

**2<sup>ND</sup> INTERNATIONAL CONFERENCE ON  
ISLAM AND HIGHER EDUCATION  
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**Ownership and Management of Muslim Private  
Higher Education Institutions in Malaysia**

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# **OBJECTIVES**

- **to explain ownership of Muslim PHEIs**
- **To explain the management of PHEIs**
- **To identify issues and challenges to enhance quality of Muslim PHEIs**

# **MUSLIM GLOBAL COMMUNITIES**

**PHEIs highly appreciated by the citizen in  
Islamic countries**

- To produce advanced scientific knowledge that strongly represents the Islamic communities' aspiration towards progress and building a better future**

# **MALAYSIA**

**PHEIs is essential to national social, economic development and considered the next 'engine of growth'**

- crucial as the demand by international students has increased annually – 90,000 as of 2010**

- **variety of business models/ownership with varying enrolment of students and quality of higher education services**
- **there was a risk that private institutions would not initiate or develop strategies or activities to meet towards the national goals**

- **a priority to guide PHEIs to provide quality higher education services.**
- **applies the Private Higher Education Institution Act 1996 (Act 555) and Regulations**
- **in order to be competitive with the rest of the world**
- **transforming Malaysia into an education hub by 2015.**

# OWNERSHIP

Ownership of PHEIs in Malaysia is very **diverse**

- **family-owned businesses**
  - **religious institutions**
    - **foundations**
    - **corporations**
      - **political**
- **government-linked companies**
  - **foreigners**

218 Muslim owned

(45%) as of Feb. 2011

# **CATEGORIES OF MUSLIM PHEIs**

- **Centres - 6 (2.8%)**
  - **Academy - 4 (1.8%)**
  - **Institutes - 26 (11.9%)**
  - **Colleges/School - 139 (63.8%)**
  - **University Colleges - 17 (7.8%)**
  - **Universities - 26 (entities) (11.9%)**
- 
- **Malaysia Foreign Branch Campuses  
– (Super-system with branch  
campuses across a wide  
geographical areas)**

# **MANAGEMENT**

## **PHEIs Management Sector, Department of Higher Education, MOHE**

- **Registration and Standards Division**
- **Enforcement and Inspectorate Division**
- **Governance Division**

# **MANAGEMENT**

## **(PART VI – Management of PHEIs)**

**Sect. 30. (1) Subject to the provisions of the PHEIs Acts (Act 555) and Regulations- PHEIs shall be managed in strict accordance with its constitution**

**Sect. 31. Appointment and registration of Chief Executive**

**Sect. 33. Duty of Chief Executive**

- - instruction**
- - administration**
- - welfare**
- - day to day affairs – e.g. (b) submit audited annual report to RG**

# ISSUES

## **1. Annual Regulatory Report (2010)- Enforcement and Inspectorate Division, PHEIs Management Sector**

### **Case 1: Compounding of Offences**

- **Sect. 28 - Change of premises**
- **Sect. 40 - Grants of approval subject to conditions – requirements for admission of students; fees**
- **Sect. 78-Penalty for contravening condition–  
contravening any condition imposed**
- **Sect.81-Offences and penalties relating to  
certificate of registration and the act of  
teaching**

# ISSUES

## 2. Panel Report (2011) on Upgrading of PHEIs

### Case 2: College to University College

- Financial viability – RM 15 million
- Academic staff - PhD. 15%, Masters 60%
- Internationalisation – International students enrollment – 20%
- R&D – 10%
- Accredited Programmes - 75%

# ISSUES

## 3. Panel Report (2011) on Upgrading of PHEIs

### Case 3: College University to University

- Academic staff - PhD. 20% , Masters 80%; fulltime 80%, Professor 10%; Assoc. Professor 20%
- Internationalisation - International students enrollment - 30%
- R&D - 10%
- Accredited Programmes - 95%

# ISSUES

## 4. Audited Report (2011)

### Case 4: Strengthening of PHEIs

- Absence of faculty member **exchange programme,**
- Improving **CAI facilities**
- **Curriculum**
- **Quality Assurance**
- **Lack of research facilities**

# CASE

## There are multiple structural reasons why Malaysia's strengths in Islamic Finance have not been translated into share of education

### Root causes



Lack of brand equity



Many subscale players



Lack of specialization



Lack of industry relevance



Lack of teachers

### Details

- Malaysian Islamic Finance and Business (IFaB) education **lacks recognition internationally**, having **no reputation for quality** but only for value...
- Most universities offering courses in IFaB are **small**, and they **lack the resources to compete** with the leading international institutions in a truly global market...
- Most universities offering IFaB are **failing to specialize in a certain field** (e.g., bridging courses for finance, professionals, certificate), in part due to lack of scale
- **Mismatch of industry demand** and curricula results in **low employability of most graduates** of Malaysian IFaB programs, despite a supply shortage
- The current **shortage of qualified IFaB lecturers** harms quality and limits capacity

# CONCLUSION

## Improvement and strengthening of Muslim owned PHEIs

- Provide quality of HE services to enhance the quality of **global human capital**
- generate **best practices**
- Encourage and upgrade their capacity and capability **to provide HE abroad**
- CAP initiatives to ensure courses offered at PHEIs are of high quality and are **internationally recognised**
  - **SETARA** and **MyQUEST** to ascertain their **level of quality**

# CONCLUSION

- high **quality teaching staff**,
  - courses are of high quality, suitability, relevance and **globally competitive**,
  - increase and expand **R&D** activities,
  - establish **elite** and **world-class PHEIs**, and
  - provide **support** and **welfare** for students
- 
- **innovative mechanisms**
    - **campus companies**
    - **links with industries**
    - **new technologies, new processes, new products, new ideas**

# INNOVATION 1


**The Association of University Technology Managers** says that in **2008**, colleges and universities in the **U.S.** created **542 companies** and issued **2,821 patents**.

**University of California (55 companies),**  
**The University of Utah (20),**  
**The University of Florida (14), and**  
**The University of Michigan (13)**

# INNOVATION 2

## INSTITUTION

North Carolina  
State's  
campus



## INNOVATION IMPACT

companies rent “incubator” space; - about  
20 current tenants and **26**  
“**graduate**” **companies** that  
grew out of the incubator

Advanced Energy Corporation; d-Wise  
Technologies; Juniper Networks;  
Pathfinder Pharmaceuticals; Star Nanotech;  
and Veganza rent portions of buildings

# INNOVATION 3

**INSTITUTION**  
NC State's  
College of  
Engineering

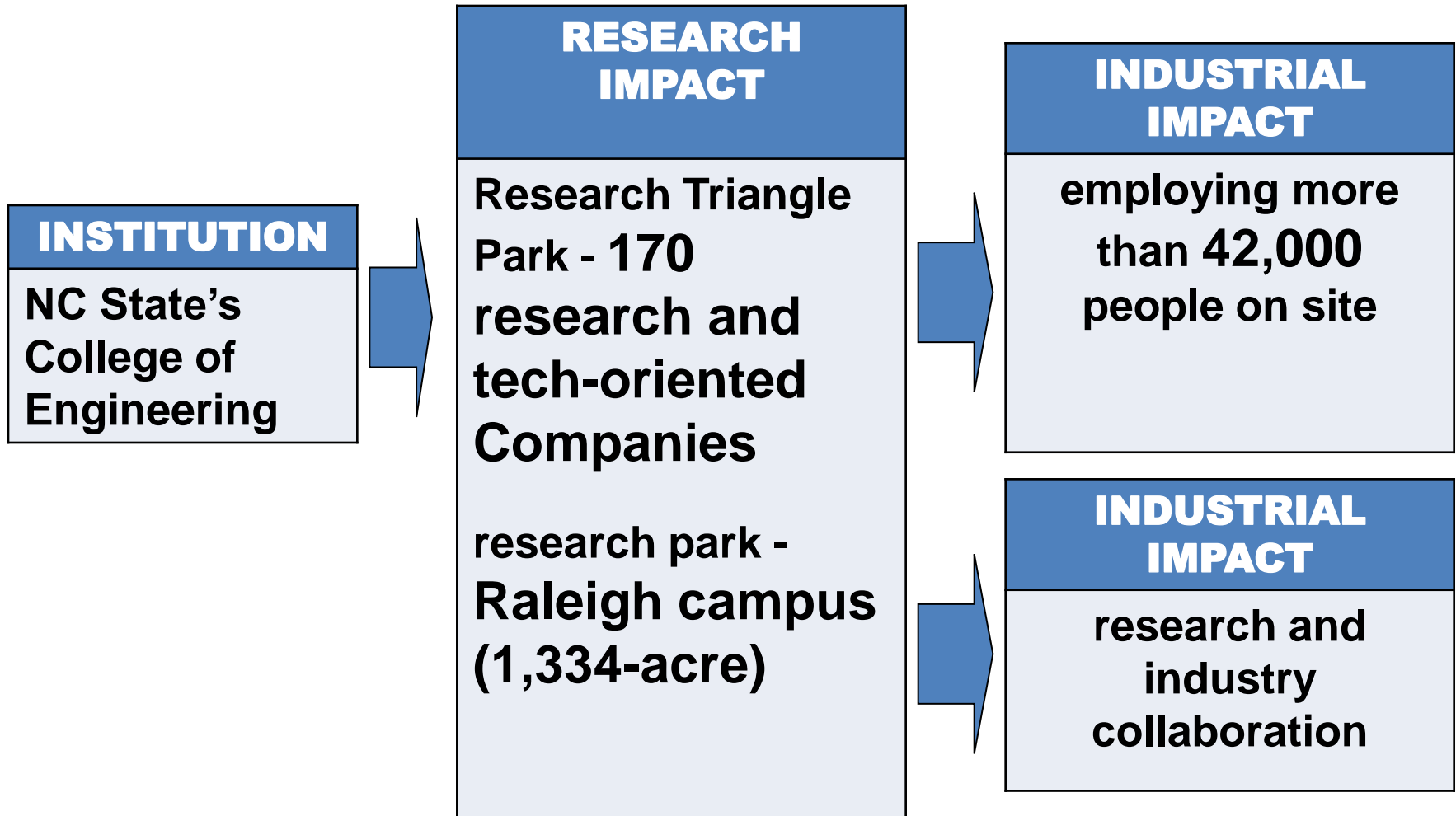
**ECONOMIC  
IMPACT**  
eco.  
calculated  
an impact of  
**\$854  
million**

**TEACHING  
FACILITIES**  
**1,350  
faculties**

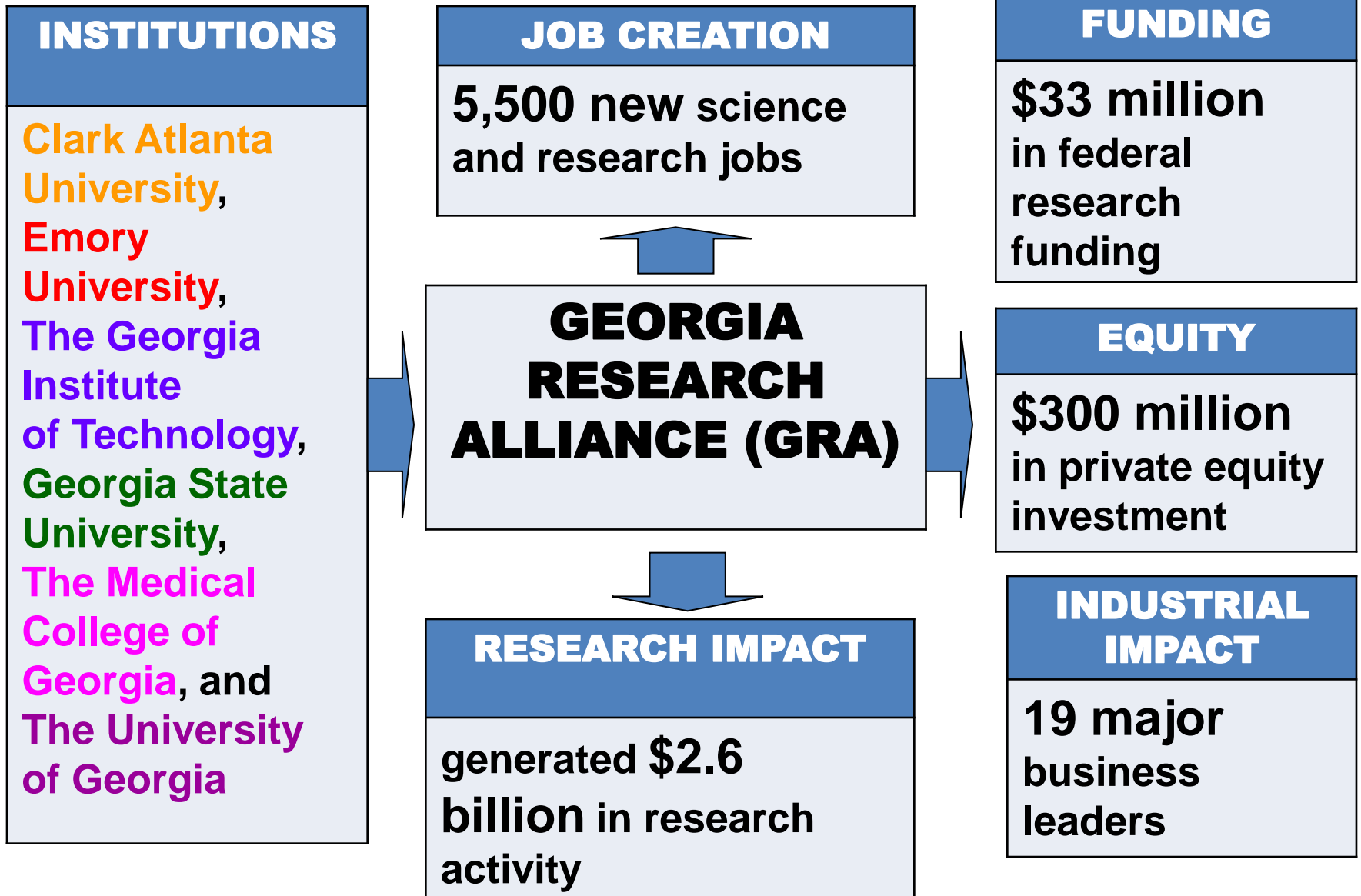
**INDUSTRIAL  
IMPACT**  
An Industrial  
Extension  
Service "lean  
manufacturing"  
techniques - **\$1  
billion** in  
economic  
impact by the  
end of 2010

**JOB  
CREATION**  
• **Sept. 2009,**  
**with 1,249  
jobs** created  
  
• **2,200  
employees**  
working for  
partners

# INNOVATION 4



# INNOVATION 5



## INNOVATION 6

### **PER CAPITA PERSONAL INCOME**

- **Per capita personal income rose from 11.4% (below the national average) to 1.5 % above it in 2007**

The Federation of Universities of the Islamic World:  
**firm foundations, a goal-oriented vision, well-defined objectives and clear plans,**

**Allah Almighty:** *“To each of you have We prescribed a Law and an Open Way”* (Al-Maida:48).



**THANK YOU – WASSALAM**