity. M K Land's brand equity, built over 45 years through consistent delivery of quality and sustainable projects, is a steady capability that cannot be easily simulated or transferred by other industry players.

Organizational culture and ethos. M K Land has cultivated a distinctive and resilient organizational culture that prioritizes ethical practices, sustainability, and stakeholder engagement.

VRIO FRAMEWORK ANALYSIS

This VRIO Framework Analysis assess M K Land Holdings Berhad's resources and characteristics, and its contribution to the company's competitive advantage. Summary is shown in Table 1.

Table 1. The VRIO framework for M K Land Holdings Berhad (Source: Self-construct).

Resource/ Capability	Valuable	Rare	Costly to Imitate	Organized to Capture Value	Competitive Implication
Financial Assets	Yes	No	No	Yes	Competitive Parity
Local Procurement (Supply Chains and Talents)	Yes	No	No	Yes	Competitive Parity
Real Estate and Property Developments	Yes	Yes	Yes	Yes	Sustained Competitive Advantage
Operational Assets	Yes	No	No	Yes	Competitive Parity
Renewable Energy	Yes	Yes	Yes	Yes	Sustained Competitive Advantage
Brand Reputation and Market Position	Yes	Yes	Yes	Yes	Sustained Competitive Advantage
Corporate governance	Yes	No	No	Yes	Competitive Parity
Strategic Partnerships and Relationships	Yes	Yes	No	Yes	Temporary Competitive Advantage

Digitalization and Technology	Yes	No	No	Yes	Competitive Parity
Sustainability Focus	Yes	Yes	Yes	Yes	Sustained Competitive Advantage
Comprehensive Property Portfolio	Yes	No	No	Yes	Competitive Parity
Innovative Sales and Marketing Strategies	Yes	Yes	No	Yes	Temporary Competitive Advantage

The analysis highlights that M K Land Holdings Berhad's real estate developments, brand reputation, renewable energy, and sustainability focus are essential resources that contribute to a sustainable competitive advantage. Furthermore, the financial assets, local procurement, operational assets, digitalization and technology, corporate governance, and comprehensive property portfolio provide equal competitiveness, while strategic partnerships and innovative marketing strategies offer temporary advantages in competition.

PESTEL ANALYSIS

The PESTEL Analysis examines the external factors impacting M K Land Holdings Berhad in the dynamic real estate sector. Summary is shown in Table 2.

Table 2. Summary of PESTEL analysis for real estate industry (Source: Self-construct).

Factor	Variables	Score	Analysis
Political	(1) Government funding; (2) Stamp duty regulation; (3) Real Property Gains Tax; and (4) Political stability.	3	Positive and restrictive
Economic	(1) Economic growth; (2) Unemployment rate; (3) Global competitiveness; (4) Real estate sector; (5) Interest rates; and (6) Inflation rates.	4.2	Favorable economic environment
Social	(1) Demographic trends; and (2) Lifestyle preferences.	3	Increased demand and evolving market needs
Technological	(1) Digital transformation; and (2) Construction technologies.	4	Favorable in efficiency and innovation
Environmental	(1) Sustainable development; and (2) Climate resilience.	4	Favorable shift towards sustainability
Legal	(1) Regulatory landscape; and (2) Taxation policies.	2	Less favorable due to operational and financial challenges

Note: Rating Scale: 1-5, with 1 indicating highly unfavorable conditions and 5 denoting highly favorable conditions.

The PESTEL analysis for M K Land Holdings Berhad reveals a dynamic real estate landscape in Malaysia. Political factors (score 3) present a mixed environment, with supportive government funding of RM 10 billion balancing stricter stamp duty regulations and Real Property Gains Tax, within a context of moderate political stability under the MADANI government. Economic conditions (4.2) are

highly favorable, marked by 4.2% GDP growth, reduced 3.5% unemployment, and strong global competitiveness. The real estate sector is performing well, supported by private sector expenditure, though fluctuating interest rates (3.67% weighted base rate) and inflation (2.5% in 2023) require monitoring. Social trends (3) reflect increasing urbanization (75.1% in 2020) and changing demographics, driving evolving housing demands. Technological advancements (4) offer opportunities through digital transformation initiatives like MYDIGITAL and innovative construction technologies. Environmental factors (4) highlight a shift towards sustainable development and climate resilience, aligning with the National Energy Transition Roadmap. Legal aspects (2) present complexities in zoning regulations and property-related taxes, impacting operations while ensuring market stability. This external environment suggests M K Land Holdings Berhad has more opportunities than threats, particularly in economic and technological areas, while adapting to social and environmental trends and working within the established legal framework.

PORTER'S FIVE FORCES ANALYSIS

The Porter's Five Forces Analysis examines the comparative analysis between M K Land Holding Berhad and its major competitors, Malton Berhad and Glomac Berhad, as summarized in Table 3.

Table 3. Summary of Porter's Five Forces analysis (Source: Self-construct)

Factor	Variables	M K Land Score	Malton Score	Glomac Score	Indicator for M K Land
Competitive rivalry	(1) Market share distribution; (2) Number of competitors; (3) Product/service differentiation; (4) Industry growth rate; (5) Supply and demand; and (6) Diversifications.	3.0	3.5	3.5	Moderate
Threat of New Entrants	(1) Capital requirements and (2) regulatory barriers.	4.0	4.0	4.0	Favorable
Bargaining Power of Buyers	(1) Supply and demand dynamics; (2) New launches and overhang situation; (3) Purchasing power (4) ESG compliance; (5) Work-From-Home (WFH); (6) Shifting demand; and (7) Malaysian House Price Index (MHPI).	3.1	3.3	3.1	Moderate
Bargaining Power of Suppliers	Construction materials, labor, and equipment suppliers; and (2) Availability of viable landbank for development.	3.5	3.0	3.5	Slightly Favorable
Threat of Substitute	(1) Secondary market; and (2) Rental market.	2.0	2.0	2.0	Unfavorable

Note: Rating Scale is 1-5, with 1 indicating highly unfavorable conditions and 5 denoting highly favorable conditions.

M K Land faces moderate competitive rivalry, scoring 3.0, slightly lower than Malton and Glomac, indicating a need for focused differentiation strategies amidst a fragmented market with numerous players. M K Land holds 0.52% market share, which allows better opportunities for niche positioning and innovation-driven growth. While M K Land primarily focuses on property development, Malton and Glomac have diversified operations, including construction, investment, and other sectors, offering a competitive advantage in market positioning. The surplus supply in the market, specifically in luxury

properties, has had a negative impact on M K Land, suggesting significant potential for strategic enhancement.

All three companies exhibit strong barriers to entry, as indicated by their high scored of 4.0. The real estate industry in Malaysia is capital-intensive, requiring significant financial investment, which acts as a deterrent to new players. Regulatory barriers, including licensing and approvals, also pose challenges for newcomers. M K Land's long-standing presence and established relationships with regulatory authorities further solidify its advantage over potential entrants, while Malton and Glomac also benefit from their market experience and diversified operations.

Bargaining power with buyers for M K Land is moderate, reflecting their ability to manage supply and demand dynamics, handling new launches and inventory overhang, and purchasing power challenges. M K Land's projects are more concentrated in rural areas compared to Malton and Glomac, which focus on urban areas, giving the latter two companies better access to suppliers and buyers. Malton emerges with a slightly stronger position, reflected by its strategic adaptability to shifting market demands, particularly towards ESG compliance and emerging trends like work from home in property design. Nevertheless, M K Land's emphasis on providing affordable housing is in accordance with the demands of the market, thereby facilitating its recuperation and market positioning.

Suppliers of construction materials and land display moderate bargaining power, significantly impacting profitability and project feasibility of all companies. M K Land and Glomac score 3.5, indicating a slightly more favorable position compared to Malton's score of 3.0. While all three companies face rising costs of materials and labor, M K Land and Glomac benefit from strategic land holdings that help mitigate some of these challenges. Meanwhile, Malton confronts challenges in acquiring land at viable prices and mitigating the pressure with its landbank management.

Malaysian real estate sector faces a notable threat of substitutes products/services for M K Land, Glomac, and Malton, primarily attributed to the substantial presence of the secondary market and rental properties, all scoring 2.0. The significant presence of the secondary market in residential transactions and the growth of rental market indicate alternatives to purchasing new properties, driving buyer preferences away from new property purchases towards existing ones. While all companies face this competitive pressure, their strategies in product differentiation and market positioning will determine their ability to mitigate these threats effectively.

EXTERNAL FACTOR EVALUATION (EFE) AND INTERNAL FACTOR EVALUATION (IFE) MATRIX

Table 4 summarizes the External Factor Evaluation (EFE) Matrix for M K Land Holding Berhad and the property industry. The key opportunities are listed, followed by major threats.

Table 4. EFE Matrix for M K Land Holdings Berhad (Source: Self-construct)

Key External Factors		Weight	Rating	Weighted Score
Opportunities				
1	Urbanization: The urbanization rate in Malaysia increased to 75.1%, with 6.7 million Selangor's urban population in 2020	0.06	2	0.12
2	Sustainable Development: Rising awareness to develop green buildings and eco-friendly features	0.06	4	0.24
3	Government Policies: RM10 billion in Government funding aims to invigorate the property market by making home financing more accessible	0.05	3	0.15

4	Technological Advancements: Technology in property development industry is advancing, for example modular construction or 3D printing	0.04	2	0.08
5	Mixed-Use Developments: An increasing preference for integrated townships that combine residential and commercial spaces in proximity.	0.03	1	0.03
6	Strategic Land Banks: A growing scarcity of suitable land for development in prime locations creates an opportunity for companies with existing land banks or strategic land holdings.	0.03	2	0.06
7	External Strategic Partnership: partnership with MHB on floating solar and with Peatix, Tripcarte, and Wowshop on digital transformation.	0.02	3	0.06
8	Community-Centric Living: Projects with religious and community centers within five kilometers. Educational centers are closer compared to health, police, and fire stations. Population distribution across Local Authority Areas (LAAs) increased to 32.1 million in 2020.	0.02	1	0.02
9	Data Infrastructure: Rapid development of digital technologies in the industry enables data-based decision-making using property listing platforms, virtual property tours, smart building management systems	0.01	3	0.03
10	Expand to International Markets: Growth for Malaysia's global competitiveness, which includes higher value-added activities driven, tax incentives, and upgrading industrial areas with resilient infrastructure.	0.01	1	0.01
Threats				
1	Economic downturn: the weighted base rate (BR) is at 3.67% and base lending rate (BLR) stands at 6.68%,	0.14	2	0.28
2	Intense Competition: Minor market share of 0.52% from 84 players in property sector	0.12	2	0.24
3	Overhang Situation: Fewer new launches and presence of unsold properties (overhang) from previous development cycles.	0.09	2	0.18
4	Rising Construction Costs: labor market productivity growth of 3.7% annually during 2021 and 2022, with increases in the unit price index for key materials like cement, sand, aggregates, and steel bars	0.09	2	0.18
5	Limited Land Options: Intense competition and challenges in acquiring land at viable prices.	0.06	2	0.12
6	Regulatory Changes: Zoning regulations, building codes, and land acquisition laws	0.06	1	0.06
7	Changing Buyer Preferences: A growing interest in sustainable living or remote work arrangements. City Hall/Council areas have 3.9 million living quarters (3.9 million), 80.7% are occupied	0.04	1	0.04
8	Cybersecurity Threats: Increasing reliance on technology exposes vulnerabilities to data breaches and operational disruptions.	0.03	1	0.03
9	Climate Change: Extreme weather events and strict environmental regulations	0.02	1	0.02
10	High Tax: 4% stamp duty for non-citizens; 5% RPGT on properties held for more than six years	0.02	3	0.06
Total EFE Score		1		2.01

Note: The ratings of the EFE matrix refer to the effectiveness of a company's current strategy in response to external opportunities and threats. The ratings range from 1 to 4, where 1 is poor, 2 average, 3 above average, and 4 superiors.

The EFE Matrix for M K Land Holdings Berhad yields a total score of 2.01, suggesting that the company has been moderately effective in responding to external opportunities and threats. M K Land is well positioned to capitalize on the significant opportunities presented by the urbanization rate and sustainable development, as indicated by its favorable ratings. However, threats such as economic downturn, intense competition, and rising construction costs are also prevalent, with higher weights reflecting their potential impact on the company. In summary, this analysis suggests that M K Land possesses certain strengths in capitalizing on opportunities, but it is imperative for the company to also confront substantial external threats to bolster its market standing.

Table 5 summarizes the Internal Factor Evaluation (IFE) Matrix for M K Land Holding Berhad and the property industry. The key strengths are listed, followed by weaknesses.

Table 5. IFE Matrix for M K Land Holdings Berhad (Source: Self-construct)

Key Internal Factors	Weight	Rating	Weighted Score
Strengths			
1 Robust Financial Health: As of 2023, M K Land has shown strong liquidity with an increase in cash and short-term investments from RM 80.51 million in 2019 to RM 96.30 million. The Group's revenue for FY2023 increased to RM213.6 million compared to RM196.8 million from the previous year.	0.09	3	0.27
2 Growth in Real Estate Assets: There has been consistent growth in real estate assets, with total assets rising from RM 1,664.44 million in 2019 to RM 1,715.94 million in 2023.	0.09	3	0.27
3 Diverse Property Portfolio: M K Land has a comprehensive property portfolio featuring a range of developments in residential, commercial, and leisure sectors, catering to different market segments.	0.07	3	0.21
4 Strong Brand Reputation and Market Position: The company's commitment to sustainability, innovation, and quality has enhanced its market position and brand reputation.	0.05	4	0.2
5 Local Procurement: M K Land prioritizes local procurement, sourcing goods and services from Malaysian suppliers to enhance quality, reduce costs, and mitigate supply chain risks. This commitment drives economic activity and supports local governments through increased tax revenue.	0.05	3	0.15
6 Internal Strategic Partnerships: M K Land has established significant strategic partnerships and relationships with its subsidiaries i.e. Solar Citra Sdn. Bhd., enhancing its competitive position in the market.	0.04	4	0.16
7 Digitalization and Technology: Advanced project planning, design, and construction technologies, digital marketing expertise and presence on social media platforms, strategic partnerships with online platforms such as Peatix, Tripcarte, and Wowshop.	0.05	3	0.15

8	Expansion into Renewable Energy: M K Land has ventured into renewable energy, completing its first 10.95MWac Large-Scale Solar Photovoltaic Plant in Kerian, Perak, which began commissioning on 30 May 2023.	0.06	4	0.24
9	Sustainability Initiatives: The company's focus on sustainability has led to the development of green buildings and sustainable projects, aligning with global sustainability trends	0.03	4	0.12
10	Corporate Governance: M K Land emphasizes human and labor rights. It publishes a Code of Conduct and Anti-Bribery and Corruption Policy, with a whistleblower mechanism, promoting transparency and ethical standards. These efforts enhance innovation and operational excellence, reinforcing the company's commitment to corporate governance.	0.04	3	0.12
Weaknesses				
1	Increase Cost in Property Development: The company faces challenges due to increasing cost of property development to RM131.5 million, impacting profitability and operational costs.	0.07	2	0.14
2	Reduced Net Profit Margin: A decrease in the net profit margin of -23.43% in 2022 and -24.37% in 2023 suggests lower profitability and efficiency in managing operational costs.	0.07	2	0.14
3	High Staff Turnover Rate: An upsurge in staff turnover from 41 persons (2022) to 84 employees out of 498 in 2023, equivalent to 16.9%.	0.03	2	0.06
4	Lower Sale of Completed Properties: Sale of completed properties decreased to RM12.9M in 2023, compared to 46.4M in 2022.	0.04	1	0.04
5	Market Share Reduction: The company has lost market share to competitors to 0.52%, indicating challenges in maintaining its competitive position.	0.05	1	0.05
6	Decreasing Profitability: The Profit After Tax decreased at RM16.13 million in 2023 due to taxation.	0.05	1	0.05
7	Customer Satisfaction: Negative feedback or lower customer satisfaction scores can indicate weaknesses in product quality or service.	0.02	1	0.02
8	Increase in Cost of Property Under Development: There was an increase in the cost of property under development from RM78.4M in 2022 to RM 131.6M in 2023, which may indicate inefficiencies or overruns in budget.	0.04	2	0.08
9	Increase in Resort Operations Revenue but Lower than Increase in Costs: Although revenue from resort operations increased from RM 11,336,000 in 2022 to RM 17,823,000 in 2023, the increase might not be proportional to the increased engagement or operational costs. Bukit Merah Laketown Resort dropped to 24% in Oct 2024, with only 12% via online booking.	0.02	2	0.04
10	Reduced Liquidity: The Current Ratio has decreased from 1.35 to 1.13, indicating a reduction in the company's ability to pay off its short-term liabilities with its short-term assets. This might suggest tighter cash flow or increasing short-term obligations.	0.04	2	0.08
Total IFE Score		1.00		2.59

Note: The ratings of the IFE matrix refer to the effectiveness of a company's current strategy in response to internal strengths and weaknesses. The ratings range from 1 to 4, where 1 is poor, 2 average, 3 above average, and 4 superiors.

The IFE Matrix provides an overview of the internal strengths and weaknesses of M K Land across multiple dimensions. Notable prospects encompass strong financial health, a steady growth in real estate assets, and a diverse property portfolio. Prominent strengths encompass effective management of human capital, collaborative efforts, and endeavors in the areas of renewable energy and sustainability. Nevertheless, the company encounters obstacles such as reduced liquidity, suggesting possible difficulties in handling immediate financial responsibilities. M K Land Holdings Berhad has a total IFE score of 2.59, indicating that it possesses considerable internal advantages. However, there are significant areas that require attention to boost overall business performance.

SUMMARY AND MAIN FINDINGS: THE INPUT STAGE

M K Land Holdings Berhad showcases a competitive edge through a combination of tangible and intangible resources. Its financial robustness, characterized by enhanced liquidity and an expanding real estate portfolio, is complemented by significant investments in renewable energy and operational assets. Intangible assets, including a strong brand reputation, commitment to sustainability, and strategic partnerships, further bolster its competitive stance. Additionally, the company's emphasis on local procurement and advanced digital technologies contributes to operational efficiency and market positioning.

Despite these strengths, M K Land faces notable challenges, such as rising property development costs, shrinking profit margins, and high employee turnover. These issues, coupled with a declining market share and reduced sales of completed properties, highlight areas for improvement. Nevertheless, M K Land's strategic focus on sustainability and digital transformation, combined with its solid financial standing and strong market reputation, positions the company to leverage opportunities within Malaysia's evolving real estate sector.

FINANCIAL PERFORMANCE OVERVIEW: 2021-2023

Table 6 encapsulates M K Land Berhad's financial trajectory over three years, highlighting key financial metrics and shareholder value.

Table 6. Financial Highlights: Fiscal Years 2020-2023 (Source: M K Land Holdings Berhad, 2024)

Financial Metrics	1.7.2020 to 30.6.2021	1.7.2021 to 30.6.2022	1.7.2022 to 30.6.2023
Revenue (RM'000)	185,796	196,750	213,606
Profit Before Tax (RM'000)	24,663	22,350	32,760
Profit After Tax (RM'000)	19,415	16,129	12,915
Total Assets (RM'000)	1,615,317	1,653,600	1,715,940
Net Assets (RM'000)	1,213,372	1,229,501	1,242,416
Shareholders' Fund (RM'000)	1,213,372	1,229,501	1,242,416
Total Number of Shares ('000)	1,204,590	1,204,590	1,204,590
Basic Earnings Per Share (cents)	1.7	1.4	1.1
Net Assets Per Share (RM)	1.01	1.02	1.03

M K Land Holdings Berhad's financial performance over the fiscal years 2020 to 2023 demonstrates the company's ability to navigate through volatile market conditions. The revenue has experienced a gradual growth of 14.97%, rising from RM185,796,000 in 2021 to RM213,606,000 in 2023. However, the profit metrics have displayed fluctuations. In the most recent fiscal year, there was a notable increase in profit before tax, rising from RM24,663,000 to RM32,760,000 (32.83%), indicating improved operational efficiency or increased sales. Nevertheless, the post-tax profit reveals a decline of 33.48% from RM19,415,000 to RM 12,915,000, suggesting increased tax liabilities or other post-operational expenses affecting net income.

The company's assets have steadily increased, indicating continued investment and growth, aligning with the increase in shareholders' funds and net assets which reflect a strengthening financial position. Despite this, the basic earnings per share have decreased from 1.7 cents to 1.1 cents, pointing towards a dilution of earnings or increased financial challenges.

In general, M K Land seems to be increasing its collection of assets and income, which suggests that it is growing and making investments in its future capabilities. Nevertheless, the decline in net profits and earnings per share brings attention to certain areas of concern that may necessitate a strategic evaluation to improve profitability and enhance returns for shareholders. The presence of a stable number of shares implies a stable equity structure within the company, whereas the gradual rise in net assets per share signifies an enhancement in shareholder value.

FINANCIAL METRICS: SECTOR COMPARISON

Table 7 reflects the financial metrics comparison between M K Land Holdings Bhd, the sector average, median, Glomac Bhd, and Malton Bhd, as of 30 June 2023.

Table 7. M K Land Holdings Berhad Financial Metrics, in comparison to Sector and Competitors 2023 (Source: Refinitiv Eikon, 2024)

Financial Metrics	M K Land	Sector Average	Sector Median	Glomac	Malton
Revenue (RM'000)	213,606	442,929.96	208,353.52	341,019.61	831,917
Gross Profit (RM'000)	56,227	148,339.74	53,420.29	107,195.32	149,761
EBITDA (RM'000)	6,306	88,612.46	28,969	71,129	79,514
Operating Profit (RM'000)	36,670	85,976.59	35,934	67,868.25	-12,312
Net Income (RM'000)	13,431	53,192.09	13,431	31,505.32	-83,286
EPS (GAAP)	0.01	0.05	0.02	0.02	-0.16
DPS	--	0.05	0.03	0.01	--
Free Cash Flow (RM'000)	5,031	16,642.14	8,687.16	26,457.68	-92,274
Total Debt (RM'000)	47,722	779,394.65	204,152	483,791.38	778,145
Total Equity (RM'000)	1,244,335	1,550,758.49	510,437	1,178,002.64	920,269
ROA	0.77%	1.66%	1.62%	1.63%	-3.86%
ROE	1.09%	2.43%	2.70%	2.70%	-8.66%
Enterprise Value (EV) (RM'000)	221,132.86	1,475,367.31	463,637.75	549,441.62	801,597.14

The comparative analysis reveals insightful trends. M K Land's revenue, while below the sector average, surpasses the median, indicating a solid market standing. Despite lower gross profit and EBITDA against sector norms, M K Land maintains positive operating profit, contrasting notably with Malton's losses, highlighting M K Land's operational efficiency. The company's net income, although lower than Glomac's, demonstrates resilience in a challenging market.

M K Land's lower debt levels compared to sector figures suggest prudent financial management, while its total equity exceeds the sector median, underscoring a robust equity base. However, the company's Return on Assets (ROA) and Return on Equity (ROE) lag the sectors, pinpointing areas for improvement. Despite these challenges, M K Land's enterprise value reflects investor confidence relative to its operational scale. In conclusion, while facing competitive pressures and cost challenges, M K Land displays a commendable financial standing with opportunities for growth and operational optimization.

RATIO ANALYSIS

Table 8 evaluates the financial performance of M K Land Holdings Berhad from 2019 to 2023, focusing on key financial ratios that illustrate the company's profitability, liquidity, operational efficiency, and market valuation.

Table 8. Financial Ratios: M K Land Holdings Berhad (Refinitiv Eikon, 2024; TradingView, 2024)

FINANCIAL INDICATORS		2019	2020	2021	2022	2023
<i>Profitability Ratio</i>						
Net Margin %	Value	3.57	4.81	10.62	8.13	6.15
	Changes		34.73	120.79	-23.45	-24.35
Gross Margin %	Value	47.81	44.86	33.56	29.67	27.95
	Changes		-6.17	-25.19	-11.59	-5.80
Return on Assets %	Value	0.39	0.60	1.25	1.00	0.80
	Changes		53.85	108.33	-20.00	-20.00
Return on Invested Capital %	Value	0.52	0.83	1.68	1.33	1.06
	Changes		59.62	102.41	-20.83	-20.30
<i>Liquidity Ratio</i>						
Current Ratio	Value	1.42	1.32	1.35	1.13	1.13
	Changes		-7.04	2.27	-16.30	0.00
Quick Ratio	Value	0.63	0.54	0.70	0.68	0.73
	Changes		-14.29	29.63	-2.86	7.35
<i>Solvency Ratio</i>						
Financial Leverage	Value	0.04	0.04	0.03	0.02	0.04
	Changes		0.00	-25.00	-33.33	100.00
<i>Operation Ratio</i>						
Days Sales Outstanding	Value	159.50	112.26	100.68	78.61	95.74
	Changes		-29.62	-10.32	-21.92	21.79
Days Inventory	Value	1037.06	846.16	681.47	460.58	333.63
	Changes		-18.41	-19.46	-32.41	-27.56
Payables Period	Value	362.48	307.18	270.57	210.66	196.41
	Changes		-15.26	-11.92	-22.14	-6.76
<i>Valuation ratios</i>						
Price-to-earnings (P/E) Ratio	Value	33.96	13.25	11.54	11.03	12.95
	Changes		8.70	-12.91	-4.42	17.41

Based on the financial ratios for M K Land Holdings Berhad from (FY"2021" to ("FY2023"), the company has described in performance in revenue and growth. Profitability ratio, noted the Net Margin saw a remarkable surge in 2021, up by 120.79% from the previous year, then gradually declined over the next two years. Gross Margin followed a similar trajectory, peaking at 44.86% in 2020 before falling to 27.95% by 2023. The Return on Assets (ROA) hit its zenith at 1.25% in 2021, reflecting optimal

asset utilization, but later declined. Similarly, Return on Invested Capital (ROIC) reached a high of 1.68% in 2021, indicating strong investment returns, and tapered in the subsequent years, reflecting challenges in maintaining profitability levels.

Liquidity ratios revealed an improvement in the company's capacity to fulfill short-term obligations. The Current Ratio hovered above 1 throughout the period, though it dipped in 2022, reflecting tighter liquidity, then stabilized in 2023. The Quick Ratio also showed a recovery in 2023 after a decline, suggesting an improved position in meeting immediate liabilities without relying on inventory sales.

The Solvency Ratio, represented by the Debt-to-Equity ratio, showed an increase in ("FY2023"), indicating a higher reliance on debt financing compared to previous years. This could suggest an aggressive strategy to leverage growth but also indicates higher financial risk.

Looking at the Operation Ratio, the Days Sales Outstanding (DSO) decreased significantly in 2022, indicating a more rapid conversion of sales into cash, but increased again in 2023, showing slower collection. Days Inventory dropped notably, signaling a quicker inventory turnover. The Payables Period spanned over the five years, pointing to a faster settlement of payables.

The Price-to-earnings (P/E) Ratio in valuation ratio experienced a substantial decrease from 2019 to 2021, reflecting lower market valuations against earnings, followed by a rebound increased by circa 17.4% in ("FY2023"), indicating a growing investor confidence in the company's future earnings potential.

SUMMARY AND MAIN FINDINGS: FINANCIAL ANALYSIS

M K Land Holdings Berhad's financial performance between 2021 and 2023 reflects a mix of growth and challenges. Revenue increased steadily by around 15%, indicating a growth trajectory despite fluctuating profit metrics. Profits before tax increased significantly, implying improved operational efficiency; however, post-tax profits fell sharply, indicating increased tax liabilities or expenses. When compared to the sector, M K Land's revenue is commendable, exceeding the median, but gross profit and EBITDA fall short. The company's operating profit remains positive, in contrast to losses reported by some competitors, such as Malton Bhd, highlighting M K Land's operational resilience. Furthermore, M K Land's prudent financial management is demonstrated by its lower debt levels compared to sector averages, though its Return on Assets (ROA) and Return on Equity (ROE) lag, indicating potential areas for improvement.

The ratio analysis reveals dynamic profit trends. Net margin peaked in 2021 but has since declined. Similarly, the Gross Margin, ROA, and Return on Invested Capital (ROIC) peaked in 2021 before declining in subsequent years. Liquidity ratios such as the Current and Quick Ratios reflect the company's increased ability to meet short-term liabilities, while the Solvency Ratio indicates a recent increase in debt reliance. Operational ratios show fluctuating efficiency in managing sales and inventory, with noticeable improvements in faster inventory turnover. The recent increase in the Price-to-Earnings (P/E) Ratio suggests that investors are becoming more optimistic about the company's future profitability. In summary, while M K Land Holdings Berhad shows strong revenue growth and operational resilience, inconsistencies in net profits, as well as fluctuations in financial ratios, point to areas where strategic improvements are required to improve overall profitability and investor returns.

STRATEGIC POSITION AND ACTION EVALUATION (SPACE) MATRIX

Figure 1 provides the Strategic Position and Action Evaluation Matrix (SPACE Matrix) for M K Land Holdings Berhad.

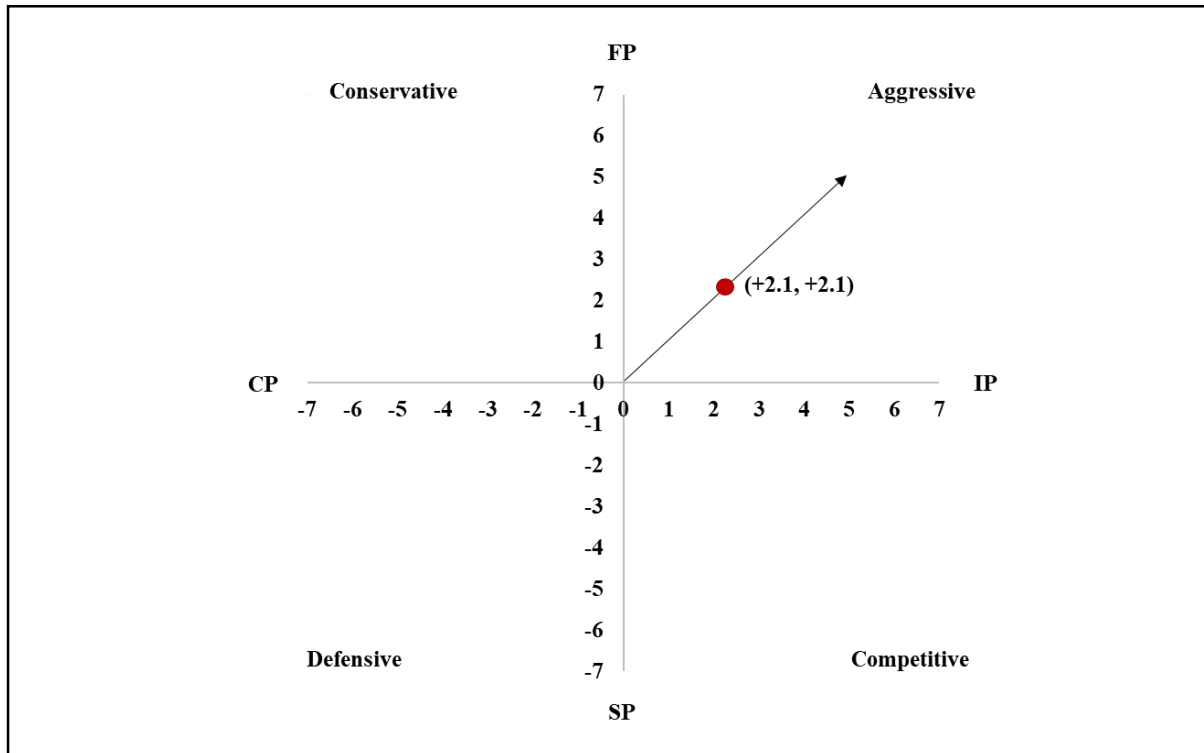


Figure 1. SPACE Matrix for M K Land Holdings Berhad

Table 9 provides the Financial Position (FP), Industry Position (IP), Competitive Position (CP) and Stability Position (SP) components for SPACE Matrix for M K Land Holding Berhad. The SPACE matrix is a management tool used to determine what type of strategy a company should undertake. The ratings indicate the internal and external position of the company. It ranges from +1 (worst) to +7 (best) for FP and IP, and -1 (best) to -7 (worst) for SP and CP.

Table 9. FP, IP, CP and SP Components for SPACE Matrix for M K Land Holdings Berhad

Internal Strategic Position		External Strategic Position	
Component	Rate	Component	Rate
Financial Position (FP):		Industry Position (IP):	
Revenue Growth	5	Market Share and Growth	4
Profit Before Tax Increase	6	Threat of New Entrants	5
Net Assets Increase	6	Bargaining Power of Buyers	4
Earnings Per Share Decrease	2	Bargaining Power of Suppliers	4
Shareholder Value Increase	5	Threat of Substitute Products	3
Financial Position (FP)Average	4.8	Industry Position (IP)Average	4
Competitive Position (CP):		Stability Position (SP)	
Financial Assets	-3	Political Stability	-3
Real Estate and Property Developments	-1	Economic Conditions	-2
Operational Assets	-3	Social Factors	-3
Brand Reputation and Market Position	-1	Technological Changes	-2
Digitalization and Technology	-3	Environmental Concerns	-2
Strategic Partnerships and Relationships	-2	Legal and Regulatory Issues	-4

Sustainability Focus	-1		
Comprehensive Property Portfolio	-1		
Innovative Sales & Marketing Strategies	-2		
Competitive Position (CP) Average	-1.9	Stability Position (SP) Average	-2.7

The SPACE Matrix for M K Land is in an aggressive quadrant, with coordinates (+2.1, +2.1). This positioning indicates that M K Land possesses strong financial positions (FP) and advantageous industry positions (IP), thereby implying a favorable market situation and robust internal capabilities. Nevertheless, it is crucial for the company to keep conscious of the competitive and stability challenges, indicated by its closer proximity to the center of the matrix. Based on the stated strategic direction, it can be inferred that M K Land has the financial capacity to pursue growth-oriented strategies. This entails utilizing its financial and market strengths, while also addressing areas of competitive weakness and external instability, with the objective of improving overall performance.

THE INTERNAL-EXTERNAL (IE) MATRIX

Figure 2 and Table 10 illustrate the Internal-External (IE) Matrix for M K Land Holdings Berhad.

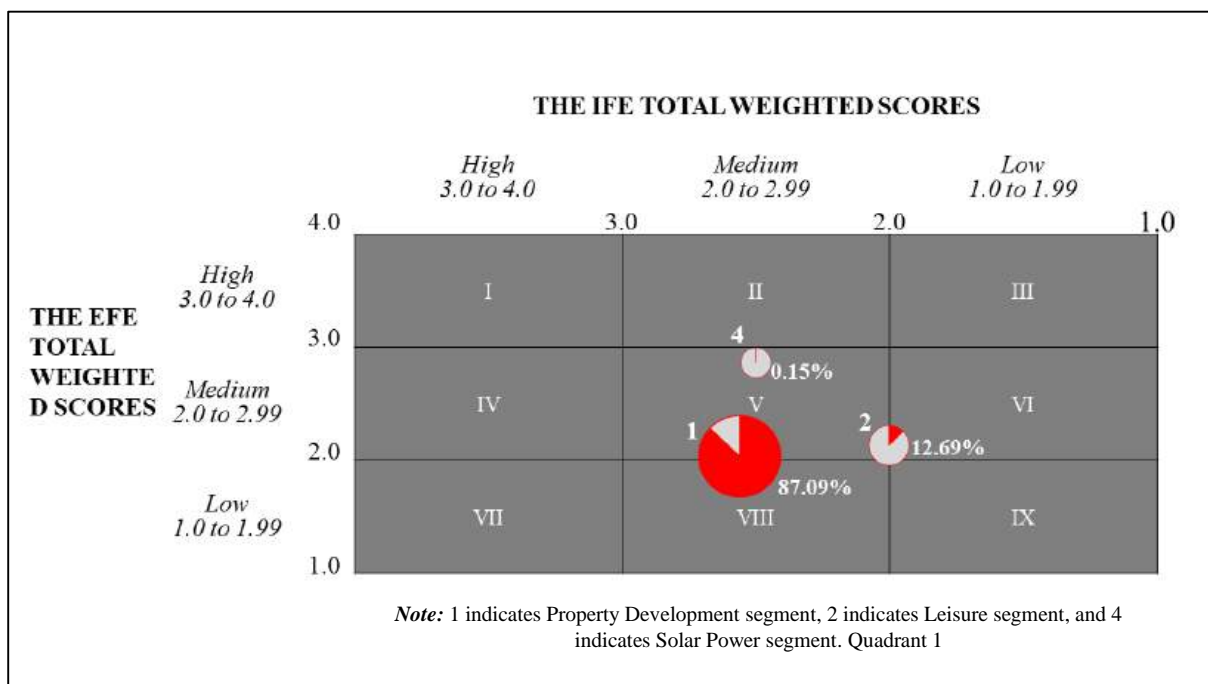


Figure 2. The Internal-External (IE) Matrix: M K Land Holdings Berhad (Source: Self-Construct)

Table 10. The Internal-External (IE) Matrix: M K Land Holdings Berhad

Proposed Strategy: Hold and Maintain					
No	Segment	Revenue (RM'000)	Percentage	Estimated IFE Score	Estimated EFE Score
1	Property Development	186,026	87.09%	2.6	2.0
2	Leisure	27,108	12.69%	2.0	2.2
3	Investment Holdings	18,122	8.48%	N/A	N/A
4	Solar Power (Starts in October 2023)	326	0.15%	2.5	2.8
5	Education	146	0.07%	N/A	N/A
6	Elimination	-18122	-8.48%	N/A	N/A
Total		213,606	100.00%		

The analysis of the Internal-External (IE) Matrix demonstrates varying levels of performance among its different segments. Considering the pivotal role of Property Development in the company's operations, it is plausible that it closely aligns with the company's comprehensive IFE and EFE scores, which are estimated to be 2.6 and 2.0 respectively. These scores suggest the adoption of a hold and maintain strategy. The Leisure segment appears to be relatively less affected by significant property development factors and more influenced by market trends in the tourism industry. It exhibits moderate internal and external scores of 2.0 and 2.2, respectively. The Solar Power sector, which is currently in its earliest stages of development, demonstrates promising estimated scores of 2.5 (IFE) and 2.8 (EFE), indicating a positive inclination towards a build and grow approach.

SUMMARY AND MAIN FINDINGS: THE MATCHING STAGE

M K Land Holdings Berhad's strategic positioning, as revealed by the SPACE Matrix, places the company in the aggressive quadrant, indicating strong financial and industry positions conducive to a growth-oriented strategy. However, its proximity to the matrix center necessitates caution in addressing competitive and stability challenges. The Internal-External (IE) Matrix further delineates the company's strategic segments: Property Development aligns with a 'hold and maintain' strategy due to its moderate internal and external factors, the Leisure segment requires careful monitoring due to its reliance on market trends, and the nascent Solar Power segment, showing promising potential, advocates for a 'build and grow' approach. Collectively, these analyses emphasize leveraging strengths while addressing vulnerabilities in less robust areas.

QUANTITATIVE STRATEGIC PLANNING MATRIX (QSPM)

Several strategies could potentially be examined based on the findings of the SPACE and IE Matrix. The three recommendations that have been identified as the most attractive for implementation throughout the next three-year period are:

- **SR1:** Consolidate growth and expansion efforts in property segment while ensuring asset optimization, striving for a sustained 8-10% annual revenue increase.
- **SR2:** Expansion of the existing solar energy projects and exploring new sites for development of 15.00 MWac Large-Scale Solar Photovoltaic Plant in Kedah; and
- **SR3:** Launch The Rafflesia 4. A pilot project for a 10-unit solar 3-storey Semi-D houses in Damansara Perdana, focusing on energy efficiency and sustainable development, targeting 5% contributions in property segment.

Table 11 is a Quantitative Strategic Planning Matrix (QSPM) for M K Land Holdings Berhad that analyses the three recommendations.

Table 11. Quantitative Strategic Planning Matrix (QSPM) for M K Land Holdings Berhad

Critical Success Factor	Weight	SR1		SR2		SR3	
		AS	TAS	AS	TAS	AS	TAS
Key External Factor							
Urbanization: The urbanization rate in Malaysia increased to 75.1%, with 6.7 million Selangor's urban population in 2020.	0.10	4	0.40	2	0.20	3	0.30
Sustainable Development: Rising awareness to develop green buildings and eco-friendly features	0.10	2	0.20	4	0.40	4	0.40
Government Policies: RM10 billion in Government funding aims to invigorate the property market by	0.08	4	0.32	2	0.16	1	0.08

making home financing more accessible

Technological Advancements: Technology in property development industry is advancing, for example modular construction or 3D printing	0.08	2	0.16	2	0.16	3	0.24
Strategic Land Banks: A growing scarcity of suitable land for development in prime locations creates an opportunity for companies with existing land banks or strategic land holdings.	0.10	4	0.40	2	0.20	3	0.30
Community-Centric Living: Projects with religious and community centers within 5 kilometers. Educational centers are closer compared to health, police, and fire stations. Population distribution across Local Authority Areas (LAAs) increased to 32.1 million in 2020.	0.08	3	0.24	2	0.16	3	0.24
Data Infrastructure: Rapid development of digital technologies in the industry enables data-based decision-making using property listing platforms, virtual property tours, smart building management systems	0.05	3	0.15	2	0.10	4	0.20
Changing Buyer Preferences: A growing interest in sustainable living or remote work arrangements. City Hall/Council areas have 3.9 million living quarters (3.9 million), 80.7% are occupied	0.04	3	0.12	1	0.04	4	0.16
Economic downturn: the weighted base rate (BR) is at 3.67% and base lending rate (BLR) stands at 6.68%,	0.07	2	0.14	4	0.28	3	0.21
Intense Competition: Minor market share of 0.52% from 84 players in property sector	0.05	2	0.10	3	0.15	4	0.20
Overhang Situation: Fewer new launches and presence of unsold properties (overhang) from previous development cycles.	0.05	2	0.10	4	0.20	2	0.10
Rising Construction Costs: labor market productivity growth of 3.7% annually during 2021 and 2022, with increases in the unit price index for key materials like cement, sand, aggregates, and steel bars	0.08	2	0.16	3	0.24	4	0.32
Limited Land Options: Intense competition and challenges in acquiring land at viable prices.	0.06	2	0.12	4	0.24	4	0.24

High Tax: 4% stamp duty for non-citizens; 5% RPGT on properties held for more than six years	0.06	2	0.12	4	0.24	2	0.12
	1.00		2.74		2.77		3.11
Key Internal Factor							
Robust Financial Health: As of 2023, M K Land has shown strong liquidity with an increase in cash and short-term investments from RM 80.51 million in 2019 to RM 96.30 million. The Group's revenue for FY2023 increased to RM213.6 million compared to RM196.8 million from the previous year.	0.12	3	0.36	4	0.48	3	0.36
Growth in Real Estate Assets: There has been consistent growth in real estate assets, with total assets rising from RM 1,664.44 million in 2019 to RM 1,715.94 million in 2023.	0.12	4	0.48	2	0.24	3	0.36
Diverse Property Portfolio: M K Land has a comprehensive property portfolio featuring a range of developments in residential, commercial, and leisure sectors, catering to different market segments.	0.10	3	0.30	2	0.20	2	0.20
Strong Brand Reputation and Market Position: The company's commitment to sustainability, innovation, and quality has enhanced its market position and brand reputation.	0.08	4	0.32	2	0.16	3	0.24
Sustainability Initiatives: The company's focus on sustainability has led to the development of green buildings and sustainable projects, aligning with global sustainability trends	0.08	2	0.16	4	0.32	4	0.32
Internal Strategic Partnerships: M K Land has established significant strategic partnerships and relationships with its subsidiaries i.e. Solar Citra Sdn. Bhd., enhancing its competitive position in the market.	0.07	2	0.14	4	0.28	4	0.28
Increase Cost in Property Development: The company faces challenges due to increasing cost of property development to RM131.5 million, impacting profitability and operational costs.	0.12	1	0.12	2	0.24	1	0.12
Expansion into Renewable Energy: M K Land has ventured into renewable energy, completing its first 10.95MWac Large-Scale Solar Photovoltaic Plant in Kerian, Perak,	0.12	2	0.24	4	0.48	3	0.36

which began commissioning on 30 May 2023.

Reduced Net Profit Margin: A decrease in the net profit margin of -23.43% in 2022 and -24.37% in 2023 suggests lower profitability and efficiency in managing operational costs.

Market Share Reduction: The company has lost market share to competitors to 0.52%, indicating challenges in maintaining its competitive position.

	1.00	2.31	2.78	2.50
Total	1.00	2.53	2.78	2.81

SUMMARY AND MAIN FINDINGS: THE DECISION STAGE

The QSPM analysis reveals distinct strategic directions for M K Land with differing emphases on the property segment, renewable energy, and solar house projects. The total attractiveness scores (TAS) indicate pilot projects for solar houses in Damansara Perdana as the most attractive strategy with a score of 2.81, closely followed by solar renewable energy project with a score of 2.78, and property segment growth and expansion efforts with a score of 2.53. This suggests that while all three strategies hold merit, pilot projects for solar houses in Damansara Perdana and renewable energy projects present the most significant opportunity for M K Land, aligning with global trends towards sustainability and green energy. The company should prioritize the expansion of both projects while ensuring steady growth in its main property segment. These recommendations complement the company's long-term vision for growth and sustainability in the rapidly evolving real estate market.

APPRAISAL OF THE LIMITATIONS OF THE QUALITATIVE ANALYSIS

Resource-Based View Model. The subjective nature of the RBV Model may result in inconsistent evaluations because of different points of view among evaluators. It may not comprehensively consider the rapid changes in the market, or the depreciation of resources and capabilities caused by technological progress. In addition, according to Gupta (2023), an excessive focus on internal resources may result in the oversight of critical external factors, such as market demands and competitor strategies, thereby potentially limiting its effectiveness in dynamic industry environments.

VRIO Framework Analysis. The VRIO Framework Analysis can be complex and resource-intensive, requiring significant time and expertise to evaluate resources against all four criteria. Its static nature may not accurately reflect the dynamic competitive environments, and it might overlook important external factors, internal aspects, such as how market demand shifts and fluctuates (VanZandt, 2023), limiting its applicability in varying industry contexts and potentially leading to an incomplete strategic analysis.

PESTEL Analysis. PESTEL Analysis can result in information overload due to the breadth of data required across six categories. Its effectiveness is also diminished by rapid changes in external factors, necessitating frequent updates (Frue, 2020). Furthermore, the interpretation of external factors is subjective and can lead to varied outcomes, potentially affecting strategic decision-making.

Porter's Five Forces Analysis. This analysis may not adapt well to changes over time, offering a static view that does not reflect shifting industry dynamics. Lucidity (2024) explains that this analysis largely focuses on industry structure without any analysis of business, perhaps at the expense of other significant factors like company strategy and operational efficiency. Additionally, an overemphasis on competition could lead to the neglect of other strategic opportunities and initiatives.

External Factor Evaluation (EFE) Matrix. The matrix involves the utilization of subjective judgement in the process of assigning weights and ratings, resulting in diverse evaluations. For example, what appears to be a favorable situation may turn out to be a genuine danger to the organization (CEOpedia, 2024). The high-level overview lacks depth in its analysis of specific factors and is susceptible to changes over time, requiring updates to ensure its relevance in response to evolving external conditions.

Strategic Position and Action Evaluation (SPACE) Matrix. This matrix's subjective assessments can result in varied outcomes, and its simplified two-dimensional space may not capture the complexities of strategic environments. In the absence of perspectives and tangible performance conditions, it would be inadequate to offer an accurate and comprehensive depiction of the industry (Saylor Academy, 2024). It also falls short in providing specific actionable strategies, limiting its practical applicability.

Internal-External (IE) Matrix. The IE Matrix relies heavily on managerial judgment to categorize the organization's position within the matrix. This can introduce bias or inaccuracies, as the evaluation of internal strengths and weaknesses, as well as external opportunities and threats, can be highly subjective. In addition, the IE Matrix provides a snapshot in time and does not account for the dynamic nature of the business environment in the future (Omodiaogbe, 2023). While the IE Matrix simplifies complex strategic situations into nine potential cells, this simplification can overlook the nuances and complexities of specific scenarios.

Quantitative Strategic Planning Matrix (QSPM). A major limitation of the QSPM is its attempt to quantify qualitative assessments by assigning weights and attractiveness ratings. The process of quantification may be stochastic and may not precisely depict the actual influence of certain circumstances on the strategic options under analysis. The effectiveness of QSPM is contingent upon the initial information obtained from previous input and subsequent matching stages (Lapaas Digital, 2020). Any gaps or discrepancies in these evaluations might result in misleading outcomes in the QSPM, affecting the accuracy of the selected strategies. In addition, the QSPM does not adequately address the interconnectedness of different strategic factors or the cumulative effect when implementing many strategies simultaneously. This limitation tends to end up in an overly simplified perspective on the implementation of plans and may underestimate the intricacy involved in implementing strategies in a coordinated fashion.

APPRAISAL OF THE LIMITATIONS OF THE FINANCIAL (QUANTITATIVE ANALYSIS)

Financial Performance Overview. Focusing on past performance may not accurately predict future results. It may not address all aspects of financial health, such as liquidity and operational efficiency, and neglects the broader market context and industry benchmarks that can significantly influence financial metrics. Financial statement analysis is an effective method for assessing a company's profitability. However, Harkat (2023) explains that the limitations arise from the reliance on estimates for factors such as depreciation, differences in accounting methods, the exclusion of inflation in the cost basis, unusual data, the company's degree of diversification, and the dependency on estimates.

Financial Metrics Sector Comparison. Benchmarking can be misleading when comparing significantly different companies. The existence of main players with higher market shares may become outliers, can meaningfully twist summary statistics such as the mean, median, and standard deviation (Pant, 2023). The lack of available, accurate, and comparable data for all competitors can lead to incomplete analyses, and an overemphasis on quantitative analysis may disregard important qualitative factors like brand reputation and employee satisfaction.

Ratio Analysis. The application of standard measures can be challenging across different industries due to varied benchmarks. It relies on historical data, which may not accurately reflect future performance, and isolating ratios without considering context may not provide a comprehensive picture of financial health (CFI Team, 2024).

RECOMMENDATIONS

Table 12 is a list of strategic recommendations that M K Land Holdings Berhad should implement over the next three years and their associated cost.

Table 12. Strategic recommendations and associated cost for M K Land Holdings Berhad over next three years

#	Recommendation	Associated Cost (RM'000)			
		Year 1	Year 2	Year 3	Total Cost
1	SR1: Consolidate growth and expansion efforts in property segment while ensuring asset optimization, striving for a sustained 8-10% annual revenue increase.	165,000	185,000	210,000	560,000
2	SR2: Expansion of the existing solar energy projects and exploring new sites for development of 15.00 MWac Large-Scale Solar Photovoltaic Plant in Kedah.	23,750	23,750	23,750	71,250
3	SR3: Launch pilot projects for 10 solar 3-storey Semi-D houses in The Rafflesia Damansara Perdana, focusing on energy efficiency and sustainable development, targeting 5% contributions in property segment.	5,600	14,000	8,400	28,000
				Total Cost (RM'000)	730,500

Note: SR1 indicates Property Development cost of sales (property under development, completed properties sold and joint development activities) at approximately 13% increment rate; SR2 indicates the average build cost for a solar photovoltaic (PV) plant in Kerian at RM4.75 million per MWac; SR3 cost of sales (Y1: planning and groundwork (20% of total cost), Y2: main construction phase (50%) and Y3: completion and finishing (30%)).

Explanations for recommendations

SRI. There is a steady increase in total assets of real estate sector from RM1.66 billion in 2019 to RM1.72 billion in 2023. In 2020, the urbanization rate in Malaysia rose to 75.1%, with a total urban population of 6.7 million in Selangor. In 2023, M K Land demonstrated consistent growth in the Property Development Segment, reaching RM185.03 million. This is an increase from 178.3 (3.8%) million in 2022 and 175.18 (1.8%) million in 2021. The forecasted annual revenue of 8-10% is feasible due to three critical factors. First, the Government announcement to allocate RM10 billion in funds with the objective of stimulating the property market in post-Pandemic COVID-19, via the accessibility enhancement of home financing. Second, M K Land has the competitive advantage, by having existing land banks or strategic land holdings at prime areas, such as 792 acres in Damansara Perdana, 400 acres in Damansara Damai, and 190 acres in Meru Perdana, Ipoh, Perak. In addition, there has been significant progress towards fostering regional connectivity by the successful completion of the Damansara-Shah Alam Elevated Motorway ("DASH") in 2022, which resulted in enhanced connection between Klang Valley Golden Triangle, Damansara Perdana and Shah Alam. Finally, with more than 45 years' experience in the market, plus the dedication to sustainability, innovation, and quality has significantly bolstered M K Land Holdings Berhad market presence and its brand reputation in the property development sector.

SR2. In 2023, the Group achieved major milestones in its quest towards advancing renewable energy by successfully completing its first large-scale solar photovoltaic plant. The PV plant, with a capacity of 10.95 MWac, situated in Kerian, Perak, is expected to generate a substantial revenue of RM4.8 million from energy sales per annum. In the same year, the Energy Commission picked Solar Citra Sdn Bhd (SCSB) a wholly subsidiary of M K Land Resources Sdn Bhd, SCSB in collaboration with Total Energies Renewables SAS to begin a 30 MWac PV in a 52-hectare farm in Kulim, Kedah, which will commence in 2025. M K Land has shown strong liquidity, as seen by a rise in cash and short-term investments from RM 80.51 million in 2019 to RM 96.30 million, which heightened the likelihood for expansion in their new endeavor in renewable energy ventures. There is also increasing awareness of the need to build environmentally sustainable constructions which include eco-friendly elements, driven by a rising understanding of Environmental, Social, and Governance (ESG) factors. M K Land's emphasis on sustainability has resulted in the creation of more green buildings and sustainable projects, aligning with this global sustainability ESG agenda. In contrast, the property sector is currently experiencing an economic downturn, with a weighted base rate (BR) of 3.67% and a base lending rate (BLR) of 6.68%. Additionally, non-citizens are subject to a high tax rate of 4% stamp duty, while properties held for more than six years are subject to a 5% Real Property Gains Tax (RPGT). These factors have led to a notable increase in need of diversification efforts, particularly in the realm of solar renewable energy. There is a significant level of competition and difficulties in obtaining land at reasonable costs, where M K Land is fortunate to own a 30,000-acre plot of land in northern Peninsular Malaysia, which is known for its highest temperatures in Peninsular Malaysia. This location is ideal for maximizing heat absorption in photovoltaic (PV) plants.

SR3. In the fiscal years of 2022 and 2023, M K Land Holdings Berhad significantly expanded its portfolio with the introduction of two notable projects, Rafflesia @ Hill 2 and Rafflesia @ Hill 3, each comprising 24 units. These developments have been instrumental in bolstering the company's financial performance, generating cumulative sales amounting to RM46.0 million by the end of FY2023. Concurrently, Solar Citra Sdn Bhd, a fully owned subsidiary of M K Land Resources Sdn Bhd, newly ventured on large-scale solar photovoltaic plant in Kerian, Perak, marking a pivotal move towards sustainable energy solutions. This venture not only diversifies M K Land's investment in renewable energy but also reinforces its commitment to environmental sustainability. As a beneficiary of the fourth iteration of the Large-Scale Solar Programme (LSS4), the company secured a Power Purchase Agreement extension with Tenaga Nasional Berhad, enhancing the agreement's duration from 21 to 25 years. This strategic direction towards sustainable development is further underscored by M K Land's emphasis on green building practices and eco-friendly project features, aligning with global Environmental, Social, and Governance (ESG) trends. Moreover, the period witnessed a labor market productivity increase of 3.7% annually in 2021 and 2022, amidst rising costs for key construction materials such as cement, sand, aggregates, and steel bars. This scenario necessitates M K Land's strategic pivot towards luxury development projects, with an inaugural venture into solar-powered residences serving as a testament to their commitment to sustainable and eco-friendly living. This initiative exemplifies the integration of the company's internal synergies and collaborations, aimed at fostering a harmonious blend of luxury living and environmental stewardship.

Financial spreadsheet model

Table 13 shows a 3-year scenario forecasting of M K Land Holdings Berhad, based on average past 5-year financial ratio trend.

Table 13. 3-Year Scenario Forecasting of M K Land Holdings Berhad

SCENARIO FORECASTING											
FINANCIAL INDICATOR	Best Case - 5% Over Past Trend			Moderate Case - Maintain Trend			Worst Case - 5% Below Trend				
	5% Above Trend	2024	2025	2026	Keep Trend	2024	2025	2026	5% Below Trend	2024	2025
<i>Profitability Ratio</i>											

Net Margin	26.54	7.78	9.85	12.46	21.54	7.47	9.09	11.04	16.54	7.17	8.35
Gross Margin	-4.75	26.62	25.36	24.15	-9.75	25.22	22.77	20.55	-14.75	23.83	20.31
Return on Assets	29.44	1.04	1.34	1.73	24.44	1	1.24	1.54	19.44	0.96	1.14
Return on Invested Capital	29.18	1.37	1.77	2.28	24.18	1.32	1.63	2.03	19.18	1.26	1.51
Liquidity Ratio											
Current Ratio	0.79	1.14	1.15	1.16	-4.21	1.08	1.04	0.99	-9.21	1.03	0.93
Quick Ratio	8.97	0.8	0.87	0.94	3.97	0.76	0.79	0.82	-1.03	0.72	0.72
Solvency Ratio											
Financial Leverage	13.33	0.05	0.05	0.06	8.33	0.04	0.05	0.05	3.33	0.04	0.04
Operation Ratio											
Days Sales Outstanding	-3.01	92.86	90.06	87.35	-8.01	88.07	81.01	74.52	-13.01	83.28	72.44
Days Inventory Payables	-14.57	285.02	243.5	208.02	-19.57	268.34	215.83	173.59	-24.57	251.66	189.83
Period	-6.22	184.2	172.75	162.01	-11.22	174.38	154.82	137.46	-16.22	164.56	137.87
Valuation ratios											
P/E Ratio	6.76	13.82	14.76	15.76	1.76	13.18	13.41	13.64	-3.24	12.53	12.12

CONCLUSION

In conclusion, the strategic analysis of M K Land Holdings Berhad demonstrates a comprehensive examination of the company's strategic position within the real estate industry, assessing its internal and external environments, plus financial analysis through various analytical frameworks.

The internal evaluation analysis of M K Land Holdings Berhad demonstrates the company's robust internal resources and capabilities in property and solar energy, which are well-aligned with its strategic objectives. The VRIO analysis has revealed that M K Land's tangible and intangible assets contribute significantly to its sustained competitive advantage, while the IFE matrix underscores the company's need to address certain weaknesses to bolster overall performance.

Externally, the PESTEL, Porter's Five Forces, and EFE analyses have highlighted a dynamic competitive landscape shaped by political, economic, and social forces. The company's adept adaptation to these external factors is evident, with strategic initiatives in place to leverage opportunities and counteract prevailing threats.

The matching stage analyses, including SPACE, IE, and QSPM, have provided strategic clarity and direction, aligning internal strengths and external possibilities to chart a forward path. These frameworks validate M K Land's strategic imperatives and readiness to embrace market shifts.

The strategic recommendations for M K Land encompass consistent growth in the property segment, expansion into renewable energy, and innovative solar house projects in Damansara Perdana. These initiatives are designed to solidify the company's market presence and drive long-term growth.

Overall, M K Land is positioned to leverage its strong market presence, sustainable practices, and innovative approach to navigate the evolving real estate landscape. Closing this strategic analysis, M K Land Holdings Berhad is poised for progressive growth, with a hold and maintain approach in its main property segment. The company's strategic endeavors are anchored in a deep understanding of its operational context and a keen foresight into future trends. M K Land's commitment to leveraging its strengths while navigating the complexities of the market environment underlines its potential for sustained success and value creation. The strategic analysis confirms that the company's direction aligns with current market dynamics, promoting growth and stability in a competitive environment.

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The Failure of China State Grid in Acquiring Eandis in Flanders: A Marriage Takes More Than Two

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Abstract

Foreign direct investment (FDI) can significantly contribute to the development and improvement of infrastructure, which is crucial for the economic growth and sustainability of a city. Yet, the involvement of foreign investors in infrastructure projects may create tension regarding economic interests and national security concerns. Balancing interests between foreign investors and host countries requires rigorous regulatory frameworks, transparent stakeholder engagement, and strategic safeguards. The failure of Eandis-State Grid Corporation of China (SGCC) deal provided an interesting example of how national security concerns, political and public opposition, and broader geopolitical tensions can impact international business transactions. It highlighted the importance of effective stakeholder management in navigating the complexities and mitigating risks associated with international M&A transactions, particularly in strategic sectors like energy infrastructure. It also showed the increasing importance of scrutiny and regulation of foreign investment in critical infrastructure to ensure the protection of national security and public interests and preserve long term competitiveness and economic growth.

Introduction

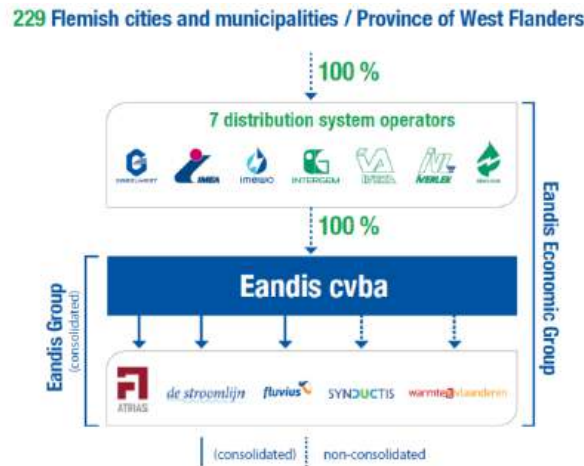
Foreign direct investment (FDI) can significantly contribute to the development and improvement of infrastructure, which is crucial for the economic growth and sustainability of a city. Yet, the involvement of foreign investors in infrastructure projects may create tension regarding economic interests and national security concerns. Balancing interests between foreign investors and host countries requires rigorous regulatory frameworks, transparent stakeholder engagement, and strategic safeguards.

The failure of Eandis-State Grid Corporation of China (SGCC) deal provided an interesting example of how national security concerns, political and public opposition, and broader geopolitical tensions can impact international business transactions. It highlighted the importance of effective stakeholder management in navigating the complexities and mitigating risks associated with international M&A transactions, particularly in strategic sectors like energy infrastructure. It also showed the increasing importance of scrutiny and regulation of foreign investment in critical infrastructure to ensure the protection of national security and public interests and preserve long term competitiveness and economic growth.

Eandis-SGCC deal

Eandis was the largest energy distribution network consortium in Belgium, of which the shareholders were uniquely local municipality and provincial governments of the Flemish region. Consisting of seven intercity power and natural gas distribution network operating companies in Flanders, it was responsible for electricity and gas supply for 229 towns in Flanders (accounting for about 78% of all cities in Flanders) and provided approximately 2.7 million electricity and 1.8 million natural gas access points. Its revenue and pre-tax profit in 2016 amounted to 2.8 billion and 429 million euros respectively, with more than 4,000 employees (Figure 1) (Eandis, 2016, Eandis, 2017).

Figure 1. Ownership structure of Eandis Group and Eandis Economic Group (31.12.2016)



Source: (Eandis, 2018)

In December 2014, Electrabel - a Belgian based electricity supplier of EDF, withdrew from Eandis according to the Third Energy Package adopted by the EU in 2009, which was purposed to separate energy supply and generation from the operation of transmission networks to improve the functioning of the EU internal energy market. The total amount of divestment and dividends of Electrabel was nearly 1 billion euros, equal to 1/3 of Eandis's operating income for that year. From then on, Eandis failed to recover from its financial losses and slumped into a deep debt crisis. Moreover, this capital outlay coincided with an increasing need for investments to convert the natural gas network from low to high- calorific gas because of the reduced supply of low-calorific natural gas from the Netherlands. All this caused Eandis' debt ratio to rise, endangering the favorable credit rating (A1) from the rating agency Moody's (Verbeek, 2016).

In order to leverage the balance sheet and establish a viable international financing entity, Eandis management proposed “two action plans” in 2015 to its shareholders, of which the first one consisted of fully integrating the seven intercity infrastructure companies in Flanders Region (i.e. Gazellewest, IMEA, Imewo, Intergem, IVEKA, Iverlek and Sibelgas) to establish Eandis Assets, while the second plan was to look for new investment in the international market for Eandis Assets, i.e. about 400 million euros. To this end, the Flemish Government had amended the decree of 6 July 2001 on inter-municipal cooperation, allowing private capital to be contributed to a missionary association in the waste and energy distribution sectors (i.e. assigned association with private participation).

These two plans were called “Volta Action” by Eandis management. They were interlocking and indispensable to each other. The plan was implemented set by step under the guidance of the Company's Strategy Committee, which consisted of four well known figures in the Flanders political circles, i.e. Mr. Louis Tobback, Minister of State and mayor of Leuven (former interior minister and former leader of Socialist Party), Mr. Geert Versnick, vice-mayor of Ghent (Open-Flanders Liberal Democratic Party), Mr. Piet Buysse, municipal councilman of Ghent (Flanders Christian Democratic Party) and Mr. Koen Kennis, former Chairman of the Cabinet of Flanders Region and vice-mayor of Antwerp at that time. This composition was clearly intended to obtain a consensus from leading Belgian political parties for the long-term strategic development of the company.

From 2015, Eandis collected information about over 70 investors who were interested in acquiring 14% of the shares in the Company, and finally determined a shortlist of 21 companies. After preliminary data exchange, five candidate companies submitted their non-binding quotations in early February 2016. These potential investors were allowed to enter the second stage of the selection process. On May 27, 2016, Eandis

received three binding quotations from Dutch pension fund APG, Australian pension fund and infrastructure investment company Australian Super/IFM and State Grid Corporation of China (SGCC). In early June 2016, SGCC Europe (SGEL) was selected as the ‘preferred bidder’ through a comprehensive analysis of the bidding documents (Vanlerberghe, 2016).

SGCC agreed to invest 830 million euros for a 14% stake in Eandis Assets, while the net asset value of that share package was evaluated to 484.4 million euro. Eandis therefore stated that the offer yielded a ‘commercial premium’ (capital gain) of 345.6 million euros, i.e. 71% higher than the net asset value (Verbeek, 2016). On June 29, 2016, SGCC successfully signed the subscription agreement and the shareholder agreement with Eandis. Eandis emphasized in its communication that SGCC was an interesting partner because of its technological capabilities in the field of ultra-high voltage power lines and its extensive experience with smart electricity grids. Also SGCC strived for long-term strategic investments abroad, which could provide Eandis with the stable partnership for future growth (Verbeek, 2016).

SGCC is effectively the largest state-owned utility company in China and plays a crucial role in country’s energy infrastructure. It drives innovations in grid technology and supports the transition to a more sustainable energy future. SGCC is also the largest power production and supply company in the world and ranked the third largest company on the Fortune Global 500 in 2023. It has been actively expanding its overseas investments since it obtained 25 years of franchise rights on Philippines National Transmission Network in 2010. Aligning with China's broader strategy of internationalization and the Belt and Road Initiative, it successfully achieved several key overseas investment projects in Brazil, Portugal, Philippines, Australia, Italy, Greece, etc. The company leverages its advanced technologies, particularly in ultra-high voltage (UHV) transmission, to improve the efficiency and reliability of power grids in the countries where it invests. From a strategic viewpoint, SGCC aims to expand its footprint in key international markets and focuses on strategic acquisitions and partnerships that enhance its global reach and influence. SGCC's investments often focus on integrating renewable energy sources and enhancing grid stability, contributing to the sustainability goals of the host countries. GCC’s overseas investments demonstrate its commitment to become a global leader in the energy sector and contribute to the development of robust, sustainable, and technologically advanced power grids worldwide (Wang, 2017).

Yet, SGCC's overseas investments are sometimes viewed through the lens of geopolitical considerations, particularly in regions where there is significant strategic interest. In 2014, SGCC's bid to acquire a 51% stake in the Austrian electricity utility, E-Control, was blocked by the Austrian government. In 2016, SGCC’s acquisition of a 50.4% stake in Ausgrid, an electricity distribution company in Australia, was rejected by the Australian government. These failures highlighted the growing scrutiny and regulatory barriers Chinese state-owned enterprises have faced in expanding their global footprint, especially in sensitive industries (Kratz et al., 2023).

Reaction of key stakeholders to the deal

Before the start of summer vacation, the management of Eandis informed more than 200 shareholder representatives from various municipal governments of the deal with SGCC. Two 100-page documents were issued to detail the SGCC’s shareholding responsibilities and conditions. According to the plan of Eandis management, they would introduce the “Volta Action” to the councilors of the provincial and municipal governments in Flanders Region between September 6 and 13 after the summer vacation. After that, local governments might discuss this project and it would become effective upon voting at the extraordinary general meeting on October 3, 2016.

Civil society

During the vacation, a group of activists in rights protection as well as social and environmental organizations - called themselves “Macharius” - carefully studied the documents of SGCC’s acquisition of Eandis’ shares. At the end of August, they notified 2,100 council members in Flanders of their objections to this project, clearly calling “Ladies and Gentlemen, Council Members, we recommend that you should not approve Volta Plan”. Their main objections were twofold:

First, the distribution and supply of electricity and gas is a public service. Public services have a monopoly on the market and are controlled by society and grasped by the public. If the municipal government or state agency could not guarantee investment or capital increase, citizens should have the right to be invited to become new shareholders, and the government should participate in the shares in the form of cooperation. This was the principle of defending local interests and protecting national heritage or important strategic resources. In addition, they repeatedly stressed that the statutory annual return on investment for this project would be close to 5%, while the interest rate of saving accounts at the bank was zero at that time. “Why do you refuse local citizens but provide foreign investors with such good investment opportunities?”

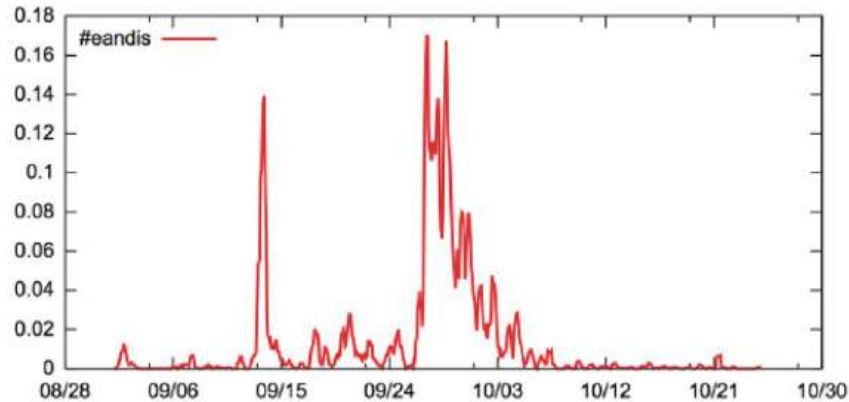
Second, the shareholder agreement between Eandis management and SGCC was considered to damage the decision-making power of its main shareholder, i.e. the municipal governments. The shareholder agreement allowed new shareholders to have the right to implement the special “deadlock” mechanism or withdraw from the company regarding 11 types of decisions. These decisions involve budgeting, investment plans, return on investment, or appointment of CEO, etc. If the new shareholder is dissatisfied with such a decision of the Company, it might request to postpone the implementation of this decision for 28 days. If it still failed to reach a consensus, it could withdraw its capital from the Company. Therefore, this provision was considered by the activists in rights protection to be the real Sword of Damocles hanging on the decision-making mechanism of Eandis (Vanlerberghe, 2016).

Media and public opinion

Throughout the process of lobbying activities, activists “Macharius” insisted on direct dialogue with the elected town council members but remained cautious towards the media. On September 1, however, some council members disclosed their analysis report to the media, which suddenly caused a sensation among the local and social media. *De Morgen* (The Flanders Morning Post-left inclined) subsequently published a petition issued by *Transitienetwerk Middenveld* – a civil association for climate and social justice - which support the energy transition towards the renewable - strongly condemning the shares transaction between Eandis and SGCC (HOLSLAG et al., 2016). With the media exposure, the controversy over the SGCC’s acquisition of shares in Eandis continued to heat up. The equity transfer plan formulated by Eandis management was brought from silence to the hot “tsunami”.

After the “Volta Action” project was disclosed to the media in early September 2016, the acquisition became a hot spot for Twitter within a short period of one month. It added fuel to the fire by exposing various viewpoints and attitudes directly to the public, and various parties began to express themselves. When the letter of the National Security Agency was revealed (see further), the discussion on the case exceeded 0.16% of all Twitter push traffic, and it continued for several days before and after (Figure 2). An in-depth study of 702 tweets found that more than 84% of tweets were published by adults over the age of 25. 8.7% of tweets supported the subscription, 71.7% disagreed, and 19.6% had a neutral attitude (Machteld Ryckaert, 2017).

Figure 2. Period with higher Tweet frequency (% of total Dutch speaking tweets)



Source: (Ryckaert, 2017)

Political parties

The media's exposure disrupted the consensus of all political parties and caused a great disturbance in society. The Green Party first unanimously opposed the SGCC's entry into Eandis, stating that the energy distribution network should retain the principle of public service, and that it was necessary to maximize the use of locally produced energy and the transfer of power distribution to the lower level. In this regard, the localization of decision-making was the fundamental guarantee for implementing the energy transformation strategy in Flanders Region.

As the four major political parties in Flanders which formed Eandis's Four-member Strategy Committee were the initiators of this project with the Vice Chairmen of Eandis's board of directors, no matter what happened, they would unconditionally support this acquisition plan. However, there were differences in opinions inside their party. First, the leaders of the Socialist Party, such as Louis Tobback, mayor of Leuven, and Johan Vande Lanotte, mayor of Ostend, passed the motion by majority vote without serious discussion before Eandis reported the information. However, grass-roots party members within this party had different opinions from those of the representatives responsible for the energy transformation project.

Ghent is governed by a coalition of the Green Party and the Socialist Party. They decided to ask Eandis to provide more detailed information, otherwise they would waive the right of voting at the general meeting on October 3. Other smaller cities' councils decided to vote against or abstain from voting on the proposal. Antwerp's Socialist Party, Green Party and Labor Party (i.e. PVDA, extreme left) expressed their opposition to this project jointly. The Open-Flanders Liberal Democratic Party had an ambiguous and unpredictable attitude. They supported the "Volta Action" at the very beginning, but as the public's arguments became increasingly fierce, they changed their attitude. They expressed their support for the listing of Eandis and encouraged the shareholding by the public.

Governments

At the time when it was one week before the voting date, i.e. September 26, De Standaard, Belgium's most important newspaper, disclosed an anonymous letter addressed to several ministers of the Federal Government and the Flanders Region. The letter warned that SGCC was under the leadership of the Communist Party of China, and it has close connection with the Chinese intelligence agencies and military force. For the sake of national security, the vigilance on the proposal of SGCC's subscription for shares in Eandis should be raised. The letter also mentioned that similar acquisition agreements had been rejected by

the Australian authorities for the sake of national security. Another local newspaper *Het Nieuwsblad* said that a Chinese company investing in Eandis was not for purely charitable purposes. They also compared the investor from China with a Trojan horse by stating, “China dreams of building a global power company so that Beijing will decide when and where to turn on which lights in the world one day.”

Subsequently, the State Security Agency of the Belgian Federal Government- admitted that the anonymous letter was sent by them to the Belgian Prime Minister Charles Michel and the Flanders Region Minister of Energy Bart Tommelein and its Minister of the Interior Liesbeth Homans five days before. After that, it was sent to other important government officials.

After the letter was released, Flanders Energy Minister Bart Tommelein (from VLD Party), who initially supported the project, changed his mind: “Many people do not understand that we are selling our strategic energy distribution network to a foreign investor”. He also expressed concerns about the protection of private data. Two days later, he also stated that he had received “new sensitive information” about SGCC, which proved that his distrust was justified. In contrast, Piet Buyse, chairman of Eandis’s board of directors (member of CD&V Party and mayor of Dendermonde), believed that this concern was unfounded because it was a purely financial project.

In the opposition faction, Mr. Louis Tobback (Socialist Party), mayor of Leuven, issued a warning: “When we have to admit that we could not properly evaluate a EUR 830 million project in such a short time, we must conclude that we cannot handle this project”. He also blurted out that several municipal governments had already rejected the equity transfer agreement.

Mr. Geert Bourgeois from N-VA, chairman of Flanders Region tried to downplay this warning. He said, “In the Australian case, more than 50% shares were acquired, while Eandis’s share subscription is only 14% and only a small number of veto rights is involved”. He even considered the letter as “a piece of waste paper” in a dismissive manner. His statement caused uproar in Belgian politic circles. Two days later, the case was included as a special topic by the Judicial Committee of the House of Representatives of Belgium.

Mr. Bernard Dewit, chairman of the Belgium-China Economic and Trade Committee and winner of the China Friendship Award, said: “The Chinese are very pragmatic, and they have a lot of investment projects to choose from around the world. The image of Belgium was seriously affected by the terrorist attacks on March 22, 2016. This effect will gradually disappear over time, but questioning the acquisition proposal will result in a bad impression on Belgium.”

According to Ms. Liesbeth Homans (N-VA), Minister of the Interior of Flanders Region, the letter from the State Security was also sent to the Flanders VVSG (alliance of towns and communities). She also stated that she “did not play any role” currently in the Eandis acquisition. According to her, she would not have a say until after the competent municipal authority had made a decision at Eandis’ general meeting. She confirmed that, at the time when the general meeting would be held, the local competent authority should decide whether to use this document. Although the minister had the power to exercise control over the security of the Region, the relevant decision would not appear on her desk until the motion had been voted on.

On September 26, the Energy Regulation Commission of Flanders Region (Vreg) announced that Imea, an Antwerp-based energy distribution network company, could not arbitrarily fix the prices or implement a special pricing system. At the early period of the “Volta Action” plan, Imea proposed that its precondition for the merge with other intercity distribution companies was to retain its right of independent pricing and implementation for more preferential price. According to a notice issued by the Energy Regulation Commission of Flanders Region, Imea’s request became impossible and thus it announced the withdrawal from the “Volta Action” plan.

Failure of the deal and follow-ups

On October 3, 2016, Eandis' extraordinary meeting of the board of directors was held as scheduled. The meeting was attended by 250 representatives from municipal governments for the purpose of voting on the amendment to the meeting schedule rather than on the agreement on SGCC's subscription for the shares in Eandis. The precondition for SGCC to subscribe to shares in Eandis was the deep integration of seven Flanders intercity infrastructure companies (i.e. Gazelwest, Imea, Imewo, Intergem, Iveka, Iverlek and Sibelgas), which should be merged into Eandis Assets, but the withdrawal of Imea to join Eandis Assets resulted in the suspension of this plan, and consequently the subscription proposal of SGCC could not be put on the agenda. Finally, the meeting lasted for 13 minutes and adopted the decision "not to perform the original agenda of the extraordinary meeting" with absolute majority.

Facing its failure to acquire external financial resources, in 2018 Eandis had to merge with Infrax which was another utility company in Flanders to create Fluvius – a cooperative company for 11 intermunicipal companies active in energy distribution in the Flemish region. In addition to this corporate restructuring, there was also a plan to integrate seven intermunicipal companies that had a participation in a renewable energy project into a municipal renewable energy holding company, in which citizen participation in shares was made possible. As a result, all shares of Fluvius were kept in "the Flemish hands", explicitly stated by Flemish Regulator for Electricity and Gaz (VREG, 2020).

As compared to the "localization" of Eandis, SGCC continued to actively expand its internationalization process through various strategic projects and acquisitions, such as in Brazil with the acquisition of CPFL Energia in 2017 for \$3.4 billion and built a 2000 km Ultra High Voltage (UHV) power line, in Chile with the acquisition of Chilquinta Energía and Tecored SA and Compañía General de Electricidad in 2020, in Australia with substantial investments to acquire 41% stake in ElectraNet, 19.9% stake in AusNet Services and 60% stake in Jemena), in Ethiopia to finance the construction of 700 kilometers of transmission lines connecting the Grand Ethiopian Renaissance Dam to the national grid, etc (Lee, 2019). The recent international expansion of SGCC showed its global strategic focus and determination in acquiring existing assets in politically stable and regulated markets while also investing in greenfield projects in emerging markets. This dual approach aims to optimize its investment portfolio and manage risk while contributing to the global energy infrastructure development.

In the political debates about the acquisition of Eandis by SGCC in the Belgian federal and Flemish regional parliaments, the issue of national security concerns about FDI in critical infrastructure was brought into sharp focus (Chambre des Représentants de Belgique, 2016, VERG, 2020). Given the limited power of the government in decision making process of foreign investors due to the lack of related regulations, the Flemish government included a special regulation in its Administrative Decree in 2019 to safeguard the strategic interests of Flanders. It provided an "emergency brake" for the Flemish Government" to annul or declare inapplicable for the projects which allow foreign investors to control over public institutions or agencies in case there is a risk to the strategic interests of Flanders (SERV, 2020). The Belgian federal government also aligned to most of other European members states and issued its FDI screening regulation, the so-called "Interfederal foreign investment screening mechanism", came into effect in 2023. The increase of European governments in scrutiny of Chinese investment and applying an extended scope of national security resulted in a continuous decline of Chinese FDI in Europe (Kratz et al., 2023).

Conclusion

The failure of Eandis-SGCC deal underscores the complexities involved in FDI in critical infrastructure sectors. Despite initial agreements and potential benefits from SGCC's investment, the deal was ultimately derailed due to a combination of opposition from various stakeholders, disagreement between different political parties and public outcry, national security concerns, national sentiment, etc.

Civil society groups and activists raised objections, emphasizing the importance of keeping public services under local control and protecting economic interests of the Flemish region. The media amplified these concerns, leading to widespread public debate. Politically, while some leaders supported the deal, others voiced strong opposition, citing national security risks associated with SGCC's ties to the Chinese government and military. An anonymous letter from the Belgian State Security Agency further fueled these fears, leading key political figures to withdraw their support.

Ultimately, the deal collapsed due to these combined pressures. This case illustrates the delicate balance required in managing foreign investment in strategic sectors, highlighting the need for transparent regulatory frameworks, effective stakeholder engagement, and strategic safeguards to protect national interests.

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University as a Zest for Human Capital Development

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Abstract

The nation has experienced various phases of industrial revolutions due to shifting economic demands. Consequently, there has been an unconscious surge in the market for graduates possessing more skills, attitudes, and knowledge in their respective professional fields. As a result, a fundamental objective of national development is to emphasize the role of universities in producing human capital capable of competing, innovating, and contributing productively to the country's progress and advancement. In this context, every government policy outlined for national development, particularly concerning higher education, must be executed by universities. Given these factors, universities are regarded as intermediaries between the government and the populace, working towards realizing the country's development aspirations. However, universities are not immune to challenges and obstacles when implementing reforms and advancing at the university level. These challenges include bureaucracy, academic hierarchies, and market pressures. Therefore, this study focuses on the university's role in cultivating the country's human capital, encompassing the strategies for implementing reforms and the methods universities employ to navigate and overcome these outlined goals.

Keywords: University; Human Capital; National Development; Higher Education

INTRODUCTION

One of the primary objectives outlined by the government in its pursuit of attaining developed nation status, as delineated in the long-term Malaysia Plan, is enhancing the country's human resources. More recently, in the twelfth Malaysia Plan (2021-2025), the government has charted a course to achieve parity in success for the Bumiputera community. This involves a strategic emphasis on bolstering education and empowering human capital. This strategic move seeks to elevate the proficiency and competence of the Bumiputera population, enabling them to access high-skilled employment opportunities and fostering a well-rounded human capital base characterized by knowledge, skills, and ethical values. Consequently, this demonstrates the nation's increasing commitment to nurturing its human capital, which not only possesses advanced skills but also strikes a balance between fostering innovation, leveraging technology, and devising strategies to deliver top-notch services that align with contemporary economic demands and the evolving landscape of the present era.

Under this progression, the country has transitioned through industrial revolutions from 1.0 to 3.0. Recently, the nation has not been an exception to the advent of the 4.0 and 5.0 revolutions. The most recent revolution has now elevated technology to the forefront as the primary catalyst for industrial transformation. The emergence of this latest revolution necessitates a society adept at leveraging technology to deliver optimal services across all domains. Consequently, the industrial transformation driven by contemporary technology greatly demands specific talents and competencies, including expertise in information technology, a comprehensive understanding of organizational processes, and the ability to engage effectively in the modern world (Makhbul & Abd Latif, 2019; Prisecaru, 2016; Razali, Ani, & Azhani, 2020). Furthermore, in today's landscape, graduates should possess a well-rounded set of self-competencies encompassing skills, attitudes, and knowledge within their respective professional fields. This preparation equips them to effectively utilize modern technology in service provision (Badru & Asman, 2020; Makhbul & Abd Latif, 2019).

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Accordingly, the university's role today is more intricate than merely imparting knowledge. Present-day universities must broaden their mission to cultivate the nation's human capital, making it more competitive across diverse domains and fields. Furthermore, the evolving nature of the labor market requires a fundamental shift in educational priorities, emphasizing the development of skills and adaptability to new situations (Othman, et al., 2024). Essentially, the framework within Higher Education Institutions (HEIs) is structured to be responsive, providing graduates with opportunities to enhance their knowledge, skills, creativity, and innovation. However, in light of today's changing landscape and economic dynamics, the cultivation of ideas and the development of skills within human capital have become crucial objectives for a nation (Azman, Sirat & Pang 2016; Faggian & McCann 2009; Mansour & Dean 2016). Additionally, Higher education institutions (HEIs) have experienced increasing demands from a wide range of interested parties to strengthen their emphasis on nurturing the soft skills of students (Succi & Canovi, 2019). Therefore, to equip graduates to navigate an increasingly competitive job market, the current education system must undergo improvement and renewal in alignment with contemporary demands. This aligns with the speech of the fifth former Prime Minister of Malaysia, Abdullah Ahmad Badawi in the Dialogue Forum of the National Economic Action Council on January 13, 2004:

I am confident that, to achieve our aspirations in implementing a new culture while avoiding being held back by incompetence, development in human capital that is in line with the challenges and demands of the future is a must. Therefore, what we need to implement is an educational "revolution".

(Ministry of Higher Education Malaysia 2004)

Considering this, it is logical for every educational institution to intensify its endeavors toward the enhancement of the nation's human capital. Nonetheless, it becomes essential to inquire about the extent to which these efforts are put into practice and how effectively they are executed. This query must be raised and addressed.

ISSUES AND PROBLEMS

The nation necessitates a well-rounded human capital encompassing knowledge, critical thinking abilities, and physical as well as spiritual well-being to compete effectively with other developed countries. Consequently, on an annual basis, the government will allocate more resources and concentrate its efforts on achieving human capital development objectives through the Short-Term Malaysia Plan introduced by the Prime Minister. However, according to employment data provided by the Economic Planning Unit (2021), a notable proportion of graduates in the country find themselves in situations of underemployment, primarily attributable to a misalignment between the skills possessed by graduates and the demands of employers. Specifically, in 2020, only 69.7% of graduates secured positions in skilled occupations, while 28.2% occupied semi-skilled roles, and 2.1% were relegated to low-skilled positions. Consequently, this situation also indicates that the country's local talent is not being fully utilized.

Simultaneously, the current labor market is inefficient, resulting from the disparity between labor supply and demand (Anuar, Mansor & Din, 2017; Economic Planning Unit, 2021). This mismatch poses challenges in devising a comprehensive skill enhancement program that aligns with the prevailing economic requirements worldwide. The higher education system needs to exhibit greater flexibility and responsiveness to confront disruptive changes and innovations stemming from the Fourth Industrial Revolution (4IR) (Ismail et al., 2021). Several academic programs are inadequately adaptable in meeting the continually evolving industry needs, particularly concerning the structure and delivery of teaching and learning, a viewpoint reinforced by Saridaki & Papavassiliou-Alexiou (2022). They argue that the perception of employability is influenced by three critical factors: career identity, personal adaptability, and human and social capital. Consequently, they advocate for universities to enhance their connections with both the job market and the broader community to cater to a more diverse range of individuals. Furthermore, many academic staff members encounter challenges in effectively

incorporating new technology into their teaching activities (Adedoyin & Soykan 2023; Ismail et al., 2021; Kadira, Saibd & Thangaveluc, 2020). Therefore, considering these issues and challenges, a transformation within the higher education system is essential. First, the university should revise the curriculum to align with the industry's needs. For example, university can form a partnership with the industry to ensure the curricula are aligned with the latest market demand. Simultaneously, the university should offer extensive support to students through career services, including job placement programs, skill development initiatives to strengthen key competencies, and related workshops for their career prospects. Additionally, to overcome the challenges faced by academic staff due to advancing technology, various comprehensive training and professional development opportunities can be provided to assist them in addressing these issues. This change is crucial not only for achieving the national goal of developing well-rounded human capital but also for contributing to the country's overall development and progress. Improving human capital through education and training will specifically help boost a country's economic development by increasing labor productivity. Additionally, these efforts are aimed at supporting income redistribution and social welfare (Othman, et al., 2024).

This study seeks to identify the factors that influence the transformation of higher education towards enhancing human capital, as well as the challenges encountered at the higher education level. To this end, researchers have gathered key insights from previous studies focused on the role of universities in human capital development. The document analysis technique was applied to studies that met specific criteria, such as including direct discussions on the contribution of universities to human capital development. Consequently, the findings of this study can be compared with those of earlier research on the role of universities in this area.

THE ROLE OF THE UNIVERSITY IN NATIONAL DEVELOPMENT

The evolution and reforms within the higher education system are aligned with the objective of advancing a nation (Ismail & Abdullah, 2011). This is because universities serve as the driving force behind every change undertaken to realize national development goals (Zakaria, Bakar & Razman, 2020). Consequently, universities assume a pivotal role in the country's development, not only by carrying out political functions but also by acting as mediators in shaping political ideologies and engaging in political endeavors (Altbach, 1991). As asserted by Hajazi (2016) and Nasirov and Joshi (2023), universities hold dual roles within the context of national development. Firstly, they act as institutions that promote an informed society, nurturing individuals with expertise in their respective domains. Secondly, universities function as hubs for generating skilled human resources tailored to meet the requirements of diverse industries.

Hence, the primary catalyst driving alterations and advancements within the university sphere is the government's influence. This is because any initiatives aimed at bringing about development and change within universities necessitate government approval. Furthermore, the government wields authority to oversee all aspects of university governance, particularly in institutions primarily funded by the government, such as public universities in Malaysia (Wan, Sirat & Razak, 2015). Consequently, the trajectory of development and change in these universities must align with the government's development objectives. Moreover, Hussin and Ismail (2009) concur that the university's development objectives and agenda should be in harmony with the government's agenda and priorities, leaving universities with limited autonomy in determining their own vision, mission, and priorities.

Nonetheless, decision-making processes within universities continue to be influenced by the academic hierarchies prevalent in each institution, which are based on the available areas of expertise. According to Hussin, Yaacob, and Ismail (2008), the higher education system operating on academic hierarchies enjoys a degree of autonomy in determining the university's academic programs. This implies that the composition of academic programs is tailored to the expertise of the faculty members (Hussin & Ismail 2009). Concurrently, universities are also subject to market forces and related factors. In this context, universities guided by market dynamics tend to offer programs that yield profits, increase tuition fees, and engage in investments in stocks and properties (Hussin, Yaacob & Ismail, 2008; Nasirov & Joshi,

2023). This practice is commonly observed in many private universities. However, even public universities today are observed to be shifting their focus toward market-driven models. While not exhaustive, several external factors such as the state of the global economy and the ever-changing dynamics of supply and demand, along with various market elements, also influence the structuring of programs in public universities. Figure 1 below illustrates the three significant forces influencing the transformation and evolution of universities.

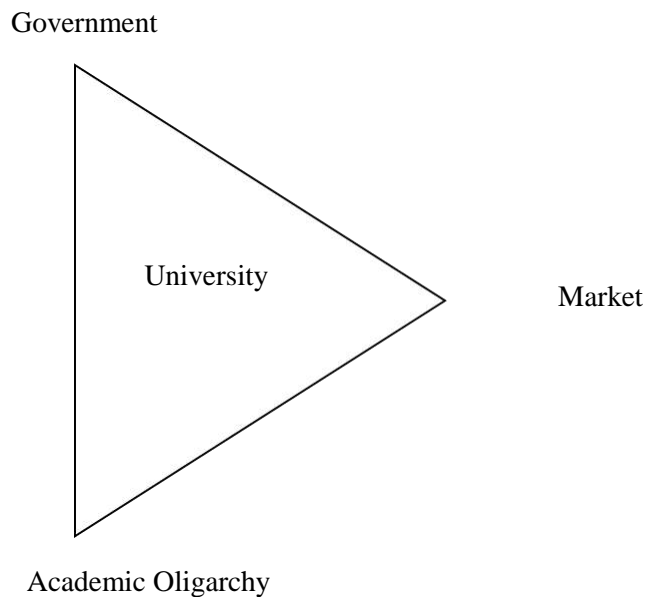


Figure 1: Three Factors That Influence the Development of the National Higher Education System

Source: Adapted and modified from Clark (1983)

Figure 1 above shows that three main factors influence universities in contributing to national development: the government, the market, and the academic oligarchy. These factors are crucial in supporting universities' efforts to enhance human capital. Government policies and regulations are particularly significant, as they guide universities in implementing changes. Therefore, any adjustments made at the university level must align with government priorities. The government can shape curricula to reflect national goals through the government's short-term and long-term plan policy, such as by prioritizing digital literacy, entrepreneurship, or critical thinking, ensuring that graduates acquire the skills necessary for the modern economy. In this way, the government can act as a financial supporter, providing targeted resources to public universities for their operational costs and specific projects focused on enhancing educational outcomes or research capabilities. This funding enables universities to create better programs, attract skilled faculty, and offer scholarships to students.

Additionally, government policies are aligned with market demands, which also influence universities to offer programs in high-demand areas like renewable energy, cybersecurity, and biotechnology. By fostering expertise in these fields, universities contribute to the human capital needed for key industries. The market also places increasing importance on soft skills like communication, teamwork, and leadership, prompting universities to integrate these skills into their curricula through experiential learning, such as group projects, workshops, and extracurricular activities. Furthermore, universities should leverage the advantages of academic oligarchy to implement various programs at the institutional level, consistent with the goal of human capital development.

THE ROLE OF THE UNIVERSITY IN THE DEVELOPMENT OF HUMAN CAPITAL

Universities are crucial in driving innovation and developing human capital amidst constantly evolving global trends, largely influenced by technological advancements and changing consumer lifestyles (OECD, 2012). Human capital development stands as a foundational pillar in a nation's progress (Hamat & Nordin, 2012). According to Hamat and Nordin (2012) and Shafii, Musa & Rahman (2009), human capital development represents a concerted effort to enhance the value of individuals or graduates through a process involving training, skill development, and experiential learning. The significance of specialized skills and training within educational institutions has also been underscored by Runde, Rice, and Yayboke (2017). Consequently, in response to the current era marked by globalization and economic transformations, universities must actively compete by instituting reforms and institutional restructuring. The overarching goal is to foster the advancement of the nation's human capital. Contemporary Higher Education Institutions, particularly public universities, are expected by society to play pivotal roles in producing capable graduates equipped with the requisite skills for the job market. Moreover, these graduates are anticipated to possess advanced educational expertise, characterized by the competence, resilience, and capability necessary to bolster the nation's economic growth and productivity (Ithin et al., 2018).

In conjunction with this, numerous research endeavors have been conducted to discern the role of universities in cultivating a nation's human capital. Abdullah and Ismail (2012) conducted a study aimed at investigating the challenges associated with implementing human capital development through academic programs in Malaysian public universities, with a particular focus on research universities. The study's findings revealed that several internal and external factors within the university pose significant obstacles and challenges to human capital development efforts. The study concluded that universities need to assume a pivotal role in providing training and skills enhancement opportunities to augment the value of human capital for both students and teaching staff. This entails ensuring the availability of comprehensive infrastructure for teaching and learning activities, as well as revising and modernizing the curriculum to align with current market demands. Additionally, universities should foster collaboration with the community. In a parallel vein, Buntat et al. (2008) concurred that it is essential to restructure crucial human capital skills at the higher education level, enabling the development of a more effective teaching curriculum in line with contemporary industry requirements. Moreover, universities are recognized as significant catalysts for enhancing innovative capacity (Runde et al., 2017).

Ibrahim et al. (2015) conducted a study focusing on identifying effective teaching and learning methods to develop high-quality human capital. Their research concludes that improving the delivery process of teaching and learning is crucial for cultivating exceptional human capital. In this regard, Edni et al. (2010) contend that cultivating highly valuable human capital for the nation hinges on fostering strong commitment among educators. Therefore, lecturers must be entrusted with their duties as educators to generate human capital capable of serving the country.

In another study, Isa et al. (2024) demonstrated the efficacy of a simple yet comprehensive Post Graduate (Master's) program module in improving students' job-relevant knowledge and skills, as well as their employment readiness. To practically apply these findings, universities should incorporate problem-based learning, internships and apprenticeships, field trips and site visits, technology integration, and project-based learning modules to enhance the employability of their graduates and better prepare them for future uncertainties.

Furthermore, Makhbul and Abd Latif (2019) delved into human capital management considering the changes brought about by Industry 4.0. Their study revealed that individuals' attitudes (a facet of human capital) are paramount for the smooth and effective execution of any job, leading to heightened productivity within an organization. Aligning with this perspective, Saleh and Rosli (2019) underscored the significance of 21st-century learning in enhancing the marketability of human capital. Consequently, it becomes evident that employability can only be attained if human capital possesses

high self-confidence, competence, self-sufficiency, a well-rounded skill set, and an appealing personality that aligns with the contemporary requirements of the 21st century.

Simultaneously, the study conducted by Mohamad, Esa & Abd Aziz (2014) emphasized that to nurture well-rounded human capital, academic approaches alone are insufficient. Higher Education Institutions must instill human capital values such as knowledge, skills, innovation, and ethics through co-curricular activities, enabling graduates to compete effectively for jobs in their respective fields in the future. Additionally, improving the quality of the education system is imperative for attaining higher educational levels, which in turn fosters a nation driven by innovation.

Previous studies indicate that universities play a key role in developing human capital by revising academic programs to align with industry requirements, fostering strong commitment among educators, and implementing initiatives like problem-based learning, internships, apprenticeships, field trips, site visits, technology integration, and project-based learning modules. These measures are designed to improve graduates' employability and better prepare them for future challenges. According to that, this study emphasizes that changes in higher education institutions are mainly influenced by three factors: the government, the market, and the academic oligarchy. Therefore, the effective development of human capital within these institutions relies on the impact of these factors.

In this context, the government has allocated public funds to achieve social returns on human capital, recognizing its importance in the production process as it complements physical capital and technological advancements (Hippe & Fauquet, 2024). Skilled individuals enhance labor productivity, ultimately benefiting both industry and the nation (Galor et al., 2009). Human capital development at the higher education level is crucial because educated individuals are generally more adaptable to technological changes and receptive to new ideas, which can evolve rapidly. Therefore, the support of educational institutions, backed by academic experts, is essential to align with national goals of producing human capital that not only benefits the country but also builds on the knowledge gained at the higher education level.

SUMMARY AND CONCLUSIONS

Every university possesses its unique set of goals, objectives, missions, and visions, all of which contribute to the advancement of national development. Consequently, the government assumes a central role in driving change and executing restructuring initiatives at the university level. This is because each university competes with its counterparts to fulfill the responsibilities delegated to them by the government. Concurrently, decisions made within universities predominantly rely on the academic expertise of their faculty members. However, while the government acts as the primary catalyst for changes within universities, market forces represent a third influential factor. This is because a country's development objectives may shift in response to the unpredictable and ever-evolving demands of the global economic landscape.

Therefore, as part of the collective effort to achieve national development goals, universities bear the responsibility of serving as implementers in the development of the country's human capital. Within this context, various internal and external factors within universities exert influence on the process of institutional restructuring and change. Among the internal factors identified as influential in fostering human capital at universities are teaching and learning methodologies, program structuring aligned with contemporary needs, and the modernization of university infrastructure. To enact reforms, universities must navigate bureaucratic procedures, including the time required for approvals and decision-making concerning each reform and program structure. Additionally, universities face challenges regarding faculty adaptation and the transition from traditional, theory-based teaching methods to contemporary approaches that generate more competitive human capital in line with current workforce requirements. Furthermore, universities need to explore novel initiatives, such as collaboration with industry and the community, to expand potential program offerings and address evolving needs. Moreover, universities

must adhere to the latest accreditation criteria to ensure that graduates possess up-to-date knowledge, skills, and innovations.

In summary, universities serve as the driving force behind the development of the nation's human capital. While their primary mission is to cultivate knowledge and expertise, they must also adapt and embrace reforms to align with the demands and prerequisites of the modern economy. The role of universities should be highlighted in the transformation of society. These collective efforts and implementations within each university contribute to the cultivation of a skilled workforce that not only boosts economic growth but also nurtures individuals with strong personal values and a sense of responsibility towards society, thus paving the way for a promising future.

This study has drawn on previous research to explore the role of universities in human capital development. It identifies three key factors—government, market forces, and academic oligarchy—as crucial to the success of the transformation process and academic restructuring at the university level. Future research should delve deeper by employing more systematic field methods to uncover potential challenges and weaknesses within universities and to gather perspectives from the community and industry on human capital development in higher education. The findings of future studies are expected to have broader implications for policymaking, guiding the government in implementing policies that align with universities' goals to serve as repositories of knowledge for society.

ACKNOWLEDGMENTS

This researcher was supported by Universiti Utara Malaysia (UUM) through the Research Grant University Scheme (SO code 21459). The content of this article is solely the responsibility of the authors and does not necessarily represent the view of the UUM.

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Observation of Youth Awareness on Data Analytic-Related Skills and Knowledge

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Abstract

This study presents the observation on data analytic-related knowledge and skill of youth ranging from 21 to 29 years old. A survey with close-ended and Likert Scale question were delivered to the respondent during short term course conducted in German-Malaysian Institute. The survey was structured into three knowledge and skill sections assessment known as Section 1 - data analytic, Section 2 - Microsoft Excel, and Section 3 - Python programming. It is found that Section 2 demonstrate the highest mean proficiency score in Microsoft Excel, with a mean score of 45.8% proficiency. In contrast, Section 3 shows the lowest mean proficiency score at 19.6%, indicating a notable gap in Python programming skills. Section 1 falls in between with a mean proficiency score of 37.5%, reflecting moderate familiarity with data analytics concepts. This disparity underscores the need for targeted training and educational initiatives to address skill gaps, especially in data analytics and Python programming, across the surveyed group.

Keywords: Data analytics, youth, Microsoft Excel, Python

INTRODUCTION

Youth, as defined by the United Nation, UN, as people between the ages of 15 and 24, is a crucial developmental stage marked by the shift from adult reliance to childhood dependence and includes substantial changes in social, psychological, and physical aspects of life (Nations, 2014)(Arnett, 2007). Youth are described by a number of UN bodies, instruments, and regional organizations as being between the ages of 15 and 35 (Nations, 2014). This is still a critical time for those who are a little older, between the ages of 21 and 29, as they develop and perfect the fundamental abilities required for success in the workplace (Arnett, 2000). Current research on this age group's knowledge and aptitude in data analytics shows that proficiency varies across disciplines (OECD, 2019). These results highlight how crucial it is to implement focused educational programs to improve data analytics and programming skills so that young people are equipped to meet the demands of the evolving digital economy (Marien, 2014). Programming languages such as Python and JavaScript, machine learning, data mining tools such as RapidMiner or Apache Mahout, predictive analytics, quantitative analysis with SAS or IBM SPSS Statistics, and Tableau data visualization are among the competencies required (Yusoff, S., Md Noh, N. H., Isa, N., & Nor-Al-Din, S. M, 2022).

Data analytics has become a critical component in various fields, providing insights that drive decision-making and strategy. Familiarity with the term "data analytics" and its applications in diverse domains is essential for leveraging its full potential (Shet, S. V., Poddar, T., Wamba Samuel, F., & Dwivedi, Y. K, 2021). Regular use of data analytics tools in academic and professional tasks can significantly enhance productivity and innovation (Manyika, J., Chui Brown, M., B. J., B., Dobbs, R., Roxburgh, C., & Hung Byers, A, 2011). In today's job market, data analytics skills are highly valued, reflecting their importance across industries that makes data analytic becoming an important employability skill to the digital labour market (Smaldone, F., Ippolito, A., Lagger, J., & Pellicano, M, 2022). Youth knowledge

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and skill to perform data analytic is important to process big amount of information and provide specific conclusion (Tolen, Z., Aitymbetov, N., Ismagambetov, T., Toktarov, Y., & Alisherova, A, 2023). Ethical considerations and data governance are fundamental to responsible data analytics practices. Machine learning algorithms play a pivotal role in data analytics, offering advanced techniques for predictive analysis (Oluwatoyin Ajoke Farayola, Ejuma Martha Adaga, Zainab Efe Egieya, Sarah Kuzankah Ewuga, Adekunle Abiola Abdul, & Temitayo Oluwaseun Abrahams, 2024). Familiarity with data visualization techniques helps in presenting data insights effectively, while understanding the applications of data analytics in sectors such as healthcare, finance, and e-commerce highlights its versatility (Ajah & Nweke, 2019). Ensuring data quality is paramount for the success of any data analytics project, as it directly affects the reliability of the outcomes (Batini, C., Cappiello, C., Francalanci, C., & Maurino, A, 2009). As a future of artificial intelligence (AI) and data science, programming software like Python is a cornerstone for data analysis and predictive analytics to shaping the digital technology market future trajectory (Ramachandran, 2024). Python is a user-friendly nature makes it accessible to learners that can spark innovation and encourage young people to explore careers in data analytic fields in provide youth on AI (Hao & Ho, 2019). Expose youth to leverage Python programming skills when interacting with advanced AI models, offering valuable insights into youth cognitive processes and learning styles (Theodoropoulos, A., Antoniou, A., & Lepouras, G, 2016). Data analytic can be performed using various tool like spreadsheet and programming software.

Microsoft Excel is a fundamental tool in data analytics, widely used across various fields for its versatility and powerful features (Dinesh Kumar, 2023). Excel's capability to handle complex data sets, perform statistical analysis, and create dynamic visualizations makes it indispensable in both academic and professional settings, particularly in education where it enhances the teaching of data analysis and other subjects (Palocsay, S. W., Markham, I. S., & Markham, S. E., 2010). In engineering, Excel is used for data analysis, modelling, and simulation, aiding in design optimization and process improvement (Palocsay, S. W., Markham, I. S., & Markham, S. E., 2010). In the business sector, Excel supports financial modelling, budget forecasting, and operational analysis, helping organizations make data-driven decisions (Rubin & Patel, 2017). For small and medium enterprises (SMEs), Excel offers an accessible and cost-effective solution for managing data, performing market analysis, and tracking performance metrics (Ho, D. C. K., Mo, D. Y. W., Wong, E. Y. C., & Leung, S. M. K., 2019).

Python is an interpreted scripting language, characterized by its high-level programming capabilities and dynamic typing and binding (Rashed & Ahsan, 2018). It is widely used in application development, system administration, web development, data science, and AI engineering, owing to its simplicity, versatile libraries, and user-friendly nature (K. R., 2017; Thangarajah & Saabith, 2020). This will make python so special and as a choice of AI engineer and scientist (Raschka, S., Patterson, J., & Nolet, C., 2020). There are many applications using python as language programming that use flowchart and algorithms that develop during the design stage (Cabo, 2018)(Lučanin & Fabek, 2011)(Smetsers-Weeda & Smetsers, 2017). For the application development that uses python as their language is predictive analytics where Python machine learning libraries such as Scikit-learn are used to build models that predict future trends, customer churn, or other outcomes based on historical data that was implemented by Netflix (Fetaji, M., Loku, L., Fetaji, B., Krsteski, A., & Zdravev, Z., 2019)(Goel & Batra, 2017)(Hao & Ho, 2019)(Hasan & Ferdous, 2024)(Kashikar, S., Patil, S., Vedantwar, A., Katpatal, S., & Pillai, S., 2019). Data analysis and visualisation can utilize Python libraries like pandas, NumPy, and Matplotlib to empower data scientists to clean, analyse, and visualise data for insights (Sahoo, K., Samal, A. K., Pramanik, J., & Pani, S. K., 2019). Python are also beneficial to financial area to analyse stock market data, perform risk assessments, and develop trading strategies (Mathur, M., Mhadalekar, S., Mhatre, S., & Mane, V., 2021)(Zhang, 2023).

In this study, the knowledge and skill on respondents for data analytic, Microsoft Excel, and Python programming software were analyzed based on surveys conducted. All the information used in this work received respondents consent during their participation in Data Analytic Course.

METHODOLOGY

Respondent

The survey was conducted on respondents between 21 and 29 years old with 11 females and 9 males. 8 respondents are a diploma holder, 11 with bachelor degree and 1 with master degree. Most of the respondent is coming from the state of Kuala Lumpur and Selangor. The survey, that consist of 20 items, was distributed to the youth that was participated in short term course conducted in German-Malaysian Institute between December 2023 and February 2024.

Survey structure

The close-ended and Likert Scale type of questions is used on survey question designed (Nemoto & Beglar, 2014). The structure of survey question was divided into three sections that represent the knowledge and skills on data analytics, Microsoft Excel, and Python programming software. This section will be address as section 1, 2, and 3 as seen in Figure 1. The scaling type answers between 0 and 10 was used for respondent to answer the question. For section 1, the surveys structure divided into two clusters; familiarity-awareness and usage-skills. The familiarity and awareness cluster aim to gauge the respondents' foundational knowledge of data analytics and their awareness of its applications and potential biases. Next, the usage and skills cluster focus on practical engagement with data analytics tools and techniques. This cluster inquiries about the frequency of using data analytics tools in academic or professional tasks and how significantly respondents believe data analytics impacts decision-making in their domain and also assesses their comfort level in implementing these techniques. In section 2, there are two clusters of surveys developed known as usage frequency-proficiency and analysis-visualization. The usage frequency and proficiency cluster assess how often respondents use Excel for data-related tasks and their proficiency with advanced Excel functions and features. The analysis and visualization focus on the use of Excel for data analysis, visualization, and financial modelling, evaluating comfort levels with statistical analysis and financial calculations. As for section 3, two clusters have been identified known as familiarity-usage and programming skills. For familiarity and usage, this cluster assesses basic familiarity with Python and its usage for data analysis tasks whereby for programming skills, this cluster focuses on the ability to write basic Python scripts and familiarity with commonly used Python libraries.

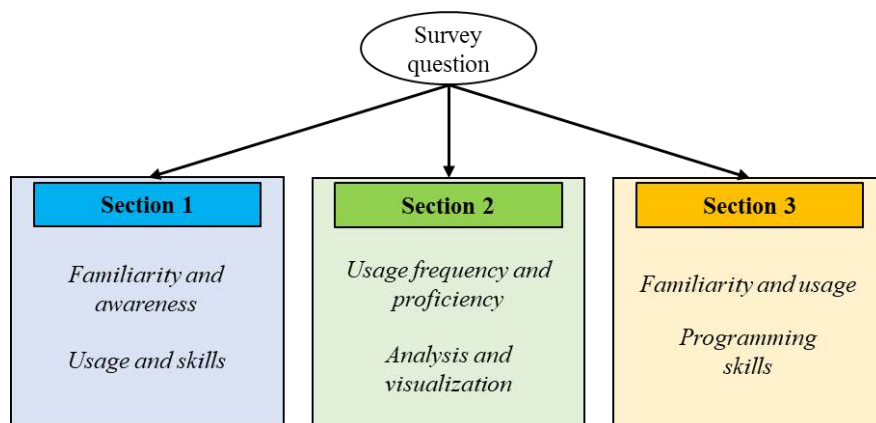


Figure 1. Survey question clusters

RESULTS AND DISCUSSION

Section 1-Data Analytic

The mean proficiency scores for Section 1, cluster familiarity-awareness, show a wide range of proficiency levels among the 20 respondents, with values spanning from 1.3 to 8.0 as shown in Figure 2. While some respondents demonstrate a high level of familiarity and awareness with mean proficiency

scores above 7.0, indicating strong proficiency, a significant number of respondents have mean proficiency scores below 4.0, suggesting that there is a notable portion of respondents who could benefit from further education and training in data analytics concepts.

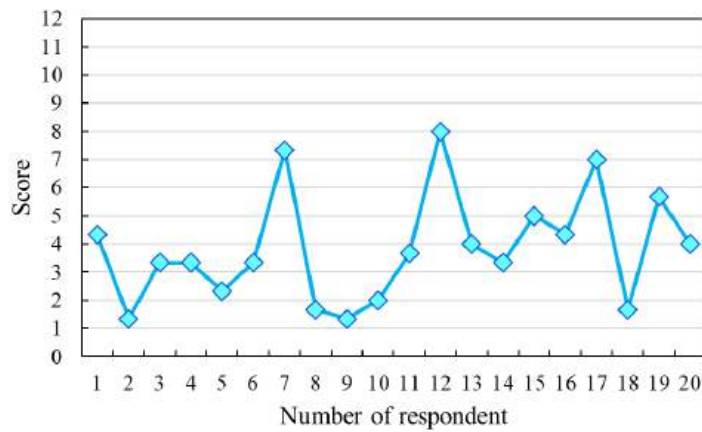


Figure 2. Respondent scores on cluster of familiarity-awareness in Section 1

The cluster usage-skill in Section 1 show a broad spectrum of proficiency levels among the 20 respondents, with mean proficiency values ranging from 1.4 to 7.6 as seen in Figure 3. The majority of mean proficiency scores cluster around the mid-range between 2.0 and 4.2, suggesting that most respondents have moderate skills and usage experience in data analytics. However, the presence of both high mean proficiency scores, 7.6, indicating strong proficiency, and low mean proficiency scores of 1.4, highlighting minimal skill levels, underscores the variability in respondents' practical abilities and suggests a need for targeted training to elevate the overall skill level within the group.

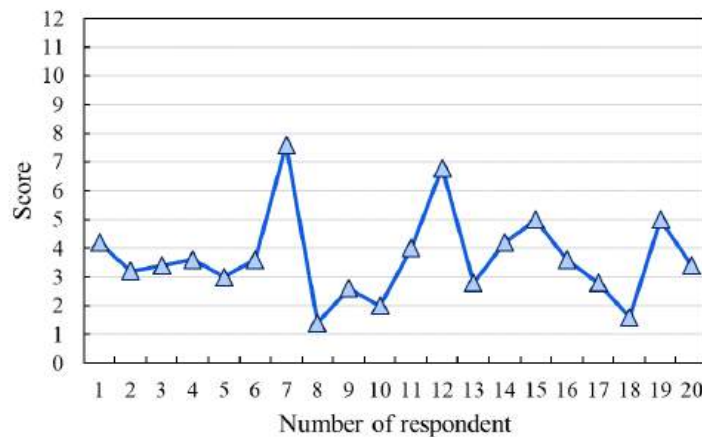


Figure 3. Respondent scores on cluster of usage-skills in Section 1

Section 2 – Microsoft Excel

The mean proficiency scores from the 20 respondents in Section 2 show a varied distribution of proficiency levels in frequency-related tasks. The mean proficiency score of 5.45 indicates a moderate overall proficiency, with responses ranging from 2 to 10 as shown in Figure 4. This suggests a diverse range of competency levels among the respondents, highlighting both strengths and areas that may require further attention or training.

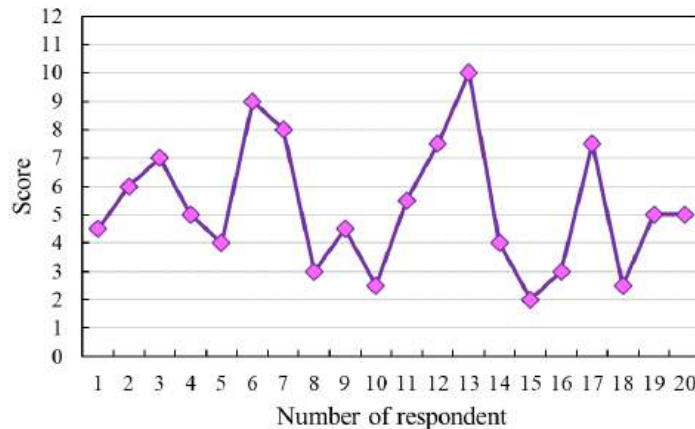


Figure 4. Respondent scores on cluster of frequency-proficiency in Section 2

The mean proficiency scores for Analysis and Visualization using Microsoft Excel among the 20 respondents in Section 2 vary widely, ranging from 1 to 9.5, with a mean proficiency score of 4.5 as seen in Figure 5. This dispersion reflects a spectrum of proficiency levels, with some respondents scoring significantly higher, approaching expert levels, while others scored lower, indicating a need for further development in Excel skills. These proficiency scores underscore the heterogeneous nature of proficiency in Microsoft Excel's analytical and visualization capabilities within the surveyed group.

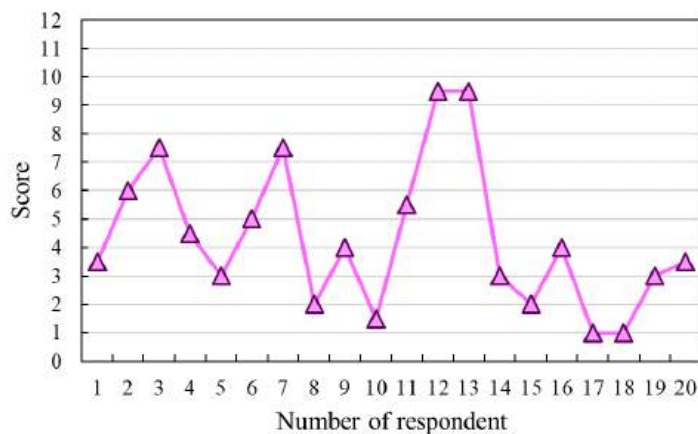


Figure 5. Respondent scores on cluster of analysis-visualization in Section 2

Python Programming

The mean proficiency scores for Section 3, cluster familiarity-usage in Python programming, indicate generally low proficiency among the 20 respondents, with mean proficiency scores predominantly between 1.0 and 3.0 as shown in Figure 6. The majority of respondents have very low familiarity and usage of Python, as evidenced by the concentration of scores around 1.0 to 2.5, highlighting a significant gap in Python programming skills. However, a few outliers, the mean proficiency scores of 4.0, 5.0, and 7.0, suggest that there are some respondents with moderate to high mean proficiency, pointing to a wide disparity in skill levels and underscoring the need for comprehensive Python training to elevate the overall competency within the group.

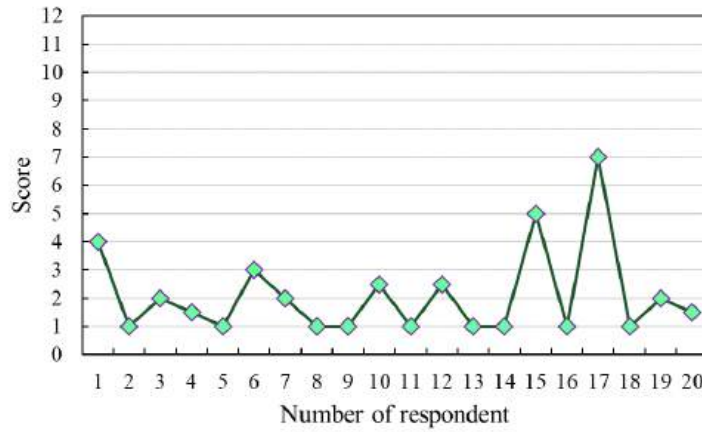


Figure 6. Respondent scores on cluster of familiarity-usage in Section 3

The mean proficiency scores for Python programming skills among the 20 respondents in Section 3 range from a minimum of 1 to a maximum of 5, with a mean proficiency score of 1.875 as seen in Figure 7. This distribution indicates that while some respondents demonstrate higher mean proficiency, the majority exhibit basic skills or introductory knowledge in Python programming. This range highlights both the diversity of skill levels and the potential for improvement through targeted training or educational initiatives focused on enhancing Python proficiency within the surveyed group.

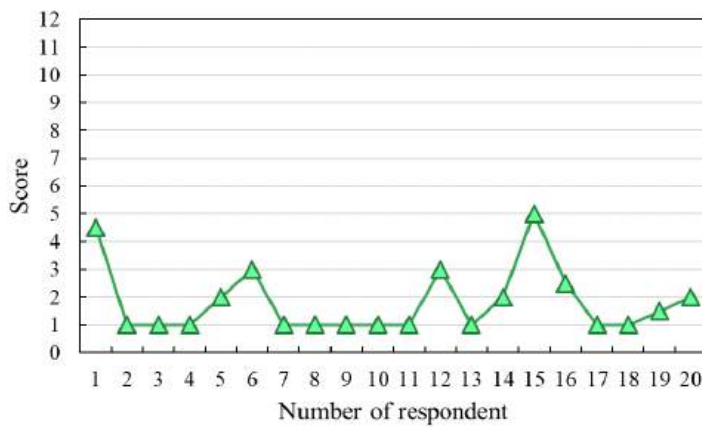


Figure 7. Respondent scores on cluster of programming skills in Section 3

Section 2 emerges with the highest mean proficiency score at 4.58, equivalent to approximately 45.8% on a scale where 10 represents the highest score as shown in Figure 8. Section 1 follows closely with a mean proficiency score of 37.5%. In contrast, Section 3 shows the lowest average mean proficiency score at 19.6%. This comparison underscores a noticeable disparity in skill levels across the three sections, with Section 2 demonstrating the highest competency and Section 3 indicating the least proficiency among the respondents.

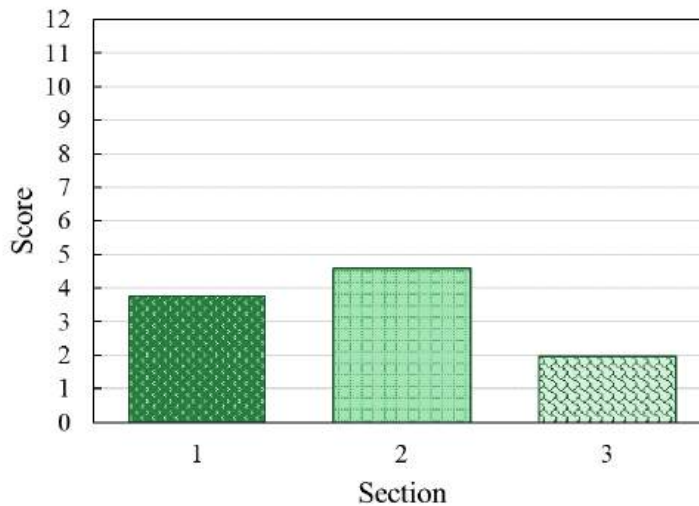


Figure 8. Mean proficiency score for Section 1, 2, and 3

CONCLUSION

Based on the mean proficiency scores across Sections 1, 2, and 3, Section 2 demonstrates the highest overall proficiency with a mean score of 4.58, primarily in Microsoft Excel skills. Section 1 follows closely with a mean proficiency score of 3.75, indicating moderate familiarity with data analytics concepts. In contrast, Section 3 shows the lowest mean proficiency score at 1.96, highlighting a significant gap in Python programming skills. The analysis reveals a diverse range of competency levels among respondents, with Section 2 respondents exhibiting stronger skills in Excel, while Python programming skills in Section 3 lag behind considerably. Targeted training initiatives are recommended across all sections to enhance overall proficiency, particularly focusing on improving Python programming capabilities and advancing data analytics competencies. The study highlights a diverse range of knowledge and awareness levels, pointing to the need for tailored educational interventions to address the varying degrees of familiarity and expertise within the group. Overall, the respondents' proficiency with Excel for data tasks is good, but there is a clear need for additional training in data analytics and Python programming to increase their knowledge. These findings are consistent with those of (Yusoff et al., 2022) and (Salleh et al., 2024), which found that youth skill set for data analytic are increasingly important in the labour market.

ACKNOWLEDGEMENTS

Special thanks to German-Malaysian Institute and Exzellent Profis Sdn. Bhd. especially to Tuan Haji Ahmad Solihin Mohamed Yusoff, Fahrul Rizal A.Halim, and Raihan Tahir for their technical supports.

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“Beyond Hospitality: The Inclusive Community Model of Kampung Stay at Kem Modal Insan”

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Abstract

This case study was exploring the nature of homestay and *kampung stay* industries in Malaysia. Focussing on Kem Modal Insan Agrotourism Homestay, a well-known *kampung stay* in Parit Penghulu, Sungai Rambai, Malacca, the study addressed the practices of the homestay in helping local communities through the implementation of the inclusive community model which contributed as one of the most important success factors of the *kampung stay*. In addition, the study also discussed how creativity and uniqueness played importance roles on the success of Kem Modal Insan in a highly competitive tourism industry in the Historical city of Malacca. It further explored challenges and threat faced by Kem Modal Insan throughout its operations.

Keywords: Kampung stay, Homestay, Social enterprise, Inclusive community model, Hospitality

INTRODUCTION

Kem Modal Insan Agrotourism Homestay (KMI) was one of the most outstanding homestays in Malacca. The idea was initiated by the founder who was known as Pak Man in year 2006 which originally started as individual homestay. However, instead of running the homestay independently, Pak Man managed to invite around 20 villagers of Kampung Parit Penghulu to participate in the programme. In line with the popularity of Malacca as one of the tourists' attractions places, the programme gained full support from the Chief Minister (CM) of Malacca, Datuk Seri Hj. Mohd. Ali bin Mohd. Rustam¹.

The CM send Pak Man abroad to Bali, Indonesia to gain more exposures on the operations of the homestay programme. During that time, the homestay industry in Indonesia was more popular as compared to Malaysia due the exotic multicultural of the population with beautiful tourist attractions landscape. However, after several considerations, Pak Man decided not to fully follow the homestay concept as at the visited location in Bali. Instead of only providing tourist accommodation at different premises nearby their house area, which is also known as bed and breakfast (B&B), Pak Man welcoming the tourists to stay together with the villagers so that they can experience the local cultures and lifestyles. This was in line with the homestay concept that being promoted by Ministry of Tourism, Art and Culture (MOTAC) of Malaysia.

Homestay was only the starting point for Pak Man. As a dedicated “*kampung*² boy”, raised by his parents in a normal *kampung* way, Pak Man felt sympathy to the new generations whose being raised in the city with lack of experiences of the *kampung* way of life. Pak Man felt the responsibility to share the experiences not only to the foreign tourist but also to the local people. The homestay was not enough

¹ Datuk Seri Hj. Mohd. Ali bin Mohd. Rustam was the Chief Minister of Malacca from 3rd December 1999 to 6th May 2013. He is now a Yang di-Pertua Negeri of Malacca since 5th June 2020

² *Kampung* is a Malay word for a village in rural area. *Kampung boy* is referring to a boy or man that being raised in a village in rural area.

to serve more people and Pak Man decided for the expansion. As of today, the KMI operates five different concepts of accommodation including B&B, homestay and *kampung stay*.

Kampung stay vs homestay vs bed and breakfast (B&B)

What was the *kampung stay*? What were the differences between the *kampung stay* and homestay? What made homestay was different as compared to B&B? Table 1 showed the difference between these concepts. The B&B were normally operated independently by the owner of the premise and only focusing on providing the accommodation services without much interaction with local communities. On the other hand, the homestay and *kampung stay* were focussing on the traditional engagement activities between the participants / tourists and local communities. Participants were experiencing the local culture and lifestyle as well as economic activities. Similar to B&B, tourists were normally sharing the premises with the host. On the contrary, participants of *kampung stay* were not staying in the same premises with the host. Normally it involved large group of participants, staying in several premises in nearby area in the same village. Coordinator of the *kampung stay* will organize the traditional activities at the base station.

Table 1: Differences Between B&B, Homestay and Kampung Stay

Concept	Bed and Breakfast (B&B)	Homestay	Kampung Stay
Nature	The hosts are renting the room in their home on short term basis to the travellers (Griggio & Oxenswärdh, 2021)	The host are renting the room in their home and giving the opportunities to the tourist to experience the local culture and lifestyle of the community (MOTAC, n.d.)	The host are renting different premises nearby their home in the same village (MOTAC, n.d.)
Hosts and location	Independent villagers at their home (self-arrangement by the host)	Independent villagers at their home (self-arrangement by the host) Group of villagers at their home by the arrangement of the coordinator	Group of villagers at several premises located in the same area by the arrangement of the coordinator
Scale	Small scale	Small and medium scale	Medium and large scale
Accommodation	Travelers or tourists were staying with the host families		Tourists were staying at private units
Services	Accommodation and meals	Accommodations, meals and participations on traditional activities	

THE JOURNEY OF KEM MODAL INSAN AGROTOURISM HOMESTAY (KMI)

Homestay to kampung stay to dormitory training centre and event management

It was not long for KMI to expand the operation to a bigger scale. As KMI was getting well known, the demands were increasing. KMI also received group booking. Due to limitations of the facilities, sometimes KMI was not able to cope with these requests. It was challenging for KMI to segregate the big groups into several hosts that located separately. *Kampung stay* was the most suitable solutions. Within three years after the establishment, in year 2009, KMI embarked into this new concept. As one of the pioneers of *kampung stay* in Malacca, KMI was getting popular not only in Malacca, but also in Malaysia and abroad. Lots of tv programmes and celebrities shot their program at KMI. Coverage from the national television and tv producers were enough for KMI to be seen.

Popularity of KMI had attract government and private institutions to do collaboration in organizing their events and activities which normally involved big group of participants. To accommodate these demands, KMI stepping ahead towards the arrangement of dormitory concept. Even though the

participants were not sharing the accommodation with the host, they will also be exposed to the local culture and lifestyle. In facts, participants of this section were more energetic and outstanding during engagement activities.

Facilities and services

KMI tailored its services based on the request of the customers. Table 2 showed the services being offered. For the B&B sections, it was up to the tenants either to stay in the same premise with the tenant or renting the different premises. Most of the tenants for the second option were the local people who were attending an event or visiting family and friends nearby. Unfortunately, the first option was not very popular. Instead of only having local meals while staying with the host, most tourists would prefer renting the homestay to experience local cultures and lifestyle.

On the other hand, for homestay sections if the participants were a very small group, the arrangement of the traditional activities was quite challenging. Only selected activities were suitable such as playing the small traditional games such as *congkak*, *ting-ting* and *batu seremban*³ as well as cooking the local dishes. Not much experiences could be shared.

Throughout the period, the highest demands were *kampung* stay, dormitory training camp and event management. Through the collaboration with Ministry of Higher Education (MOHE) Malaysia, KMI was entrusted to handle the cultural program involving the participants of International Debate Competition for four times. In addition, the collaboration between MOTAC Malacca and travel agencies of Singapore and Malaysia, actively brought group of tourists from Singapore to join the culture activities at KMI. During the un-peak session, KMI open the facilities to public for event management such as wedding reception and family day. It was up to the customers either requesting the full package with arranged activities and meals or only renting the facilities.

Table 2: Services Offered by Kem Modal Insan (KMI)

Concept	Accommodation	Additional Services
Bed and Breakfast (B&B) for small families	Option 1: Tenants were staying with the host families	Meals
	Option 2: Tenants were staying at private units	Nil
Homestay for small groups or families	Tourists were staying with host families	Tourists were joining the traditional activities with individual host families
<i>Kampung stay</i> for medium and big groups	Option 1: Tourists were staying with host families	Tourists were joining the traditional activities at the base station
	Option 2: Tourists were staying at private units	
Dormitory training camp	Participants were staying at the dormitory camp	Participants were joining the traditional activities at the center
		Participants were joining tailored made activities such the team building and training
		KMI providing accommodation and facilities for in-house activities
Event management	Depends on the request	Events such as wedding reception and family day

³ *Congkak*, *ting-ting* and *batu seremban* were the Malaysian traditional games which need at least 2 participants.

INCLUSIVE COMMUNITY MODEL AT KEM MODAL INSAN AGROTOURISM HOMESTAY (KMI)

As of June 2024, there were 9 *kampung stay* in Malacca with totalling up to 157 operators. To compete in this competitive market KMI need to be creative and unique. In achieving these target Pak Man did not operate the *kampung stay* alone. Raised as a *kampung* boy made him always care about other people. Sharing and helping the communities were in his blood. Ideas and suggestions from local people were most welcome. Literally, Pak Man implementing the inclusive community model. It referred to active participation of local communities on the sharing activities of diverse culture, knowledge and skill (Vaughn and Mlekov, 2003).

With the spirit of *gotong royong*⁴ most activities at KMI were run by the villagers of Kampung Parit Penghulu. In return, the model helped KMI improved the economic status of local communities through job creation and rental income to the operators. In addition, KMI also encouraged the used of products originated from the surrounding area. Supplies such as desserts, pastries, savouries and fruits were always ordered from local people. The inclusive community model created mutual benefits among KMI and local people. Consequently, the sense of belonging was created among the villagers. which contributed to the success of the *kampung stay*.

CHALLENGES

Homestay industry was getting popular over time. Statistic by MOTAC (2024) showed that the number of homestay operators in Malacca for year 2003 had increased by 36 percent to 157 operators as compared to year 2022 (which was only 115 operators). More operators were offering similar services. Furthermore, landscape of the industry might be changing in the future, following the changes of the expectation of the future generations towards holiday and vacations. To sustain in the market, KMI need to recruit younger generations to create and lead more attractive packages and activities that suit their demand (Muslim et.al, 2017).

CONCLUSION

KMI was now being manage by Mr Fairuz, the oldest son of Pak Man. It was believed that with the guidance of Pak Man, the new team will be able to sustain and outstanding in the market. The key was the inclusive community model. In doing so, under the management of Pak Man, KMI had been awarded as “The Best Homestay” for four times and the “Best Small and Medium Industry Award” in year 2012.

ACKNOWLEDGEMENTS

This research was funded by Ministry of Higher Education (MOHE) of Malaysia under the Fundamental Research Grant Scheme (FRGS/1/2021/SS01/USIM/03/1)

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⁴ Spirit of gotong royong is the spirit working together. It involved sharing of burden between member of the community.

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A Cut Above: How C-Cut Hair Salon Transformed the Local Barbershop Scene

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Abstract

This case study explores C-Cut Hair Salon's journey of a Bumiputra barbershop owner crowned as a TVET icon using distinctive approaches alongside significant practices that have revolutionized the Malaysian barbershop business. He learned the complexities of barbershop business operation and management as a hair designer at a Chinese barbershop before taking over his uncle's old barbershop and embarking on a mission to change it. Despite initial opposition from his family, he successfully remodelled the barbershop, expanding chances for students with Technical and Vocational Education and Training (TVET) credentials. The business encountered significant challenges during the COVID-19 pandemic, prompting a temporary pivot to selling nasi lemak by the roadside to sustain operations. Today, this resilient entrepreneur boasts five modern barbershop outlets across Negeri Sembilan. This study examines his strategic transformation, the impact on the community, and the role of vocational training in driving employment and economic growth. C-Cut has not only raised the bar for grooming services but also reinvented the barbershop experience for its customers by combining modern trends with a thorough awareness of local cultural details.

Keywords: Barbershop, Technical and Vocational Education and Training (TVET), Transforming, Growth.

INTRODUCTION

Barbershops in Malaysia have historically served as communal hubs, cultural touchpoints, and cultural pillars. However, in the era of rapid technological advances and altering customer preferences, the conventional barbershop industry confronts significant challenges. Team C-Cut is a pioneering establishment that has revolutionized the Malaysian barbershop sector with its innovative approach since 2010.

Team C-Cut seamlessly blends the classical art of barbering with contemporary trends and creative business practices. This integration has enhanced both the quality and variety of services accessible, as well as the overall customer experience. Team C-Cut has set new industry standards in everything from modern interior design that creates appealing settings to extensive employee training programs that prioritize youth development.

The COVID-19 pandemic impacted the worldwide economy, with small and medium-sized businesses (SMEs) being particularly vulnerable. Barbershops, which are an important part of Malaysian culture and business, have faced unprecedented problems. Mandatory lockdowns, social distancing measures, and a general drop in customer trust resulted in substantial revenue losses and, in some cases, permanent closures. The article explores the pandemic's influence on Team C-Cut Hair Salon and how they managed the crisis to emerge resilient and sustainable.

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HOW I STARTED

Nasrullah only held a Sijil Pelajaran Malaysia (SPM) certificate. He then enrolled at GIATMARA Ampang Jaya, Selangor, for a Skill Certificate Level in sewing women's garments, but switched to hair design out of desire. GIATMARA teaches rural youth in technical and vocational skills to prepare them for careers as skilled workers and entrepreneurs.

After completing the training, Nasrullah assists his mother in sewing clothing. His desire was never there because he saw that sewing would not give him money right away because it takes a lot of time and work and pays less than cutting and styling hair. To attain a better understanding of barbershop operations, Nasrullah went to work in a Chinese-owned salon in Pavilion Kuala Lumpur to learn how to run a modern establishment for a year. His family called him back for an emergency meeting. The discussion happened way back in 2010.

Dad : Nas, I want you to come back as soon as possible. I have an urgent matter to discuss.

Nasrullah : Okay. I will come back this weekend.

Over the weekend, he returned to Ampangan. Nasrullah inquired about the urgency of his father's need for his return home.

Dad : How was your work? Do you learn a lot?

Nasrullah : Yes dad. I have learned a lot. The salary is fairly good, and I learned how to manage a variety of local and foreign consumers.

Dad : So, now that you have gained experience, I want you to return and run your uncle Ramli's shop in Medan MARA, Ampangan. He genuinely needs your help. His business is failing, and you must save it because you have the passion and know what is best now, as opposed to your uncle's vision.

Nasrullah : I will try my best (while also thinking about the timber walls and asbestos roof that need to be replaced). Dad, in order to do so, I need some funds to refurbish and get started. I cannot get any loans from the bank due to my age and no credit history. Can you provide me with some money?

Dad : Good you saw the place shout for makeover. I understand that things are pricey now. After discussing with your uncle and mom, we will provide you RM15,000 to begin the renovation and operation.

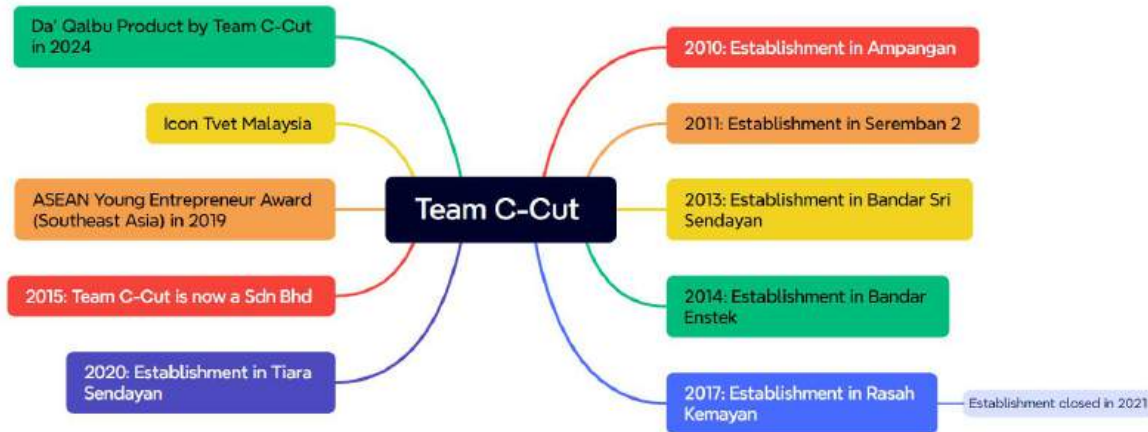
Nasrullah : I'll do my best and grin. I am not sure what comes next, but I will do my best. Pray for me, dad.

With the RM15,000 borrowed from his family, Nasrullah improved the barbershop's service quality, branding, and customer comfort. The name is vital for branding; thus Nasrullah chose the name Team C-Cut. The transformation paid off as the newly barbershop services were warmly received by locals of all ages.

Since 2010, Team C Cut has operated in Negeri Sembilan at five different locations, catering to communities in Ampangan, Kampung Panchor, Garden Homes Seremban 2, Nusari Biz Bandar Sri Sendayan, and Mercato Enstek, with a total of 36 employees. Due to his passion, for expanding business and creating job opportunities for youth, Nasrullah was awarded with ASEAN Young Entrepreneur Award (Southeast Asia) in 2019 and was an Icon for TVET Malaysia. Table 1 displays the journey of Team C Cut. Having many outlets hinders high monthly overhead cost of nearly RM131,000.

Team C Cut provides men's and women's haircuts, hair styling, hair straightening, hair extensions, hair curling, and hair colouring. Initially, the family was opposed to the Muslimah corner because it would turn away older clients. However, the concept was eventually revived with solid constructive reasons. Team C-Cut is working on improving its hair product, Da'Qalbu, for 2024. Team C Cut focuses on more traditional marketing method of circulating flyers and banners. Once in a while, they promote on Facebook under community groups for promotion.

Table 1: The Journey of Team C Cut



RESEARCH METHODOLOGY

This study used a qualitative research technique to investigate the impact of the COVID-19 pandemic on Team C Cut Barbershop, a barbershop chain, and the strategies they used to rebuild Team C-Cut and sustain their business in Malaysia's post-pandemic scenario. A case study method was employed on Team C Cut as a single unit, to offer a thorough knowledge of its experiences, problems, and adaptation solutions during and after the epidemic (Merriam Sharan, 2016). The study was conducted at Team C Cut Barbershop's location in Negeri Sembilan, Malaysia, by interviewing the owner of the business.

The main objectives of this research were:

1. To understand the effects of the COVID-19 pandemic on the operations, revenue, and customer engagement of Team C Cut Barbershop.
2. To explore the recovery strategies employed by Team C Cut Barbershop to regain its business post-pandemic.
3. To identify the sustainable practices adopted by Team C Cut Barbershop to ensure long-term growth and resilience.
4. To provide insights into the broader context of barbershop resilience and adaptability in Malaysia.

COVID-19 AND BARBERSHOP

The COVID-19 epidemic presented unprecedented barriers to companies globally, with Malaysia's barbershop industry bearing the brunt of the blow. Barbershops, as a non-essential service, were among the first companies to be affected by the government's 2020 Movement Control Order (MCO), resulting in forced closures, considerable income losses, and interruptions to everyday operations. Barbershops, which have traditionally relied on high client turnover and in-person contacts, were confronted with the reality of vacant chairs and rising fixed expenditures, such as rent and utilities, with no consistent revenue source.

The prolonged duration of lockdowns and social distancing measures fundamentally affected consumer behaviour, with many consumers afraid of close-contact services, resulting in a sustained drop in demand even after restrictions were lifted. As a result, the existence of many barbershops became uncertain, and several were forced to close permanently owing to unbearable financial difficulties. Those who managed to stay solvent had the difficult challenge of regaining lost ground and adjusting to the "new normal" that the pandemic had established.

Despite these obstacles, the Malaysian barbershop sector has shown its resilience and flexibility as firms continue to innovate and pivot their operations to survive and grow in the post-pandemic climate (Rashid & Ratten, 2020).

Many barbershops including Team C-Cut adopted new business models, such as home-based services, put in place rigorous cleanliness and safety regulations, and welcomed digital tools like online booking systems and social media marketing (Akpan et al., 2022; Fabeil et al., 2020). These changes were critical to restoring customer confidence and maintaining compliance with new health requirements. Furthermore, the government's financial assistance measures, such as salary subsidies and low-interest loans, were critical in helping barbershops get through the most difficult times.

FALL BACK AND REBOUND

Following the COVID-19 outbreak, many small businesses faced tremendous challenges. To reduce losses, Nasrullah instructed his crew to discreetly go to the shop, calculate the balance stock of hair product and sell it online. Because 80 percent of his personnel were family members, and they needed to support one another.

Barbershops were among the entrepreneurs that were affected badly. Thus, instead of giving in to the pressures, Nasrullah displayed incredible endurance by shifting his business approach. Recognizing the persistent need for food by people, Nasrullah switched from haircuts to selling Nasi Lemak by the roadside and operating car wash. This pivoting not only allowed him to keep the majority of his employees by repurposing barbers as food vendors, but it also earned a significant daily income of RM500. This creative move emphasizes the entrepreneurial spirit and adaptability necessary to navigate and survive in uncertain times.

When the lockdown was lifted in 2021, barbershops were among the retailers that many people visited. However, due to constraints and Standard Operating Procedures (SOP), they were unable to completely optimize their operation, resulting in the closure of one of their outlets due to the inability to meet customer demand and paying high rent to the owner. Thankfully, with the government subsidies for salary (Bernama, 2020), they managed to retain the crew despite the closure one of their outlet.

RETAINING CREW

Team C Cut took care of their crew's well-being and professional development. Team C Cut offers a variety of facilities and benefits geared to help their crews both personally and professionally by providing competitive basic pay that recognizes the abilities and effort of its barbers. In addition to these amenities, Team C Cut is committed to the employees by giving them monthly training sessions and workshops to keep the crew up to date on the newest barbering trends and techniques. This investment in continual learning not only improves staff skills, but it also ensures that customers receive the finest service possible.

Nasrullah prioritizes his employees' well-being and professional development by engaging them with GiatMARA for short courses on hairdressing for those who are interested and providing them with panel clinic facilities. Team C Cut provides a respectable basic compensation with contributions to the Employees Provident Fund (KWSP).

Team C Cut values spiritual and religious activities and thus weekly shutdown on Fridays to allow Muslim crews to attend Friday prayers. This policy reflects their respect for religious responsibilities while also fostering a friendly and inclusive work environment.

COMMUNITY HERE I COME

Nasrullah began offering free training, a three-month hair-cutting program, and a three-year job contract to young adults who wanted to participate. Schools around Negeri Sembilan also supported his program of hosting motivational seminars and recruiting dropout kids for GiatMARA certification.

His efforts were also recognized by politician Dato' Seri Utama Haji Mohamad Hasan, who was previously the Menteri Besar of Negeri Sembilan and oversaw a program called Back to School with New Hair Giving back exemplified the Islamic concept of charity by providing *sadaqah*, *infaq*, and paying *zakat* (Azman Ab Rahman & Mahazan Abd Mutalib, 2018).

As a result of giving back to the community, many young adults began to participate in the program, which provided them with job opportunities. Nasrullah was grateful for the opportunity to help others in need, thus seeing was a way to express his appreciation for all the support he had received throughout the year.

SWOT MATRIX

<p>Strength</p> <ul style="list-style-type: none"> • Recipient of Icon Tvet MARA • Recipient of ASEAN Young Entrepreneur Award (Southeast Asia) in 2019 • Vast experience in hair dressing • Support from family • Provide various services 	<p>Weaknesses</p> <ul style="list-style-type: none"> • High overhead cost • Inconsistent marketing strategy • Traditional marketing strategy • Focus only on Malay and Bumiputra market
<p>Opportunities</p> <ul style="list-style-type: none"> • Support from government • Received financing from government agencies for expansion. • Creating new product/service line • Creating new experience while cutting hair such as waxing and massaging 	<p>Threats</p> <ul style="list-style-type: none"> • Competition from other established Chinese modern barbershop • Competition from other Bumiputra modern barbershop

WASATIYAH AND NEXT FOR TEAM C CUT

Nasrullah and his wife Nadia's tale illustrate how persistence, community support, and business can transform problems into opportunities. Their journey shows how Islamic principles like *Tawakal* (reliance on Allah), *Taqwa* (piety and trust in Allah) can help to overcome challenges and establish a successful business that benefits both the family and the community. Their hairdressing legacy encourages perseverance and support throughout difficult times.

Nasrullah and his wife Nadia's journey shows how faith and community can improve lives. Their tale inspires those facing challenges by exhibiting the power of faith, community support, and unwavering perseverance to overcome obstacles.

Nasrullah and his wife Nadia's path demonstrates how faith, community, and mutual support can help overcome obstacles and achieve success. This case study exhibits how Islamic beliefs may govern and sustain businesses, turning challenges into opportunities for growth and community development. Nasrullah and his wife Nadia's determination, faith, and community support have led to a successful business and long-lasting impact in their neighborhood. Their legacy inspires and motivates future generations.

The journey didn't finish here. Nadia shares Nasrullah's passion for hairdressing, which led to her securing money to attend hairdressing schools to learn new styling techniques. Team C Cut was the first alumni to get finance from MARA to purchase a property, with an allocation of RM2,000,000. Their goal to create their own academy will perhaps come true one day.

CONCLUSION

While previous research provides a complete review of barbershop recovery and sustainability methods in Malaysia, there are still numerous limitations (Huzaifi Bin et al., 2023). There has been little study on the pandemic's long-term psychological impact on barbers and their staff, which is important given the intimate nature of their employment. Furthermore, further comparative studies are required to explore the differences in influence on barbershops in urban and rural settings, since these places confront different difficulties and possibilities.

The COVID-19 outbreak posed substantial hurdles to Malaysia's barbershop sector, forcing company owners to innovate and adapt to survive. Barbershops have not only rebounded but also positioned themselves for long-term success in the changing post-pandemic world by implementing tactics such as digital transformation, service diversification, and community involvement. Future study should investigate the long-term repercussions of these developments, as well as the continued evolution of Malaysia's barbershop industry.

ACKNOWLEDGEMENTS

This research was funded by Ministry of Higher Education (MOHE) under the Fundamental Research Grant Scheme (FRGS/1/2021/SS01/USIM/03/1)

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Bouquets & Brews: A Look Inside Hannah Petal's Blossoming Café Culture

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Abstract

This case study explores the engaging tale of Hannah Petals, Syakirah a former banker who left the corporate world to pursue her passion for floral designing, finally launching a unique floral and café. "Bouquets & Brews" explores Hannah's unusual business model, which mixes the tranquil beauty of floral arrangements with the pleasant environment of a coffee shop. The coffee shop came into the picture after COVID-19. Combining these two components, Hannah Petals has created a vibrant and blooming café culture that provides clients a unique and refreshing experience. In December 2023, they relocated to a new place to cater more customers and marked a place to hang out for coffee lovers. This study investigates the challenges and triumphs of this entrepreneurial initiative, focusing on the methods and insights that have contributed to its growing success.

Keywords: Floral and Café, Business Model, Marketing, Challenges.

INTRODUCTION

Syakira owns Hannah Petals, a florist and café that specializes in floral arrangements for special occasions, as well as a café where people can rest and relax. She is originally from Kuala Kangsar, Perak, and has no prior experience with flower arrangements other than her passion and interest. Syakira worked as a seasonal banker for 14 years, serving both local and foreign institutions until she decided to leave the industry in 2015 to follow her passion for flower arrangements. During her time as a banker, she frequently purchased bouquets of flowers for her clients from her personal florist, Asmira who was a single mother. When Syakira started her first small on-the-go floral store in a shopping centre in Bandar Baru Bangi, she hired Asmira as a florist. Hannah Petals was the only one who provided floral arrangements, and she had countless requests for bouquets and other floral arrangements from individuals, government agencies, and corporate companies.

THE JOURNEY

Hannah Petals was inspired by her mother's name, Hannah, which also means Flower in Japanese. Syakira opened her next branch in Bangi Gateway after several years of shopping center operations in May 2015. Syakira spent RM80,000 on the business. Syakira imports her flowers from Holland, India, and China, which she receives regularly from her supplier in Puduraya, Kuala Lumpur.

Starting a small business after leaving a solid job was challenging. Syakira previously used to have a steady income, but she struggled to make ends meet thus she opened an opportunity to a shared business with a spa owner to cater half of the store to ensure she met errands every month. Despite challenges, their resilience and determination led them to succeed in their new venture. As the business was thriving, COVID-19 struck, and when Malaysia chose to impose a lockdown in March 2020, she was distraught because her shop was not an essential business.

As she was down and stayed at home teaching her daughter, she received encouragement from friends and family to continue her business from home. Since many people have become ill due to COVID-19 and require support and encouragement, her florist operates online with the help of Lalamove,

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distributing balloons, floral, and fruit arrangements to others. When she was finally able to reopen Hannah Petals, she received devastating news, that the spa owner had decided to leave her for a new location in 2021. She felt down.

WHAT'S NEXT?

After Nabila Spa's departure in 2021, she felt compelled to take action. She had a conversation with her sister Tasha and friend Nurin. For several years, she ran the business, and Nabila's sudden departure was a big blow, but it also provided as motivation for Syakira to continue their entrepreneurial path after the heart-to-heart session.

Syakira : Ladies, I am concerned about my finances. I still have enough money for several months, but not for long. I must repay the loan to Bank Islam. Starting a business here is amazing, but I cannot go much further. Is either retained or rerouted.

Nurin : I believe you should view the big picture. Because there are several famous boutiques nearby, why not use this location as a hangout for friends or husbands while they wait for their counterparts to shop?

Syakira : What do you mean by that? Tell me more? (Syakira was thrilled to hear the concept).

Nurin : Remember my daughter, Damia? When COVID-19 began, she decided getting certified as a barista through online seminars and eventually attended sessions in Taman Tun. I purchased her a coffee machine so she could fill in her free time by preparing coffee. She now brews coffee for us and our guests and eventually sells it to people in the neighborhood. This is a chance for you because many people have begun to drink coffee, and coffee has become a cultural healing tool.

Tasha : Yes, Kira, I believe this is an excellent idea. I enjoy drinking coffee, and I noticed that there are only two food businesses near your location, with no specialization in coffee. This is something new and exciting you can try. While the women shop, the guys can sit and wait. What about a trial run? If it works for your situation, you can continue. Is the machine heavy? Can we move the coffee machine?

Nurin : The machine isn't hefty. Well, I'll ask Nurin about it, and maybe she can assist you with the trial run for a few weeks before you decide what to do next. This is something for you to consider before joining the coffee culture

Syakira : Okay. I will give it a try. If everything operates smoothly, I might consider purchasing a permanent machine for the shop. What name should I give the kiosk Tasha? Since you like shopping very much.

Tasha : Hurm.... Why don't you name it Kopi Treat? Is Kopi being coffee, which is a treat while you wait for others. Remember, some go-to pastries and little bite desserts will be adequate

Syakira : That's an excellent idea. Now I need to select the right coffee to go with the pastries. Can I come to your house and meet up with Damia? But before that, make sure to head start her with the idea. Otherwise, she will be astonished.

Nurin : Sure. How about tomorrow? Dinner at my place, and you can see the little barista café operating from my porch

Syakira : Sure. It is a date.

Since the initial talk, there was no turning back. Syakira ventured into a new company, coffee to go with her floral business.

THE NEW BEGINNING

The newly formed business endeavour was a success. Many coffee enthusiasts came to sample the desserts, pastries, and Savory foods, while others preferred the Grab & Go idea. Syakira has also partnered with food delivery services such as Food Panda and Grab for consumers who prefer delivery to their office or home. Her business thrived with orders, and she developed a new related product, a coffee bottle. Why the coffee bottle? To gain new customers, enter food vendor outlets and events. Kopi Treat gradually entered various events in Putrajaya and Bandar Baru Bangi to raise brand awareness, while Nuha Bahrin, a singer and influencer, served as the ambassador for Kopi Treat X Hannah Petals. Hannah Petals also collaborated with the brand Telekung Siti Khadijah for gifts to mothers, anniversaries, and birthdays.

Kopi Treat X Hannah Petals began with two employees and has since grown to six, including part-time workers. The sweetest memory was assembling a bouquet for former Queen Tunku Azizah Aminah Maimunah Iskandariah.

While earning more money, Syakira remembers to give back to the needy. She paid Zakat for her business and founded a Friday Infaq platform for bottled coffee. Donors can pay forward the bottled coffee, which will then be sent to an elderly home or another charity house of their choice.

THE CHALLENGES

Many businesses experience hiccups so do Hannah Petals. Hannah Petals officially closed its Bangi Gateway location in December 2023 due to a significant increase in rental. Many other adjacent businesses have also closed, affecting her business in a domino way. They couldn't accommodate more walk-in guests because their seating arrangement was limited.

Syakira devised an alternative and renovated their house on the roadside into a hangout spot to eat and drink while waiting for the floral arrangement. With the new location, she expanded her consumer base to include young families and university students who lived nearby for a new vibe and concept of "flocafestudio" which represents a florist with a café and studio for photography in Taman Ramal Desa, Kajang, Selangor.

THE RESILIENT

Syakira is persistent in approaching problems, which she later transforms into possibilities. She prioritized *tawakal* (dependence on Allah) over others, even during difficult times, which led to relocating her business to another place. Syakira illustrates how faith and support from family and friends are the most effective ways to achieve success with a touch of innovation and understanding of what the customer wants and desires.

THE INTERNAL AND EXTERNAL ENVIRONMENT OF HANNAH PETALS

Hannah Petals uses its own cash to ensure that it does not rely on other funding, which causes fluctuations. Currently, the company has a strong customer base mainly up of businesses and government organizations, and it has implemented a successful diversification plan that includes barista coffee cafe from its existing floral design. However, this business still faces significant constraints, such as inconsistent seasonal marketing tactics and a reliance on a single supplier in Pudu. However, there are challenges such as inadequate supplier relationships, the absence of immediate competition in Bangi, a lack of direct expertise in floral event management, and limited involvement in coffee events and pop-up activities.

However, the company faces external concerns such as its reliance on imported flowers, and currency fluctuations have a negative impact on their operations. Aside from that, there are seasonal florists on hand for special occasions, as well as gift baskets with long-lasting artificial flowers. Some of the realized opportunities include no direct rivalry in Bangi, allowing Hannah Petals to dominate the floral industry. To broaden its market reach, the organization can hold coffee events in offices and other pop-up locations, as well as event management with floral arrangements. However, these opportunities are accompanied by significant risks. Currently, the company obtains the majority of its flowers from other countries, therefore it must account for swings in foreign exchange values. In addition, seasonal florists are becoming increasingly competitive.

CONCLUSION

Hannah Petals has created a solid business foundation by investing her own money, creating a strong customer base among businesses and government organizations, and extending its offers with a barista coffee café in addition to floral design services. Despite its popularity, the company confronts obstacles such as uneven marketing, reliance on a single supplier, and a lack of experience with event management and coffee pop-ups. External challenges include the need for imported flowers, economic volatility, competition from seasonal florists, and the growing popularity of artificial flowers.

To move forward, Hannah Petals should enhance supplier connections to lessen dependency and look at local sources to mitigate currency risks. Improving marketing consistency, especially outside peak seasons, will help to sustain consistent client engagement. Furthermore, moving into floral event management and actively participating in coffee events and pop-up activities would allow the company to diversify further and tap into new revenue streams

Thus, pivoting and diversification are critical options Hannah Petals. This to ensures that the company can grow and maximize its profits to pay zakat, assuring long-term growth and sustainability. To avoid failing and continue, Hannah Petals must do market research and needs analysis to determine what customers and future customers require in order to remain relevant in the industry.

ACKNOWLEDGEMENTS

This research was funded by Ministry of Higher Education (MOHE) under the Fundamental Research Grant Scheme (FRGS/1/2021/SS01/USIM/03/1)

Resilience and Balance: A Journey Through Woman Entrepreneurship and Family Values

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Abstract

Khadeejah's entrepreneurial journey as the owner of the Café Western Cruise in Jitra, Kedah, is a testament to her adaptability, strategic vision, and commitment to her values. Originating from Langkawi, Kedah, she migrated to Jitra seeking opportunities, which led her to transition from running a laundry business to opening a café alongside maintaining a boutique. Her business acumen was evident early on as she expanded her initial laundry venture to include a boutique, eventually transitioning the space into a café due to its success. This strategic move was not without its challenges, including managing the slow transition during the pandemic and using micro finance funds to renovate and expand the café. Despite opportunities for further expansion, Khadeejah has been cautious, prioritizing her family, business, and Islamic values over business growth. She emphasizes the importance of maintaining personal boundaries and commitments, even if it means limiting her business's expansion. Khadeejah has fostered a family-oriented work environment, valuing loyalty and professionalism among her staff, and has managed to navigate the challenges of costs and pricing in the F&B industry, all the while serving her financial commitment. Her approach to business reflects a balance between ambition and personal values, aiming for sustainable growth without compromising Islamic values, her principles and family's welfare.

Keywords: Woman entrepreneurship, microfinance, values

INTRODUCTION

Khadeejah, a woman entrepreneur based in Jitra, Kedah, embarked on her business journey by running a laundry business. This venture was initially established through a connection with her husband's friend, providing her with a foothold in the entrepreneurial world. As she gained experience and insight into the demands of the local market, Khadeejah recognized an opportunity to diversify her business interests. She expanded into the retail sector by opening a boutique within the same premises as her laundry business. This strategic move allowed her to cater to a broader customer base and capitalize on the growing demand for retail services in her community. As her interests and aspirations continued to evolve, Khadeejah decided to transform the laundry space into a kitchen, thereby establishing "Café Western Cruise." This café has been operational for about six years and has garnered a positive reception from customers. The success of the café can be attributed to her innovative approach, which included developing her own menu alongside offering outsourced food options. This blend of unique culinary creations and diverse food offerings has contributed to the café's popularity and sustained customer interest. Khadeejah's entrepreneurial journey is a testament to her adaptability and vision, as she seamlessly transitioned from managing a laundry business to creating a thriving café and boutique, all within the same premise.

During her initial business venture, the expansion and renovation of the café involved significant personal investment from Khadeejah, encompassing extensive kitchen upgrades and various business enhancements. This substantial financial commitment led to the closure of the original boutique location, with the boutique operations subsequently moving to the upper floors of the café's building. These changes allowed her to integrate her business ventures more cohesively, optimizing the use of space and resources within the same premises. Khadeejah's strategic decision-making and willingness to invest in her business infrastructure have been key factors in the sustained success and growth of her

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café and boutique. Khadeejah's journey is a remarkable reflection of her adaptability and unwavering commitment to her entrepreneurial ventures. Balancing her roles as a wife, mother, and business owner, she has navigated the challenges of financial management and the demands of maintaining family time with resilience and determination. Her ability to pivot from one business model to another, coupled with her strategic investments, underscores her entrepreneurial acumen. Despite the inherent challenges, Khadeejah's story exemplifies how dedication, innovation, and a strong work ethic can lead to the successful transformation and expansion of business ventures.

Without a doubt, there should be a greater emphasis on increasing women's participation in the economic sphere. Enhancing women's participation in the economy in developing countries like Malaysia could reduce poverty, improve women's opportunities in more productive industries and jobs, and expedite global economic progress. Given its significance, matters pertaining to working mothers' involvement in the workforce have received substantial global attention. The correlation between increased women's participation in the economy and global economic expansion has been established, as it has the potential to eliminate poverty in developing nations and enhance women's opportunities in high-productivity industries and professions (ILO, 2018). Moreover, women's involvement in the workforce increases household income and ensures an adequate supply of labor in competitive industries in developing economies (Chowdhury, 2013). By integrating more women into the labor market, countries can harness a broader range of talents and skills, leading to more innovative and dynamic economic environments. This integration not only contributes to economic growth but also fosters greater gender equality, as women gain access to better employment opportunities and career advancements. Ultimately, prioritizing women's economic participation is essential for achieving sustainable development and creating more inclusive and prosperous societies.

The Silver Lining in The Covid-19 Crisis

Ten years ago, Khadeejah Ali took over a laundry business from her friend. Gradually, she expanded her entrepreneurial pursuits by opening a boutique at the front of the laundry shop. The boutique flourished, leveraging the power of social media to grow and reach a wider audience. However, the onset of the COVID-19 pandemic in early 2020 brought an unexpected shock to her business, causing a significant slowdown. In response to these challenging circumstances, Khadeejah ventured into the food and beverage industry by converting the laundry space into a café. These new endeavours, featuring her own curated menu, was well-received by the community. As her café gained popularity, Khadeejah cultivated strong relationships with her customers, who continued to support her even when the café moved to a larger premises. To facilitate this expansion, she secured RM50,000 in microfinancing from the Islamic bank, which she utilized for renovations and essential kitchen upgrades, such as a chiller. This financial boost enabled her to enhance the café's infrastructure and services, ensuring a more efficient operation. Khadeejah's resilience and adaptability in navigating these transitions underscore her commitment to her business and her ability to thrive despite unforeseen challenges.

During the COVID-19 pandemic, Khadeejah's business, Café Western Cruise, faced significant challenges, much like many others in the industry. Despite these hardships, her café was one of the few that managed to survive. Khadeejah attributes this resilience to the government's support, for which she is deeply thankful. Recognizing the widespread impact of the pandemic, particularly on employment and salaries, she ensured her staff were well taken care of, continuing to provide them with their full salaries during the Movement Control Order (MCO) period, which she describes as a blessing. Khadeejah's commitment to her employees during this critical time was a testament to her leadership and compassion. By maintaining full salaries, she not only supported her staff financially but also fostered a sense of security and loyalty within her team. This approach helped sustain the morale and productivity of her employees, enabling the café to navigate the uncertainties of the pandemic more effectively. Her gratitude towards the government's assistance highlights the importance of supportive policies in helping small businesses endure crises. Through her actions, Khadeejah exemplified the resilience and community spirit that are essential for overcoming such unprecedented challenges.

Khadeejah's strong partnership with her husband has been instrumental in managing the financial aspects of their business, including HR and accounting. This collaboration extends to planning for both personal and business growth. Together, they have strategically saved for significant life events such as Hajj or Umrah and have made calculated financial decisions, such as investing in property for security and using business revenue to fund personal milestones, including the purchase of company cars. This partnership demonstrates the critical role of teamwork and shared goals in achieving business success and personal fulfillment. This case study not only highlights the impact of external challenges like the pandemic on small businesses but also showcases Khadeejah's resilience and commitment to her staff's welfare. It underscores the importance of strategic financial planning within a family-run business framework. By ensuring the well-being of her employees during the pandemic and making prudent financial decisions, Khadeejah has created a stable and supportive business environment. Her ability to navigate adversity with the help of her husband and their joint financial acumen exemplifies the power of collaboration and forward-thinking in sustaining and growing a business.

The Struggle is Real

Khadeejah faces a complex dilemma involving the balance between her desire to expand her business and the need to maintain family time while adhering to Islamic values. As her business, Café Western Cruise, continues to grow, she is challenged with managing this expansion without compromising the quality time spent with her family. This balancing act is critical, as family cohesion and well-being are integral components of her life, deeply rooted in her Islamic principles. She must consider whether to limit her business expansion to ensure that her family remains a priority, despite the opportunities for growth and increased revenue. Additionally, Khadeejah navigates the tension between applying her entrepreneurial knowledge and staying true to her Islamic principles. This includes making business engaging in honest business practices, and maintaining a work-life balance that reflects her values. These decisions that align with ethical and religious guidelines, such as ensuring fair treatment of employees, challenge requires her to constantly evaluate her business strategies and operations through the lens of her faith, ensuring that her entrepreneurial pursuits do not conflict with her religious commitments. PuanKhadeejah's situation highlights the intricate balance required to succeed in business while upholding personal and religious values, and it underscores the importance of strategic planning and ethical decision-making in achieving a harmonious integration of professional and personal life.

“If you want something, you have to sacrifice something, I don’t want to sacrifice the time for my children. I do not want to abandon my duties, my solat. Before this, even when I am at home, sometimes I pray late, and my husband nags me! I don’t want to be careless anymore in performing my duties as a muslim, wife and mother”

- Khadeeja Ali

Woman Empowerment

Khadeejah's approach to financial management and staff retention is notably family-oriented and empathetic. She has a strong partnership with her husband, who plays a crucial role in managing the financial aspects of the business, including human resource and accounting management. This collaboration extends to planning for personal and business growth, evidenced by their savings for hajj or umrah, and the strategic financial decisions they've made, such as investing in property for security and leveraging business revenue to fund personal milestones, including the purchase of company cars. This case study not only highlights the impact of external challenges like the pandemic on small businesses but also showcases Khadeejah's resilience, her commitment to her staff's welfare, and the importance of strategic financial planning within a family-run business framework. Despite the difficulties posed by the pandemic, Khadeejah's family-centered approach ensured her employees were well taken care of, maintaining their full salaries during the Movement Control Order (MCO) period in Malaysia. Her ability to balance business growth with her family's needs, while adhering to Islamic values, underscores the critical role of thoughtful and ethical financial management in sustaining and expanding a business.

Staff Welfare

Khadeejah places a high priority on staff welfare within her business, creating a family-oriented environment that extends beyond mere professional relationships. She emphasizes the importance of proper documentation and compliance with legal requirements, such as KWSP and SOCSO, ensuring a professional and secure workplace. This meticulous attention to legal and administrative standards fosters loyalty and confidence among her staff, many of whom come from structured environments like the hotel industry, where adherence to standard practices is highly valued. By maintaining these standards, Khadeejah not only meets regulatory requirements but also builds a foundation of trust and reliability within her team. Moreover, Khadeejah extends her care for her employees' well-being by personally contributing to their personal needs, such as covering educational expenses for their children. This illustrates her deep commitment to their overall welfare, transcending traditional employer-employee dynamics. She also ensures her staff are covered by the necessary takaful, providing a safety net for unforeseen circumstances. This comprehensive approach to employee welfare demonstrates her recognition of the importance of personal security and support, which in turn enhances job satisfaction and loyalty. By addressing both professional and personal needs, Khadeejah creates a nurturing work environment that significantly boosts morale and productivity. This nurturing approach not only builds a strong team spirit but also encourages staff to envision and work towards their future goals, demonstrating a balance between professional growth and personal well-being. Khadeejah's holistic management style cultivates an atmosphere where employees feel valued and motivated, leading to higher retention rates and a more dedicated workforce. Her emphasis on staff welfare and compliance with legal standards sets a positive example within the industry, showing that ethical and empathetic leadership can drive both business success and employee fulfillment. Through her actions, Khadeejah exemplifies the powerful impact of a family-oriented and empathetic approach to business management, highlighting the integral role of compassion in fostering a thriving, loyal, and forward-looking team.

Customer First

Khadeejah's commitment to putting customers first is evident in her proactive approach to adapting her business model in response to changing market dynamics. Recognizing the importance of convenience and accessibility for her customers, she ventured into online delivery services, partnering with popular platforms like Grab and Food Panda. This strategic move not only expanded her customer base but also ensured that her café remained a preferred choice for many, even as the digital food delivery landscape became increasingly competitive. By embracing these platforms, Khadeejah is able to reach a broader audience, catering to the growing demand for online food delivery and maintaining her café's relevance in the market. Her café was notably the first in Jitra to be approached by Grab when they initiated their services in the area, a testament to the café's standing and reputation in the local community. This recognition from a major delivery platform highlights the strong brand presence and customer loyalty Khadeejah has cultivated over the years. The collaboration with Grab not only provided a new revenue stream but also reinforced the café's image as a forward-thinking and customer-centric business. In producing a product, ensuring high quality is essential for consumer satisfaction. When a company prioritizes product quality, customers are more likely to feel satisfied and continue using the product in the future. Additionally, good service is crucial as it enhances the overall customer experience, making them feel valued and well-served by the company or service provider. This combination of high-quality products and excellent service fosters customer loyalty and repeat business (Raja, Maharani, & Raja, 2023).

Khadeejah's ability to seize this opportunity demonstrates her keen understanding of market trends and her dedication to meeting customer needs. Khadeejah's innovative approach and customer-focused strategies have solidified her café's position as a beloved local establishment. By integrating online delivery services into her business model, she has shown adaptability and foresight, ensuring her café's continued success in an ever-evolving market. Her proactive measures to enhance customer convenience reflect a deep commitment to customer satisfaction and an acute awareness of industry shifts. Through these efforts, Khadeejah has not only sustained her business during challenging times

but also set a benchmark for other local businesses in Jitra, illustrating the positive impact of embracing change and prioritizing customer needs.

High Quality Product

Khadeejah's commitment to high-quality products in food and beverages is evident in her meticulous approach to the café's offerings. Initially starting with a mix of outsourced food and her own cooking, she quickly recognized the importance of creating a distinctive and personal touch for her café. This realization led her to develop her own unique menu, carefully crafted to reflect her culinary vision and expertise. The introduction of this personalized menu significantly boosted the café's popularity, attracting customers who appreciated the originality and quality of her dishes. Khadeejah's emphasis on quality and innovation set her café apart in a competitive market, making it a preferred choice for many. Her dedication to offering a blend of quality, variety, and a personal touch not only helped the café to stand out but also fostered a strong sense of community among her customers. The personalized attention and unique culinary creations turned many first-time visitors into regular patrons, creating a loyal customer base. This sense of community was further strengthened by Khadeejah's friendly interactions and genuine care for her customers, making the café a welcoming and cherished spot for locals. The strong customer loyalty she cultivated played a crucial role in the café's sustained growth and success, even during challenging times. Khadeejah's ability to blend high-quality products with a personal touch exemplifies her understanding of customer needs and market dynamics. By continually refining and enhancing her menu, she ensured that her café remained relevant and appealing to a diverse clientele. This strategic focus on quality and community engagement not only drove the café's success but also positioned it as a cornerstone of the local dining scene. Through her innovative and customer-centric approach, Khadeejah has built a thriving business that stands as a testament to her culinary skills and entrepreneurial spirit. In addition to service quality, product quality significantly impacts customer satisfaction. High-quality products have the potential to delight customers. Product quality refers to the capability of a commodity to deliver results that meet or surpass customer expectations (Junaedi et. al., 2022).

Asset Growth

Khadeejah's journey in asset growth reflects a candid narrative of perseverance amidst challenges. She acknowledges the struggles of significantly boosting her asset base but appreciates the incremental progress achieved through her business ventures. Microfinance has played a crucial role in this growth, enabling her to invest in the business and indirectly contributing to her assets, such as her house. This financial support has allowed her to make strategic investments that have gradually enhanced her asset portfolio. However, she remains grounded in her approach, understanding that asset growth is not always linear and is often accompanied by fluctuations in sales and revenue. Despite these challenges, Khadeejah's realistic perspective underscores her cautious optimism towards financial growth. She balances the excitement of potential asset expansion with the inherent uncertainties of running a business. This balanced outlook is essential in navigating the complexities of asset management, as it allows her to remain resilient in the face of setbacks while capitalizing on opportunities for growth. Her pragmatic approach to asset growth demonstrates her ability to adapt to changing market conditions and manage financial risks effectively. Khadeejah's story is one of perseverance and strategic planning, highlighting the importance of realistic expectations and cautious optimism in business growth. According to Salfiya & Haleem (2021), business performance is defined as the expansion of the enterprise in terms of sales, profit, and net asset growth, as well as an increase in the number of employees, customers, and the range of products or services, sustained over at least three years of business operations. Her journey serves as an inspiring example of how incremental progress, supported by financial tools like microfinance, can lead to meaningful asset development. By maintaining a balanced perspective, she continues to build her business and personal assets, contributing to her long-term financial stability and success. Her ability to navigate the ups and downs of asset growth with resilience and foresight is a testament to her entrepreneurial spirit and strategic acumen.

CONCLUSION

Khadeejah's decision to prioritize her family over expanding her business reflects her deep personal values and commitment to her role within the family. Despite receiving offers to grow her business geographically, she chooses to maintain her current scope due to her considerations as a wife and a mother, and her focus on her afterlife, aligning with her Islamic beliefs. This decision highlights her adherence to the principles of balance and moderation, which are central to her faith. By keeping her business manageable, she ensures that her professional responsibilities do not overshadow her familial obligations or her spiritual pursuits. She acknowledges the potential challenges and distractions that an expanding business could bring, particularly in terms of time and attention towards her children and her own mental well-being. Khadeejah understands that growth could lead to increased stress and reduced quality time with her family, which are sacrifices she is not willing to make. Her foresight in anticipating these issues illustrates a mature and thoughtful approach to business management, where the well-being of her family and herself takes precedence over commercial success. This perspective is crucial in maintaining a healthy work-life balance, which is often compromised in the pursuit of business expansion.

Khadeejah's stance illustrates a conscious balance between professional success and personal fulfillment, emphasizing the importance of setting boundaries to preserve family relationships and personal integrity. Her approach serves as a reminder that success is not solely measured by business growth and financial gain but also by the quality of personal life and the strength of family bonds. By setting clear priorities and making decisions that align with her values, Khadeejah exemplifies a holistic approach to success, where professional ambitions are harmonized with personal and spiritual well-being. This balance not only enhances her own life but also sets a positive example for her family and community. As a woman entrepreneur with strong Islamic values, Khadeejah exemplifies how deeply held principles and a commitment to family can guide business decisions. Her approach highlights the importance of balancing professional aspirations with personal and spiritual responsibilities, demonstrating that success is multifaceted. Through her actions, Khadeejah underscores the profound impact of ethical leadership and the prioritization of family and faith in achieving holistic fulfillment.

ACKNOWLEDGEMENTS

This case study paper is part and funded by a private research grant by Bank Kerjasama Rakyat Malaysia. The owner of the case study has been properly acknowledged and received the consent.

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Putting Oils to Avoid Friction: An Islamic Microfinance Aid for Cafepreneurs

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Abstract

This case study presents the entrepreneurial journey of Syafiq, the owner of Kupikir Cafe in Jitra, Kedah. At 34 years old, with a Diploma in Hotel and Catering Management and five years in the F&B industry, Syafiq leverages Islamic microfinance to establish and grow his business. This financial aid, compliant with Shariah principles, provided crucial support for renovations, quality improvements, and digital transformations, such as marketing through Instagram and partnering with Grab Food for deliveries. Despite these successes, Syafiq faces challenges like inconsistent income, rising material costs, and managing employee behaviour. His contemplation of reapplying for the microfinance facility is influenced by both the positive impacts and the ethical alignment with his Islamic faith, despite the appeal of lower rates from conventional microfinance options. Additionally, Syafiq plans an early exit strategy, seeking a balance between business and family life. As he navigates this “Moment of Inertia,” the pivotal question remains: **Does borrowing again matter?** This decision will shape the future of Kupikir Cafe and Syafiq’s personal aspirations, highlighting the complex interplay between entrepreneurship, ethics, and strategic planning.

Keywords: Islamic microfinance, Financial aid, Cafepreneur, Cafepreneurship, Strategic management.

LIFE IS A ROLLER COASTER: A REALITY OF CAFEPRENEURSHIP

Syafiq, the owner of Kupikir Cafe, embarked on his journey in the Food & Beverage (F&B) with a heart full of dreams and a head buzzing with ideas. As a passionate cafepreneur, he envisioned Kupikir Cafe as a cozy haven where people could savour the aroma of freshly brewed coffee and indulge in delightful conversations. The aesthetic decor, the ambient lighting, and the eclectic menu were all meticulously crafted to provide a unique experience for his customers.

However, Syafiq soon realized that cafepreneurship was like riding a roller coaster—full of exhilarating highs and daunting lows. The initial days were a whirlwind of excitement and hard work. He delighted in seeing his cafe bustling with patrons, each cup of coffee bringing him a step closer to his dream. But as time went on, the challenges began to surface, and the reality of running a cafe hit him hard.

One of the most significant struggles Syafiq faced was the relentless rise in material costs. Every week, the cost of ingredients seemed to be on a never-ending upward spiral, making it increasingly difficult to maintain a stable pricing strategy for his menu. Syafiq would spend hours recalculating his costs and adjusting his prices, but the ever-changing expenses made it feel like an impossible task.

“Costs always change every week,” Syafiq would lament, frustration evident in his voice. It was a constant battle to keep up with the financial demands of his business. Each week brought new surprises, but not the pleasant kind. It was like being strapped into a roller coaster, climbing to great heights only to plummet unexpectedly. The unpredictability kept him on edge, always bracing for the next twist or turn.

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The roller coaster ride of cafepreneurship didn't end there. Finding suitable workers became another uphill struggle. The cafe industry demanded a unique blend of skills—barista expertise, customer service excellence, and a passion for the craft. Syafiq often found himself hiring and training new staff, only to see them leave shortly after. The turnover was exhausting, and the constant search for reliable employees added another layer of stress to his already burdened shoulders.

As if the ride wasn't wild enough, the roller coaster continued to accelerate when it came to Syafiq's finances. Debt was a looming shadow over his business. The initial capital required to set up the cafe had come from loans, and the mounting profit rate was a constant reminder of his financial pressure. Paying off these debts became increasingly difficult, especially with the unpredictable costs and fluctuating revenue. There were times when he had to delay payments, a situation that weighed heavily on his conscience. The fear of sinking deeper into debt made him cautious, and he was determined to avoid taking on any more than absolutely necessary.

“.....if possible, I want only one debt. I don't like having multiple debts. It's stressful to think about.”

The stress of these challenges often overwhelmed Syafiq. The dream that once filled him with excitement now felt like a relentless series of obstacles. Yet, despite the hardships, Syafiq's passion for his cafe and determination to succeed kept him going. He learned to adapt and find creative ways to cut costs without compromising on quality.

Syafiq's journey as a cafepreneur was a testament to the highs and lows of entrepreneurship. It was a ride filled with moments of triumph and times of struggle. Through it all, Syafiq remained committed to his dream, navigating the unpredictable path with courage and tenacity. Kupikir Cafe continued to be a beloved spot in the community, symbolizing Syafiq's unwavering spirit and the roller coaster adventure of cafepreneurship.

THE RIDER: A CAFEPRENEUR

“In 2020. I started the business during COVID”, replied Syafiq, the owner of Kupikir Cafe, after being asked about his business's starting period. Syafiq, a 34-year-old cafepreneur, has spent the past five years carving out a niche for himself in the Food & Beverage (F&B) industry. With a Diploma in Hotel and Catering Management from Politeknik Tuanku Syed Sirajuddin in Perlis, he combines his academic knowledge with practical experience to run Kupikir Cafe, a quaint establishment located in the small town of Jitra, Kedah. Married and a father of two, Syafiq draws immense support from his family, with his spouse often stepping in to help manage the cafe's operations.

Syafiq's entrepreneurial journey is strongly supported by his wife, who works as an officer at the Inland Revenue Board of Malaysia. Her expertise in taxation has been invaluable to Syafiq, particularly in navigating the complex landscape of business taxes. She diligently assists him with the financial intricacies of Kupikir Cafe, ensuring that all tax matters are handled efficiently and accurately. This collaboration not only strengthens their business but also deepens their partnership as they work together towards the shared goal of growing and sustaining their cafe.

Syafiq's entrepreneurial venture, Kupikir Cafe, is nestled in the charming small town of Jitra, Kedah. The cafe is situated in an old shop-lot building, a structure steeped in history and local lore. This building, one of the oldest in the area, once served as a strategic post for Japanese soldiers during a tumultuous period in history. Its weathered facade and vintage architecture provide a nostalgic backdrop, drawing in customers intrigued by its rich past.

The unique location of Kupikir Cafe adds a distinctive character to the dining experience. Syafiq has cleverly integrated the historical essence of the building into the cafe's ambiance, creating a blend of the old and the new. The cafe's interior design subtly hints at its storied past, with preserved architectural elements and carefully chosen decor that honour the building's legacy. This historical

charm, combined with Syafiq's innovative menu and warm hospitality, has made Kupikir Cafe a beloved spot for both locals and visitors.

Kupikir Cafe, a name imbued with meaning and cultural nuance, derives from two words: “*kupi*” and “*pikir*.” “*Kupi*” is a local slang term for “*kopi*,” which translates to coffee in English. “*Pikir*,” on the other hand, is a slang version of “*fikir*,” meaning to think. This thoughtful combination signifies more than just a place to grab a cup of coffee. It reflects the cafe's deeper purpose: to be a haven for ideas, a nurturing ground for creativity, and a stimulating environment for thought.

The name Kupikir Cafe embodies the vision Syafiq had when he first conceptualized his business. He envisioned a space where the rich aroma of freshly brewed coffee could inspire conversations, spark innovation, and facilitate the flow of ideas. In a world that often rushes by, Kupikir Cafe invites its patrons to slow down, savour their coffee, and engage in meaningful reflection. It's a place where students, professionals, and dreamers alike can find solace and inspiration, nurturing their thoughts in a cozy, welcoming atmosphere.

Kupikir Cafe is far more than just a typical coffee shop; it is a culinary haven that serves an enticing fusion of local, Western, and Arabic cuisines. The diverse menu features a variety of delectable dishes, including the flavourful Grilled Mando Chicken, the rich and Creamy Mushroom Pasta, the zesty Spicy Chicken Alio Olio, the tantalizing Spicy Tomyam Pasta, and the hearty Panini Kapit Sandwich, among many other mouth-watering options. This eclectic mix of flavours ensures that there is something to delight every palate, making Kupikir Cafe a beloved destination for food enthusiasts.

Syafiq's determination and resilience are the driving forces behind his success at Kupikir Cafe. He is always on the lookout for innovative ways to keep his cafe competitive, dedicating significant effort to enhancing both the menu and the quality of customer service. This relentless pursuit of excellence has earned him a loyal customer base that appreciates the unique dining experience he offers. As a leader, Syafiq places great importance on valuing his employees and creating a positive work environment. Despite his best efforts, managing employee behaviour remains a persistent challenge, but his commitment to his team never wavers.

“Alhamdulillah, I have five employees; during the COVID-19 pandemic, none of my employees were laid off, and they still received full salaries.”

He continues, *“Salaries aren't burdensome. For me, salaries are important. For me, I always pay more than the minimum.”*

Syafiq's commitment to his staff's welfare has been unwavering, even during the challenging times brought about by the COVID-19 pandemic. Remarkably, he ensured that none of his employees were laid off during this period, demonstrating his dedication to their well-being. When Malaysia's authorities announced the implementation of the minimum wage, Syafiq not only complied immediately but went a step further, paying his staff more than the mandated amount. This gesture underscored his deep appreciation for his team and reinforced his belief in fair and supportive employment practices.

“.....Then, during COVID, there was a Bank Rakyat microfinance program with a zero-percent profit rate.” That's when Ms. Masyitah messaged me, *“Do you want it or not?”*. *“If you can give it, I'll take it.”* *“It is the first financing I found myself”,* he utters. *“Coincidentally, Ms. Masyitah is my customer and is also from Jitra.”*

Syafiq's entrepreneurial journey received a pivotal boost from the Islamic microfinance he secured, which provided the crucial capital injection needed to elevate Kupikir Cafe. This Shariah-compliant financial aid (an Islamic microfinance product of the Bank Kerjasama Rakyat Malaysia) was instrumental in the cafe's early success, helping it to flourish during its initial stages. However, as the business has grown, Syafiq now faces significant challenges with repayment due to inconsistent income

and the escalating costs of materials. These financial pressures have also made it difficult for him to maintain consistent savings, adding another layer of complexity to his entrepreneurial endeavours.

As a prior information, Islamic microfinance is a specialized financial service that provides financial assistance to individuals and small businesses typically excluded from conventional banking while adhering to Islamic law principles (Shariah). This type of microfinance integrates Islam's ethical and moral values with financial practices to ensure compliance with Islamic principles.

Central to Islamic microfinance is Shariah compliance, which prohibits interest (*riba*), uncertainty (*gharar*), and speculative behaviour (*maysir*). Instead, it employs profit and loss sharing, asset-backed financing, and other ethical investment practices. Profit and loss sharing models, such as *Mudarabah* (a partnership where one party provides capital and the other provides expertise) and *Musharakah* (a joint venture where all partners contribute capital and share profits and losses according to their investment), are commonly used.

Another key aspect is asset-backed financing, which is tied to tangible assets. Examples include *Murabaha* (cost-plus financing, where the lender buys an asset and sells it to the borrower at a profit margin agreed upon in advance) and *Ijarah* (leasing, where the lender buys and leases out an asset).

Islamic microfinance also emphasizes social responsibility, focusing on poverty alleviation, community development, and financial inclusion. It often includes charitable components like *Qard al-Hasan*, which are benevolent loans that are interest-free and aimed at helping those in need. Risk management is another critical element, with various risk-sharing mechanisms and transparency in operations to reduce the likelihood of default and ensure fair treatment for all parties involved.

Ethical investments are a hallmark of Islamic microfinance, avoiding industries or activities considered harmful or unethical, such as gambling, alcohol, and tobacco. Additionally, Islamic microfinance institutions often work closely with local communities, providing financial services and support in areas like education, vocational training, and entrepreneurship development. Islamic microfinance fosters economic development, social justice, and financial inclusion, ensuring that underserved and disadvantaged populations can access fair and ethical financial services.

Among the offerings by Bank Rakyat, the Micro Financing-i stands out, providing tailored financial assistance to micro-entrepreneurs like Syafiq. This product is part of a broader initiative that includes the Micro Enterprise Fund (MEF), which supports the growth and development of small businesses with affordable financing options. For rural entrepreneurs, the Rural Economic Financing-i Scheme (SPED) offers vital capital to help expand their ventures, fostering economic development in underserved areas.

Despite these challenges, Syafiq remains steadfast in his commitment to Kupikir Cafe and dreams of expanding the business to secure a brighter future for his children. He is an active participant in local community events and regularly networks with other small business owners, consistently adhering to ethical business practices rooted in Islamic principles. His dedication to social responsibility shines through in his frequent contributions to local charitable causes, reflecting his deep commitment to giving back to the community whenever possible.

SCREAM OR ENJOY THE RIDE: HOW A CAFEPRENEUR HANDLE CAFEPRENEURSHIP?

Syafiq is facing the unpredictable nature of entrepreneurship. Each day brought new challenges and triumphs, making his life a continuous adventure. The roller coaster of cafepreneurship was always in motion, testing his resolve at every turn. But he soon discovered that the path of a cafepreneur was akin to a wild roller coaster ride, filled with exhilarating highs and daunting lows. Each moment makes him want to scream and savour every twist and turn.

One of the steepest drops on this roller coaster came when Syafiq's closest business partner was diagnosed with stage four cancer. This news hit Syafiq like a sudden drop on the roller coaster, leaving him gasping for breath and questioning his ability to keep going. This devastating news shook Syafiq to his core. The partner who had shared his vision and helped build Kupikir Cafe from the ground up was now fighting for his life. Should he scream in despair at the injustice and pain, or should he find a way to enjoy the ride, cherishing the moments they had built together in the cafe?

As Syafiq grappled with this heart-wrenching situation, the roller coaster continued its relentless pace. The onset of the COVID-19 pandemic presented another series of intense twists and turns. The pandemic brought both threats and opportunities, creating a complex dilemma for Syafiq. On one hand, the lockdowns and social distancing measures severely impacted his business, reducing foot traffic and slashing revenues. On the other hand, the surge in demand for takeout and delivery services offered a glimmer of hope.

“TikTok boost sales and attract people. However, too many customers will make it hard to maintain food quality.”

“We use GrabFood. But GrabFood has markup the food price about 30%.”

Should Syafiq shout in frustration at the challenges, or should he adapt and enjoy the ride, finding innovative ways to keep his cafe afloat and even thrive in the new norms?

The roller coaster's speed only seemed to increase as Syafiq faced yet another critical decision about Islamic microfinance. Should he borrow money to expand his cafe or hold back to avoid increasing his debts? Borrowing would provide the much-needed capital for growth, but it also meant higher financial risk. Not borrowing would keep his debt manageable, but it could stifle his ambitions and limit the cafe's potential. This dilemma felt like the roller coaster's steepest climb, leaving Syafiq on edge, unsure whether to scream in anxiety or embrace the thrill of making a bold decision.

Through each twist and turn, Syafiq found himself torn between screaming and enjoying the ride. His partner's illness, the impact of COVID-19, and the Islamic microfinancing dilemma were all part of the tumultuous journey of cafepreneurship. Yet, despite the challenges, Syafiq's passion for Kupikir Cafe and his commitment to his dream kept him going. He bears all the problems and tries to find small victories while facing the challenges with resilience. He embraced the ups and downs with a determined heart, realizing that the roller coaster of cafepreneurship was not just about the highs and lows but about the journey itself.

Still! Syafiq proceeded with the ride.

RUSH THE ADRENALINE: HOW FAR ISLAMIC MICROFINANCE IMPACTS

Syafiq's business journey can be likened to a roller coaster, with him as the eager rider. Currently, he is in the exhilarating phase of “rush the adrenaline.” This phase perfectly captures his mixed emotions as he navigates the highs and lows of running Kupikir Cafe. On the one hand, Syafiq is thrilled by the positive impact that Islamic microfinance has had on his business. The capital injection he received from Bank Rakyat has enabled him to expand his offerings, improve his cafe, and attract a loyal customer base. This success fuels his excitement and drives his passion for entrepreneurship.

The positive impacts of the Islamic microfinance products on Syafiq's business are manifold, reflecting a comprehensive transformation that goes beyond mere financial support. One of the most significant outcomes is his ability to afford the rent for his premises, Kupikir Cafe. Located in the historic town of Jitra, Kedah, in a shop-lot building once utilized by Japanese soldiers during wartime, the cafe's location adds a unique charm that attracts customers. With the Islamic microfinance facility, Syafiq secured this prime location, turning a piece of history into a bustling hub of culinary delight.

Moreover, the financial aid enabled extensive renovations, enhancing the ambiance and functionality of the cafe. These improvements not only made the space more inviting but also allowed Syafiq to expand his offerings. The upgraded premises now accommodate a diverse menu that blends local, Western, and Arabic cuisines, featuring dishes like Grilled Mando Chicken, Creamy Mushroom Pasta, Spicy Chicken Aglio Olio, Spicy Tomyam Pasta, and Panini Kapit Sandwich. This variety has attracted a wide customer base, driving increased foot traffic and boosting revenues.

“There’s a noticeable change. When we upgrade everything we do, we can hire better-quality staff. I can focus on management only, and I have more time for my wife and children. Going to the clinic is manageable. I’ve taken medical cards for the whole family; everyone has the medical protection.”

Another profound improvement in Syafiq’s quality of life has been the increased time he now spends with his family. The smoother operation of Kupikir Cafe, facilitated by the Islamic microfinance facility, has allowed him to step back from the day-to-day stress of micromanaging and focus more on strategic growth and personal well-being. With a loyal and motivated team handling the daily operations efficiently, Syafiq finds himself with more free time to devote to his wife and two children. This balance between work and family life has brought a renewed sense of fulfillment and happiness, strengthening the bonds within his household.

In addition to spending more quality time with his family, Syafiq has been able to secure a medical card for them, ensuring comprehensive healthcare coverage. This step marks a significant milestone in providing long-term security and peace of mind for his loved ones. The ability to afford such a crucial benefit directly results from the financial stability and improved income facilitated by Islamic microfinance support. The medical card not only covers routine check-ups and emergency medical expenses but also safeguards against unforeseen health issues, adding an extra layer of protection for his family’s well-being.

During the COVID-19 pandemic, the benefits of the Islamic microfinance facility became even more apparent for Syafiq. While many businesses faced severe financial strain and were forced to lay off employees, Syafiq’s prudent management and support from the microfinance facility enabled him to retain his entire staff. This decision was not just a financial maneuver but a testament to his unwavering commitment to his employees’ welfare. He recognized that his team was the backbone of Kupikir Cafe, and their stability was crucial for the business to weather the storm.

By ensuring job security, Syafiq fostered a sense of loyalty and motivation among his workforce. His employees, aware of the challenges faced by their peers in other businesses, felt a deep sense of gratitude and responsibility. This loyalty translated into enhanced productivity and morale, which were crucial in maintaining high service standards during such uncertain times. Customers, too, noticed the consistency in service and quality, which reinforced their trust in the cafe.

Moreover, this stability allowed Syafiq to implement new safety protocols and adapt to the changing business environment without the added pressure of staff turnover. His employees, familiar with the café’s operations and values, were quick to adapt to new roles and responsibilities, such as managing takeout orders and handling increased online interactions through platforms like Instagram and Grab Food. This adaptability was instrumental in sustaining the business and even exploring new avenues for growth during the pandemic.

“We use Instagram and Facebook for marketing purposes. Instagram is used the most.”

“....We use GrabFood for food delivery purposes.”

Another noteworthy impact on Syafiq’s business has been the digital transformation he has embraced. Recognizing the potential of online platforms, Syafiq has leveraged Instagram for marketing and Grab Food for delivery services. This strategic move has allowed him to adapt to the digital age, reaching a

broader audience and significantly increasing sales. By creating visually appealing content on Instagram, he has been able to showcase Kupikir Cafe's unique dishes and attract food enthusiasts from near and far. The vibrant images and engaging posts have not only driven more foot traffic to the cafe but also built a strong online presence that resonates with customers.

The integration of Grab Food has further revolutionized his business model. With the convenience of food delivery, Kupikir Cafe can now serve customers who prefer dining at home, thereby expanding its reach beyond the confines of its physical location. This shift to digital entrepreneurship has not only enhanced the cafe's resilience during challenging times but also positioned it as a modern, customer-centric establishment. The ability to adapt and innovate in the digital space has set Kupikir Cafe apart from competitors, ensuring it remains relevant and accessible in an increasingly digital world. Moreover, the digital transformation has streamlined many operational aspects of the business. Online orders through Grab Food are managed efficiently, reducing wait times and improving overall customer satisfaction. This efficiency has freed up more time for Syafiq to focus on strategic growth and customer engagement, fostering a more dynamic and responsive business environment.

"There are some delays occasionally. But overall, I can manage the payments."

However, the thrill of the ride is tempered by the challenges that come with it. The same Islamic microfinance that helped him achieve his dreams also brings its own set of difficulties. The pressures of repayment, especially in the face of inconsistent income and rising material costs, create a sense of turmoil. Syafiq finds himself grappling with the financial strain and the need to maintain consistent savings, adding layers of complexity to his business operations.

Another significant drawback is the inconsistency in savings due to fluctuating operational costs. The financial pressure of managing a cafe, with its variable expenses for ingredients, utilities, and other overheads, means that Syafiq often finds it difficult to maintain consistent savings. This financial instability can be stressful, as it impacts not only the business's cash flow but also his ability to plan for future investments or unexpected expenses. The volatility in operational costs is a constant balancing act, requiring careful budgeting and financial management to ensure the cafe remains profitable.

".....But it's a bit difficult with the new generation. They ask for a job, then after working for two days, they disappear. I don't understand. I provide a monthly salary and daily allowance, but they still can't commit, I really don't know."

Additionally, finding committed and enthusiastic staff, particularly among the younger generation, poses another challenge. While Syafiq values his team and strives to create a positive work environment, attracting and retaining dedicated employees can be difficult. The food and beverage industry is notorious for its high turnover rates, and young workers often seek jobs that offer more immediate gratification or opportunities for advancement. Syafiq's commitment to his employees during tough times, such as retaining them during the COVID-19 pandemic and paying above the minimum wage, demonstrates his dedication. However, he continually faces the challenge of motivating his staff and instilling a sense of loyalty and passion for their work.

These challenges highlight the complexities of running a business, even with the support of financial aid. The inconsistency in savings due to fluctuating costs underscores the importance of financial resilience and adaptability. Meanwhile, the difficulty in finding and keeping motivated staff emphasizes the need for strong leadership and innovative human resource strategies.

Despite these challenges, Syafiq's resolve remains unshaken. His journey is a blend of exhilaration and uncertainty as he balances the joy of seeing his business thrive with the reality of navigating financial obstacles. This phase is a testament to his resilience and determination, reflecting both the excitement of his achievements and the turmoil of the hurdles he faces. As he continues to ride this roller coaster, Syafiq remains committed to steering his business toward a brighter future, embracing the highs and learning from the lows.

MOMENT OF INERTIA: DOES BORROWING AGAIN MATTER?

Now, Syafiq finds himself in a phase he calls the “Moment of Inertia.” This phase represents a period of significant uncertainty and internal conflict as he grapples with the decision of whether to reapply for the Islamic microfinance facility. The term “inertia” perfectly captures his current state—he feels stuck, unable to move forward or backward, weighed down by the pros and cons of his past experiences with the financing.

On the one hand, Syafiq recalls the immense benefits the microfinance facility brought to his business. It provided the essential capital that allowed him to rent a prime location, renovate Kupikir Cafe, and significantly improve his quality of life. He was able to expand the cafe, retain all his employees during the COVID-19 pandemic, and embrace digital platforms like Instagram and Grab Food, which increased his sales and modernized his business operations. These positive impacts are a testament to the Islamic microfinance facility’s potential for further growth and stability.

“Yes, but I chose the Islamic option. Conventional might have lower rates, but paying back is tough if you breach the agreement. Islamic banking has a proper way.”

“Yes, we’re Muslim. We want blessings in our business”, he continues.

Another compelling factor influencing Syafiq’s consideration of reapplying for the microfinance facility is his strong preference for Bank Rakyat’s Islamic microfinance. While conventional microfinance options might offer lower interest rates, Syafiq has learned from experience that the repayment terms can be exceptionally stringent, with severe penalties for any breach of contract. This realization underscores the importance of choosing a financial product that aligns with his values and offers flexibility in times of need.

Syafiq’s decision is deeply rooted in his faith and ethical considerations. As a devout Muslim, he believes that opting for Islamic microfinance is not just a financial choice but a spiritual obligation and a source of divine blessing. The principles of Shariah-compliant financing resonate with his commitment to conducting business ethically and sustainably. This approach ensures that all financial transactions are free from interest (*riba*), promoting fairness and social justice.

Bank Rakyat’s Islamic microfinance facility has proven to be more than just a financial instrument for Syafiq; it has been a partner in his entrepreneurial journey. The facility’s terms are designed to support business owners, especially during challenging times, without the harsh penalties associated with conventional loans. This Shariah-compliant financing option provides Syafiq with peace of mind, knowing that he is adhering to his religious beliefs while also benefiting from a system that supports ethical business practices. This alignment with Islamic principles not only strengthens Syafiq’s resolve to pursue this financial path but also reinforces his sense of purpose and direction. His choice’s moral and spiritual dimensions bring an added layer of commitment and motivation to succeed.

However, the cons of the facility weigh heavily on his mind. The inconsistent savings due to fluctuating operational costs and the ongoing struggle to find committed and enthusiastic staff have been sources of significant stress. These challenges have, at times, demotivated him and made him question the sustainability of his business. The financial pressure of repayments and the uncertainty of income stability add to his hesitation. Syafiq feels torn between the hope of further growth and the fear of deepening financial strain.

Caught in this dilemma, Syafiq needs an external force to help direct his movement and make a decisive choice, much like inertia in physics, where an external force is required to change the state of motion. He seeks guidance and support, perhaps from financial advisors, mentors, or successful entrepreneurs who have faced similar crossroads. This external input could provide the clarity and confidence he needs to either commit to reapplying for the facility or to explore alternative avenues for sustaining and growing his business.

“No. My way of exiting is just to own shares. Earning a little profit every month is okay for me. But my plan to exit also depends on whether my business really grows big. If it earns a million a month, I’ll be a bit more comfortable having someone else manage the business. If we have three or four branches by then, it’s confirmed that sales will reach a million. So, owning 1% or 2% of shares in millions is quite a lot for us. How much do we need to live? We aren’t the type to use LV bags or anything...we aren’t headed in that direction. Like people say, if you have RM30 a day, that’s okay...low maintenance. Just enough for us without debts. Everyone has their own way.”

Syafiq also faces a significant pull-out factor in his business journey: his intention for an early exit plan. Unlike many entrepreneurs who envision passing their businesses down to their children, Syafiq harbours no such intention. Instead, he seeks to secure a portion of his share in the thriving Kupikir Cafe while it continues to operate under capable management. This decision stems from a desire to return to a simpler, more balanced life where he can devote more time to his family and personal interests without the constant demands of running a business.

Syafiq’s early exit plan reflects his evolving priorities. After years of hard work and dedication to building Kupikir Cafe, he now dreams of stepping back from the daily grind, enjoying the fruits of his labour, and savouring a more relaxed lifestyle. This plan is not about abandoning the cafe but rather about transitioning to a role that allows him to benefit from the business’s success without being entrenched in its operations. By retaining a share, he ensures a steady income stream while entrusting the day-to-day management to capable hands.

As Syafiq stands at the crossroads of his entrepreneurial journey, he reflects on the myriad experiences that have shaped his path. From the pivotal support of Islamic microfinance that launched Kupikir Cafe to the relentless challenges of fluctuating costs and staffing dilemmas, each step has brought both triumphs and trials. His embrace of digital transformation and commitment to ethical business practices has set his cafe apart, while his early exit plan underscores a desire for a balanced life.

Syafiq’s moment of inertia is marked by deep contemplation. The thought of borrowing again brings both hope and hesitation. On one hand, the financial boost could drive further growth, stabilize operations, and enable new innovations. On the other hand, the burdens of repayment, inconsistent savings, and the pressure of maintaining high service standards weigh heavily on his mind. His ultimate goal is to secure a steady income from the cafe while enjoying a simpler, more fulfilling life with his family.

As he ponders the future, the crucial question arises: **Does borrowing again matter?** This question encapsulates the essence of strategic decision-making in entrepreneurship. Syafiq’s choice will determine not only Kupikir Cafe’s trajectory but also the quality of his personal life. It invites reflection on the balance between risk and reward, the pursuit of growth versus the desire for stability, and the enduring impact of financial decisions on both business and personal well-being. In seeking the answer, Syafiq’s journey continues, guided by resilience, foresight, and the unwavering support of his community.

The pros and cons weigh heavily on Syafiq’s mind. The microfinance facility previously allowed him to renovate Kupikir Cafe, improve the quality of life for himself and his employees, and implement a digital platform that increased his reach and revenue. However, the fluctuations in operational costs and the difficulty in finding committed staff have also been sources of stress and financial instability. The challenges of maintaining consistent savings and the pressure of repayments add layers of complexity to his decision-making process.

Syafiq’s early exit plan, motivated by a desire to spend more time with his family and lead a simpler life, further complicates his decision. He envisions a future where he enjoys the benefits of his hard work without being constantly entangled in the demands of the business. The thought of stepping back,

securing a steady income from his share in the cafe, and witnessing his children grow up without the relentless pressures of entrepreneurship is undeniably appealing.

However, the allure of growth and the potential for further success continue to pull him towards considering another loan. The possibility of expanding Kupikir Cafe, enhancing customer experiences, and further establishing his brand in the digital space are compelling reasons to reapply for financing. The balance between these conflicting desires – the drive for expansion and the yearning for stability – creates a profound dilemma.

At this critical juncture, Syafiq understands that his decision will not only shape the future of Kupikir Cafe but also his personal life and well-being. The external support he seeks from mentors, financial advisors, and his community will be crucial in guiding him through this phase. Their insights and perspectives can provide the clarity and confidence he needs to make an informed choice.

Ultimately, Syafiq's journey underscores the multifaceted nature of entrepreneurship, where financial decisions are deeply intertwined with personal aspirations and values. As he stands at this crossroads, the question of whether borrowing again matters becomes a reflection of his broader goals and the legacy he wishes to create. The answer lies in finding a path that harmonizes his professional ambitions with his personal fulfillment, ensuring that Kupikir Cafe continues to thrive while he achieves the balance he seeks in life.

Once again, **does borrowing again matter?** This question, laden with layers of personal and professional significance, ultimately guides Syafiq's contemplation as he charts the future course of his business and life

ACKNOWLEDGEMENTS

This case study paper is part and funded by a private research grant by Bank Kerjasama Rakyat Malaysia. The owner of the case study has been properly acknowledged and received the consent.

SUGGESTION FOR FURTHER READING

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Sambal Kak Cah: The Story of a Woman with an Iron Heart

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SYNOPSIS OF THE CASE

This case study relates to an entrepreneurship journey of a woman micro-entrepreneur who is funded by Bank Rakyat Malaysia Berhad microfinancing facility. Cabedah is an aspiring micro-entrepreneur who consistently aims to improve the living standard of her family by producing home-made Sambal Kak Cah which she started about a year ago. Prior to this, she was in the bakery business, funded by TEKUN and Hijrah microfinance. However, she faced various challenges in sustaining the bakery business including losing her bakery assets in the midst of lockdown period COVID-19. Like a phoenix rising from the ashes, Cabedah managed to gain a monthly income of RM700 to RM800 from the Sambal business; however, she is struggling to service the accumulating debt amounting to RM1,800 and maintaining her seven (7) children. As her husband is not helping, she is striving to increase her income to support her family and to pay off the debts. Microfinancing from Bank Rakyat has given her the much-needed financial support to expand her Sambal business.

Micro in Financing, Macro for Mother Entrepreneurs

In the bustling world of family life and entrepreneurship, some women excel at both—they are known as mompreneurs. A mompreneur is "a woman who combines running a business enterprise with looking after her children" (Collins English Dictionary). Imagine a mother running a home-based business while nurturing her children. The journey of a mompreneur is filled with unique challenges, balancing childcare and business management. Yusoff (2021) notes that these expanded responsibilities make their path particularly demanding. In 2018, housekeeping was why 60% of Malaysian women, equivalent to 2.6 million, remained unemployed (Khazanah Research Institute). Yet, many Muslim mothers in Malaysia choose to support their families financially by staying home with their children, stepping into the role of mompreneurs. Flexibility is the main key for women to choose for entrepreneurship journey, allowing them to manage work alongside familial duties. This entrepreneurial journey not only provides a stable income but also empowers women, enabling them to make independent choices regarding their careers and personal lives (Mohamad, Musa, Yusuff & Azam, 2022).

Mother entrepreneurs are at the heart of the entrepreneurial landscape, especially in Malaysia, where they juggle the dual responsibilities of running a business and managing a household. Despite Malaysia ranking 46th out of 77 countries in the 2015 Female Entrepreneurship Index with a score of 39.2, as reported by Terjesen and Lloyd (2015), the country's women-led businesses have seen remarkable growth. The 2016 Economic Census by the Department of Statistics Malaysia (DOSM) showed that women-owned establishments increased significantly from 127,533 in 2010 to 187,265 in 2016, accounting for 20.3% of all businesses and contributing RM 39.6 billion in added value (DOSM, 2017).

These statistics underscore the pivotal role women play in Malaysia's entrepreneurial landscape. Islamic microfinance is a crucial tool in this context, providing financial support that aligns with the values of these women, particularly those from the B40 community. This form of financing not only helps them start and grow their businesses but also offers them a path to dignity, self-reliance, and economic empowerment.

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Take the story of Cabedah who is living in a cramped People Housing Project (PPR) flat with her seven children and an unhelpful husband, Cabedah's life has been a series of struggles, compounded by her limited education. Yet, she has always found ways to support her family. Her entrepreneurial journey began before marriage, selling chocolate lollipops with the help of her children. She later sold rice near a factory, a venture that ended when the factory closed. Undeterred, Cabedah turned to baking, funded by TEKUN and Hijrah microfinance. Sadly, her bakery business failed after her equipment was stolen, leaving her with debts she still had to repay.

Cabedah's story is a testament to the resilience and determination of mother entrepreneurs in Malaysia. Despite the challenges, she, like many others, continues to strive for a better life for herself and her family, with Islamic microfinance from Bank Rakyat as a crucial support system in her journey. This research case paper explores how Islamic microfinance, mother entrepreneurs, and the B40 community are interconnected, each playing a vital role in driving economic empowerment and social upliftment in the form of storytelling, extracted from a short interview conducted in the mid-year of 2024.

The Beginning of Sambal Kak Cah

"Mama, are we having sambal again tonight?"

Rising from her makeshift kitchen in her little apartment at PPR Section 8, Kota Damansara, Cabedah looked skyward. Her youngest child, a four-year-old with big eyes, pulled at her clothes.

She forced a grin and answered, "Yes, sweetheart." "Sambal Cah, just like every night." Not from the weight of the pot, but also from the tension that had been building for months, her hands quivered a little. Her high blood pressure didn't help either, and her asthma had been acting up.

The toddler smiled, "But I like it, Mama." "It's the best sambal in the world!"

Despite her weariness, Cabedah's response, "Thank you, sayang," was somewhat heartwarming. "Now, go and play with your siblings while I finish up here."

Cabedah returned to her task as the child began to scurry off. The perfume of spices and chiles ingredients for her famous "Sambal Cah" filled the kitchen. After the pandemic destroyed her former bakery venture, she launched this one. But it was a daily fight. Ingredient costs had risen, and she felt as though there would be no way to promote her product.

Her 26-year-old eldest daughter interrupted her, saying, "Mak, the electric bill came in." Her worried expression was evident when she raised a piece of paper.

"How much this time?" Cabedah inquired, already sensing that the cost would exceed their means. "RM250, and they're threatening to cut off the supply if we don't pay by the end of the month."

Cabedah sighed profoundly. "We'll manage to make it happen. We usually do."

"But, Mak, how?" The sambal sales aren't enough, and Abah isn't helping." Her daughter's voice trailed off.

"I know," Cabedah replied quietly. "But we cannot give up. We will work something out. Maybe I can sell more on WhatsApp or learn how to utilize TikTok."

Her daughter nodded, but the uncertainty in her eyes persisted. Cabedah watched as she exited the room, her heart aching. Cabedah, the eldest of six siblings, learned early on the value of tenacity. She had dropped out of school to support her family, and the cost still weighed heavily on her. Now, with seven children of her own, the cycle appeared unbreakable.

"Mak, are you okay?" Her second son, aged 20, entered the kitchen with anxiety in his voice.

Despite the pressure in her chest telling a different story, she claimed to be alright. "I'm simply exhausted. Nevertheless, we'll overcome this. We always accomplish this."

He said, "Perhaps we ought to ask Zakat for more assistance."

"No," Cabedah firmly dismissed the idea. "Enough has been given to us." We must stand on our own foot. Our dignity is more important than money."

Though didn't totally agree, her son nodded. With renewed determination, Cabedah returned to her pot and continued to stir the sambal. Giving up was not an option, even though the journey was difficult and the path ahead will be full with obstacles. She would persevere and fight on for herself, for her family, and for her children.

"One step at a time," she said to herself in a quiet voice. "One step at a time."

Debt, Debt, Debt (Financial Support)

With the invoices arranged like a battlefield in front of her, Cabedah sat at the kitchen table. Sara, her oldest daughter, hung close by, a frown forming on her face.

With concern in her voice, Sara stated, "Mak, the electricity bill is due tomorrow and we don't have enough to cover it."

Cabedah massaged her temples, sensing that her obligations were crushing down more intensely than before. "Sara, I am aware. Somehow, we'll have to get by. By day's end, perhaps I can sell a couple more sambal jars."

"Mak, but the cost of ingredients has increased so much," Sara objected. "It's getting harder to make a profit."

With a steely, determined voice, Cabedah answered, "We don't have a choice." "We have to keep going."

Ahmad, her son, entered the room abruptly and appeared upset. "Mak, we have to pay the motorcycle payment; if we don't, they'll take it back." Without it, how am I meant to function?"

A flood of frustration washed over Cabedah. "Ahmad, I am aware. It's difficult, but I'm doing my best to stay on top of everything."

With a sigh, Ahmad combed through his hair. "Maybe we should ask Abah to help for once."

Cabedah grew stern-faced. "Your father has problems and debts of his own. He is unreliable for us."

As the realization of their predicament sunk in, the room became quiet. Cabedah turned to face her kids, each of them bearing the weight of their family's hardships.

"I've been contemplating," Sara said. Maybe if we all contributed a little more. Ahmad can assist more with the sambal production, and I can work a part-time job after classes."

A wave of pride and melancholy passed through Cabedah. "I don't want you to sacrifice your education and youth for this, but I appreciate your willingness to help."

Sara firmly responded, "We're a family, Mak." "We'll get through this together."

As she gathered her children in a hug, Cabedah whispered, "Together, we will overcome this. We have to."

Suddenly, there was a knock at the door. Cabedah opened it and saw Kak Elly, the president of Peniaga Kecil Malaysia, standing there with a compassionate grin.

"I heard about your struggles, Cabedah," Kak Elly replied. "Bank Rakyat is offering a microfinancing opportunity that could help you."

Cabedah's eyes filled up with tears. Thank you, Kak Elly. But, will the bank accept me? I don't make much money from selling Sambal, and I'm worried I won't be able to return a hefty financing"

"You don't have to worry. Microfinance provides small financing starting at RM5,000. The method is simpler than traditional bank financing. "Let's go to the bank on Monday and figure it out together," Kak Elly suggested.

That Monday, Cabedah stood outside Bank Rakyat, her heart pounding with a mix of fear and hope. She stepped inside, helped by Kak Elly. The bank officer listened carefully and was supportive. The application process was simpler than she thought, and soon, Cabedah application was approved. As she walked out of the bank, she felt a sense of relaxation and joy.

Cabedah's Sambal business was revitalised because to the small microfinance loans, which enabled her to purchase better materials and improve productivity. Weeks progressed into months, and Cabedah's business expanded. "Alhamdulillah," was the only thing she said consistently when she saw the results of her laborious work.

However, Cabedah's story is not an isolated one. Mohd Yusoff and Kassim (2020) highlight the obstacles that mompreneurs confront, such as poor financial literacy, and investigate the role of Islamic social finance in addressing these issues. According to the Economy Management and Prospects Report in 2019, published by the Ministry of Finance Malaysia, 43.1% of Malaysian households were classified as fairly poor, earning less than 60% of the average income. The income gap between the upper 20% of households and the remaining 80% had doubled from 1995 to 2016 (Ministry of Finance, 2024). Structured policies were put in place to assist the B40/low-income group, but the struggle to stay afloat, like Cabedah's, is a daily reality for many.

Cabedah's journey mirrors the broader economic challenges faced by the lower-income households in Malaysia. Her determination to grow her business despite mounting debts and limited resources is a testament to the resilience needed to survive in a landscape where the income gap continues to widen. Debt, debt, debt—this was the constant refrain in Cabedah's life as she navigated the complexities of financial support. Like many others in the B40 group, her reliance on microfinancing provided a lifeline, yet it also introduced a new set of challenges that she had to overcome with unwavering faith and determination.

Woman on Fire (A Beggar in The House: A Lonely Struggle)

In Malaysia, the rise of mompreneurs is a trend where women balance family responsibilities with economic contributions. However, when a husband neglects his economic duties, these women face unique challenges that can strain both their businesses and family life. Research shows that Malaysian mompreneurs often experience stress and financial strain due to the dual responsibility of running a business and maintaining the household (Basit et al., 2020). This dual responsibility can lead to decreased business performance and increased financial vulnerability.

The neglect of economic duties by husband's forces mompreneurs to navigate additional challenges, including limited access to capital, time constraints, and a lack of support systems. Additionally, having an employed husband is particularly important, as it offers a sense of relief to mompreneurs by securing the family's financial situation in case of business failure. Husbands with a stable income significantly reduce these women entrepreneurs' perception of financial risk failure (Vadnjaj, J & Vadnjaj, M, 2013). Cultural expectations that women should prioritize family over business exacerbate these challenges, leaving mompreneurs with insufficient time and resources to grow their businesses, leading to slower business growth and limited economic success.

Financial strain caused by husband neglect can lead to changes in family dynamics, with mompreneurs taking on more authoritative roles within the household. This shift can create tension between spouses and affect marital satisfaction. Additionally, children may experience negative effects, such as reduced parental attention and lower educational opportunities due to financial constraints. The following parts portrays the struggle of Cabedah in dealing with her unsupportive husbands.

Cabedah was preparing another batch of Sambal Cah when the soft glow of the kitchen light created lengthy shadows. Farid, her husband, staggered in, bringing with him the stench of cigarette smoke. Cautiously, "You're home late again," Cabedah remarked, her head still buried in her work. "Had things to do," Farid murmured as he slumped into a chair. "Remaining sambal? The workshop guys adore it."

Cabedah's knuckles whitened as her hands froze around the spoon. "Farid, I have to sell that sambal. We are unable to provide it at no cost."

Dismissively, "They're just my friends, Cabedah," he murmured. "What's a few jars here and there?" When Cabedah finally met his gaze, he snapped, "A few jars mean the difference between paying the electricity bill or having it cut off." "I work day and night to keep this family afloat, and you give away what little we have."

Anger gleamed in Farid's eyes as his face darkened. "I also contribute in my own way. I repair automobiles, am I right?"

"You wait for customers while sitting under a tree," Cabedah shot back, her voice quivering with annoyance. "You don't actively seek out work, and you spend what little you earn on gambling and drinks."

"Be careful with your mouth," Farid scowled and suddenly sprang to his feet. "I'm still the man of this house."

Cabedah spoke with a broken voice, "A man of this house would support his family, not burden them with more debts." Farid, we are a family of seven kids. They are dependent on us."

Reluctant to acknowledge the veracity of her statement, Farid pivoted away. "You always were too stubborn for your own good."

Tears streaking her eyes, Cabedah murmured, "And you were never stubborn enough." "Farid, I can't do this by myself. You must assist me."

He answered sourly, "You don't need me." "You've made that clear."

With apparent desperation in her voice, Cabedah begged, "I need you to be a husband to me and a father to our children." "Pride isn't at play here. It's all about survival."

For a few periods, Farid remained mute, her words weighing heavy on the air. However, he shrugged, letting the chance for a meaningful exchange pass. "I'm leaving. Avoid waiting till after midnight."

Cabedah collapsed to the ground as the door closed behind him, her loneliness overpowering her. In their home, her spouse was a pauper who took more than he gave, leaving her to fend for themselves.

There, with tears running down her cheeks, her kids discovered her. With his hand on her shoulder, Ahmad knelt next to her. "Mak, we're here for you."

She responded, "I know, Ahmad," as she wiped away her tears. But this isn't how things should be." Cabedah's spirit glowed brilliantly despite the darkness and loneliness of the night she was fighting. She was going to keep fighting, for her kids and herself. Even though Farid was a beggar in their home, she remained their source of warmth and light during the night.

She whispers, "We will survive. One step at a time."

Hunger for Knowledge (Education: A Promise for Better Future)

As Cabedah painstakingly packed each jar, the rich aroma of Sambal Cah permeated the kitchen. Even at this early hour, she could already feel her thoughts racing with ideas for the day. Recently, she joined in a packaging and branding course, determined to enhance her business acumen and make her products stand out in the competitive market.

"Mak, what time is your course today?" Aiding her in labelling the jars, Ahmad enquired. "It begins at ten," Cabedah said, her excitement shining in her eyes. "I can't wait to learn more about how to make our sambal look as good as it tastes."

Cabedah has an unquenchable thirst for knowledge. She was aware that giving her kids a brighter future required her to sharpen her business knowledge. She balanced her daily dedication to self-improvement with the responsibilities of her sambal company.

Cabedah reached the community centre, the course's location, later that morning. She was met with a friendly smile from the instructor, Kak Nurul.

"Cabedah, welcome. Today, our focus will be on branding and how to design your products in an eye-catching way," Kak Nurul declared.

Cabedah's head was full with ideas, therefore she took a lot of notes during the session. She discovered the value of having a distinctive brand identity and how to draw clients in with the use of colour and typography. She was bursting at the seams to put the new tactics she had learnt into practice at the end of the seminar.

When Cabedah got home, she told her kids about her joy. "We're going to make some changes to our sambal labels," she declared. "It's going to make a big difference."

Sara said, "That's great, Mak," her eyes brightening. "Maybe we can even create a logo!"

Cabedah registered for a training on money management, inspired by the packaging and branding course's success. She was aware that ensuring the sustainability of her business and maximizing revenues would need improved financial management.

She informed Ahmad, "It's critical to understand our cash flow and expenses." "We need to be smart about how we spend and save."

The financial workshop was enlightening. Cabedah gained knowledge about spending tracking, budgeting, and the value of keeping accurate financial records. Her business became more productive and well-organized as soon as she put these strategies into practice.

One evening, Cabedah discovered that a nearby business was offering an online course in marketing. She paused a moment, realizing how difficult it would be to strike a balance, but ultimately, her willpower triumphed.

She told her kids, "This is our opportunity to reach more customers." "If we can master online platforms, we can expand our business beyond our neighbourhood."

The course on online marketing was incredibly comprehensive; it covered everything from creating an online store to social media methods. Cabedah initially found the lessons difficult due to her lack of technological skills. She continued, nevertheless, staying up late to practice and learn as much as she could.

"Mak, you're incredible," Sara exclaimed as she watched her mom use the computer one evening. "You're learning so much."

"It's entirely for you," Cabedah grinned in response. "Education is a promise for a better future, and that includes me learning how to grow our business."

She continued to place a high value on her children's education, but now her children also looked up to her commitment to lifelong learning. Having faith that their efforts will result in a better tomorrow, they approached each new obstacle as a team with optimism and tenacity.

SUMMARY OF THE STORY

"I aspire to rise independently, to forge my path with dignity and honour. It is not that I am forbidden from seeking Zakat to alleviate debts; I simply choose not to. I hold on to the belief that a noble heart will find its reward with Allah. Though I could easily ask for Zakat, I prefer to shoulder this journey with faith and determination, trusting that, God willing, I will find my way to success. God willing, there will come a day when I, too, can give back and support others as I have been supported."

– Puan Cabedah, Sambal Kak Cah

The sun was lowering over Kuala Lumpur's busy market, illuminating the numerous kiosks with a pleasant glow. Puan Cabedah's heart grew with a mixture of pride and resolve as she stood erect at her Sambal Kak Cah stall. Though the trip had not been simple, she was getting closer to her goals every day.

Her sambal, a family recipe passed down through the years, was starting to become well-known. The rich aroma and the promise of real, homemade flavours drew customers from all walks of life to her stall. Even on the hardest days, Cabedah's smile never faltered because she understood that she was creating a legacy rather than only a company.

One evening, a cautious but hopeful young woman approached Cabedah as she was closing up her stall. "I've heard a lot about your narrative and your sambal, Puan Cabedah. I'm launching my own company and would appreciate any guidance. Could you please assist me?"

The young woman's eyes possessed the same spark that Cabedah had previously noticed in her own reflection. She inhaled deeply as she thought back on her own hardships and the people who had helped her along the journey. "Sure," she said with warmth, "let's have a seat and talk."

Cabedah knew that this was the time she had been waiting for as they sat and told stories to one other. The opportunity to inspire, assist, and give back to others as they travel through life. Knowing that she was sowing the seeds for the future, her heart was full as she shared her experiences and expertise. Cabedah experienced a deep sense of fulfilment as the distant market lights twinkled. Although she still had a long way to go, she understood that every step she took would eventually lead to not just her own success but also the success of many others.

The narrative goes on, with Puan Cabedah serving as a symbol of resiliency and optimism and her sambal representing tenacity and faith. Although the future is uncertain, Cabedah believes that everything is possible if he has a generous heart and perseverance. There are countless opportunities ahead of her, and she is prepared to take them all on

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Playing Rock, Paper, Scissors: Haris's Barbershop Journey

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Abstract

This case study examines Encik Haris Setiawan, also known as Haris, and his accomplishment in opening a successful barbershop despite significant hurdles. It focuses on Haris' strategic decision-making, such as locating trained employees, overcoming fierce market rivalry, and managing the financial consequences of the crisis. Haris' choices, similar to the game "Rock, Paper, Scissors," were carefully considered reactions to problems faced by a barbershop owner, particularly during the epidemic. The study also looks into the critical significance of Islamic microfinance in Haris' desire for business growth. Haris used Islamic microfinance to expand his business while simultaneously contributing to community development through zakat and sadaqah. This highlights how Islamic microfinance institutions play an important role in empowering small company owners, allowing people like Haris to overcome financial constraints and positively benefit society. The findings indicate that Islamic microfinance can considerably help small business owners by improving economic and social sustainability.

Keywords: barbershop, pandemic, Islamic microfinance, case study.

Introduction

In mid-August, with the rain pouring down relentlessly, I resolved to cut my overgrown hair and trim my beard by Sunday in order to restore a more polished image. The pressures and stresses of my job had overtaken me, leaving little time for self-care. Finally, I decided to carve out some time from my demanding schedule to get a haircut and beard trim.

"Perhaps I'll look like a gentleman once again," I mused, "before I turn into a beast... haha, who am I kidding?"

As I walked into Haris' barbershop, the rain continued to fall, and I shook the water from my umbrella. The room was alive with the soothing hum of hair clippers and the talk of pleased clients. It was a usual busy afternoon at Haris' barbershop in Shah Alam.

I observed the barber, Haris, as he was affectionately known, working with a customer. He looked up and gave me a nod, his hands neatly manipulating the clippers. As I waited for my turn, I couldn't help but notice his satisfied smile.

Between customers, Haris paused to think on his journey. "You know," he said, masterfully working on a client's haircut, "I started with only RM10 in my pocket. It wasn't about the modest sum; it was the flame that kindled my enthusiasm for business."

Haris, formally named Encik Haris, was born in Sabah in 1979 and migrated to Kedah with his family as a child. "My father was a teacher and constantly emphasised the value of education. That lesson stayed with me, and I learnt to assess, understand, and modify as I went," he added, his tone contemplative.

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"It feels like I'm playing rock, paper, scissors with life. It often throws you a curveball, but all you have to do is power through the highs and lows and prepare for the next battle."

Haris left school and moved to Kuala Lumpur, a metropolis that looked both limitless and harsh. "I never thought my diploma in Media and Graphic Design would lead me to running a barbershop," he said with a wry smirk. "But while my education was in the arts, my entrepreneurial spirit had other plans."

He added, "It's ironic. My education in design taught me the value of precision and creativity, but it was my desire to create something from the ground up that would have a significant impact that led me down this route. It wasn't just the skills I learnt; my journey required commitment and resilience."

Haris' tone became more heated as his story progressed towards his barbershop endeavour. "Opening a barbershop appeared to be a dream come true, but it was far from simple. Finding skilled personnel was a constant issue, and the competition was intense. Then the epidemic struck, and every decision, like 'Rock, Paper, Scissors', had to be strategic, every move premeditated. The stakes were high. Failure at this point wasn't an option, yet you cannot be afraid of it!"

His eyes reflected the difficulties he encountered as he continued, "The epidemic was an intense challenge. I have to constantly adapt and develop to keep the firm going. But I never lost sight of the flame that ignited it all."

Haris leaned back with a tired but proud smile on his lips. "From that first RM10 that launched my business adventure to running a profitable barbershop, it's been a roller coaster of struggles and victories. It all began with a simple idea and an unwavering drive to overcome any obstacles in my path."

Beyond RM10

"I still remember, the RM10".

The turning moment came in his teenage years, when his father gave him RM10, a little sum that appeared trivial at the time but, to Haris, represented possibilities. "With just RM10, what could I possibly achieve?" he wondered, struggling with the enormity of his dream. Driven by a persistent energy and a desire for self-sufficiency, he started an unexpected venture: a small cloth-washing business among his pals. The venture was little, but it signalled the start of his entrepreneurial adventure.

"It was modest, but it was mine," he remarked, his pride evident.

The early days presented several challenges. The small operation was hardly flashy, but it put Haris' determination to the test. He managed to hire his friends and pay them RM5 each for their work.

"Paying them RM5 wasn't just a transaction," he recalls. "it was the beginning of something much larger."

The camaraderie and common purpose among his pals generated a sense of unity and teamwork, and their small venture became a symbol of their joint aspiration. Haris' eyes gleamed with memories of their youthful exuberance and hard work ethic. "We were just kids, but we had big dreams," he recalled, the weight of those dreams apparent in his voice.

Despite the simplicity of his initial venture, Haris' entrepreneurial passion grew even stronger. This modest firm taught me invaluable lessons about money, hard work, and will to succeed. These early experiences paved the way for his future endeavours, including the barbershop that is presently thriving in Shah Alam.

The journey from that first RM10 to owning a thriving barbershop was anything but straightforward. As he stood behind the clippers, shaping his clients' hair, he reflected on the challenges and accomplishments that had led him here. His initial love of barbering, which he discovered in his early years, had grown from a hobby to a full-fledged obsession.

"It was more than just a skill," he remarked, smiling confidently. "It was a calling."

Haris' journey was not without conflict. He had to deal with intense competition, financial pressures, and the terrible challenges brought by the pandemic. Despite every setback, he stayed resilient. His journey from washing clothes to establishing a profitable barbershop was distinguished by determination and a never-ending desire to make his ambitions come true. "From RM10 to a thriving business," he added, sitting back, satisfied and exhausted. Every challenge changed me, and every win required hard work. It all began with a simple idea and a strong determination to succeed."

The Barber's Journey

Barbers are defined as those who professionally cut men's hair and shave or trim beards (Cambridge Dictionary, 2020). Male grooming services have existed for at least 2000 years, demonstrating the ongoing significance of personal grooming in human civilisation. Barbershops cut men's hair, while hairdressing salons style both men and women (Le, 2018). The term "barber" comes from the Latin "barba," which means "beard," emphasising the profession's deep historical origins (Shahrulnizam et al., 2020). Historically, the barbershop industry began with a barber under a tree and evolved into permanent enterprises such as Indonesia's famous Madura haircut (Yudiatma & Triastity, 2015).

This long history is remarkable not only for its longevity, but also for its impact on social and cultural scenarios. Barbershops have always been hubs of community and connection.

Haris entered the field of haircutting with only two years of expertise, a pair of scissors, and an unwavering ambition. The rain outside is tapping continuously against the glass. It was an appropriate setting for the swirling of feelings he was experiencing, including thrill, terror, and the weight of a dream about to appear.

"I remember the excitement and fear vividly," Haris wondered, his voice coloured with nostalgia. The business, with its simple decor and the hum of clippers, was a far cry from the great ideal he had in his heart. His ambition of being a successful entrepreneur was now entwined with the hard realities of risk and determination.

Haris' early days were filled with sleepless nights and constant bustle, but a turning point occurred when he met Kak Elly, the president of *Peniaga Kecil Malaya*. Their encounter was fortunate, providing a ray of optimism amidst his difficulties.

Kak Elly introduced Haris to Islamic microfinance, which has helped countless small business owners. "The initial loan of RM10,000 felt like a lifeline," he recalls with a sigh of relief in his voice. Securing the financing was a significant milestone, but it was only the start of Haris' adventure.

Haris was busy cutting a client's hair inside his barbershop. The sound of clippers, scissors, and quiet discussion helped to create a pleasant mood. "You know," Haris continued, glancing up with a kind smile, "when I first got that loan, I felt like I was standing on the edge of a cliff, looking down into the vast unknown below."

The client chuckled and nodded in understanding. "And then?"

"Then it was about proving myself," Haris said passionately. "Securing the loan was one thing, but managing and growing the business was another challenge entirely." His financial acumen and unwavering commitment to timely repayment paid off, resulting in the loan being renewed and

increased to RM20,000. "It wasn't just about the money," he explained, his voice full of confidence. "It was about showing that I could turn this dream into reality."

The barbershop, with its warm lighting and soft seats, provided a stark contrast to Haris' harsh reality. Each haircut, each customer served demonstrated his perseverance. As he worked, he explained, "My desire was more than just cutting hair; it was about sculpting out a future, one snip at a time. Every hurdle I faced, every obstacle I conquered, elevated this place above the status of a mere corporation. It became an example of what hard effort and persistence can accomplish."

The client, now sporting a new haircut, stared at Haris with admiration. "You've really made something special here," they added with gratitude in their tone.

Haris's eyes softened as he replied, "Thank you. It's been a long road, but moments like these make it all worthwhile".

As the rain continued to pour outside, Haris stood behind his chair, a satisfied smile on his face. The barbershop buzzed with life, a vibrant testament to his journey, a journey that began with a pair of scissors and a dream, and evolved into a thriving business built on the foundations of hope, resilience, and hard-earned success.

Beyond Profit

"A successful entrepreneur is one who can create other successful entrepreneurs."

Haris embraces this idea in every decision he takes. For him, establishing a corporate empire was only the beginning; his genuine objective was to create an environment that nurtured young entrepreneurs. "I want to open 10 barbershops across Malaysia," he would often tell himself, his imagination racing with the prospect of a developing network of enterprises. However, the route was riddled with tensions and dramatic turns.

Haris took a brief break in his dim office at the back of the shop. The sound of clippers and chatter outside contrasted with the composed stress inside. His desk was piled high with documents, and news of a rent increase for his Semeniyh shop concerned him. "How can I keep prices low with these rising costs?" he asked, overwhelmed.

A knock on the door stopped the sound of rain. Amir, one of his most trusted barbers, stepped in with a concerned frown. "Boss, I need to talk to you," Amir began, his voice filled with fear. "I've been given a position at another shop. They are offering more money." Haris' heart dropped. He had spent a significant amount of time and effort teaching Amir, considering him as a key player in his long-term growth plan. "Amir, you know I value you here," Haris said, attempting to hide his frustration. "What if I could offer you a chance to manage your own shop in the future?"

Their conversation was a turning point. Haris realised that maintaining his skilled personnel required more than simply promises; he needed a solid plan. As Amir left the office, the rain continued in a steady cadence, matching Haris' growing resolve. He understood that in order to realise his aim of developing his firm, he needed to act quickly.

Haris spent late nights working on a comprehensive business plan. His fingers rushed over the keyboard, revealing his ambitious business plans and pledge to raise zakat contributions from RM800-RM900 to RM1,200 each month. "It's not just about business growth," he told himself, "it's about making a real impact."

Haris' mission is now strengthened by the lives of people he has inspired and employed, and his vision of a network of thriving barbershops is gradually becoming a reality. Every snip of the scissors, every

customer served, brought him closer to realizing his aim of leaving a legacy and inspiring those around him.

Overcoming Barriers

The Ernst & Young (EY) 2020 survey of over 670 large companies and SMEs in Malaysia highlights COVID-19's widespread impact on organisations, with considerable concerns in financial, customer-related, supply chain, and technology domains. Financial difficulties, particularly receivables (51%) and payments (21%), were prevalent, while customer-related challenges included decreased demand (47%), and access (23%). Supply chain disruptions had an impact on vendor fulfilment (42%), material shortages (23%), and technology issues included supplier contact (34%), remote working infrastructure (25%), operational downturns (32%), and task delays (30%).

Haris' journey was evidence to resilience, punctuated by a succession of unending hurdles that tested his will at every turn. The scarcity of skilled labour remained a recurrent issue. "How can I keep this business running without a reliable team?" he would frequently wonder, the weight of uncertainty nagging at him like a continuous shadow. Even though it was raining, Haris was involved in a heated debate with Amir, one of his best barbers.

"I can't work here if you're not paying me what I'm worth," Amir said, frustrated and angry. The tension crackled in the air, mimicking the terrible heat outside. Haris clinched his fists, trying to hold back his growing frustration. He understood Amir's skills were critical to the shop's reputation, but the financial hardship was too much. "I can't afford to lose you, but rising rent and utility costs are killing us," Haris said, his voice shaking under the strain of desperation.

The competitive landscape was a heated battleground. New barbershops sprang up around Shah Alam, like "*cendawan tumbuh selepas hujan*," making the rivalry even stiffer, since they all competed for the same customer base. Haris felt the pressure growing as he saw his regular customers drawn away by flashy new establishments offering attractive deals. "How do I compete with that?" he wondered, staring at the shrinking figures in his ledger, his frustration reflected in the red ink on the page.

His worry was exacerbated by the pricing dilemma. Haris was determined to maintain his services cheap to his devoted customers, many of whom had been with him since the beginning. However, rising rent, electricity, and supply prices were reducing his profit margins. One evening, as he was poring over the financial records in his dimly lit office, his wife, Tiara, entered. The rain had returned, its soft patter adding a melancholy tone to their discourse.

"Haris, you can't keep sacrificing our family's well-being for the sake of business," Tiara remarked quietly, placing a reassuring hand on his shoulder. Her comments pierced through the cloud of his fear, yet he felt trapped between two equally undesirable outcomes.

"But if I raise the prices, we might lose customers." "If I don't, we'll drown," he said, feeling trapped.

Throughout these challenges, Haris' persistent devotion to great service served as a guiding light. He assembled his squad, their expressions a mixture of exhaustion and hope. "We need to focus on what sets us apart, our quality, and the trust our customers have in us," he said, boosting their morale in the face of hardship.

Despite the hefty costs, Haris found a way to make his prices reasonable. He improved operational efficiency and secured low-cost sources while maintaining high quality. His efforts gradually paid off. Customers cherished the stability and value they received, and word-of-mouth began to attract new customers. One day, as the sun broke through the clouds and a fresh wind flowed through the barbershop, an old client named Mamat entered.

"I've tried other places," Mamat explained, his voice full with enthusiasm, "but nothing compares to the care and skill here." His remarks soothed Haris' ruffled nerves, reassuring him that his efforts had not been in vain.

Haris' journey was a delicate balance of dispute resolution, rigorous decision-making, and navigating dilemmas. Each issue, whether it was a staff issue, competition pressure, or price conundrum, honed his strategic thinking and fortified his commitment. Throughout it all, Haris' barbershop not only survived but prospered, demonstrating his undying dedication, strategic skill, and resilience.

Conclusion

Despite numerous challenges, Haris' barbershop grew, and his dream of expanding to ten locations seemed closer to reality. His attempts to mentor aspiring entrepreneurs and boost his zakat contributions demonstrated his commitment to community empowerment. "A successful entrepreneur is one who creates other successful entrepreneurs," he reminded himself, feeling a great sense of accomplishment.

Nonetheless, Haris knew his journey was far from complete. The route ahead was fraught with uncertainty and new challenges. "What's the next move in this game?" he enquired, realising that each step required careful consideration and strategic planning.

"It could be a rock, it could be a paper or scissors, I will see what I have do to".

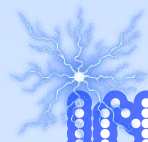
The open-ended nature of his job left room for growth and the possibility of unexpected twists and turns. Haris is committed to his vision, ready to face whatever challenges lay ahead, one strategic move at a time.

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