The internationalisation of Malaysian private higher education institutions for increasing higher education exports

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THE INTERNATIONALISATION OF MALAYSIAN PRIVATE HIGHER EDUCATION INSTITUTIONS FOR INCREASING HIGHER EDUCATION EXPORTS

JAMES CHIN LIK NGA

A RESEARCH THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF DOCTOR OF BUSINESS ADMINISTRATION SOUTHERN CROSS UNIVERSITY AUSTRALIA OCTOBER 2009
DECLARATION

I certify that the work presented in this thesis is, to the best of my knowledge and belief, original, except as acknowledged in the text, and that the material has not been submitted, either in whole or in part, for a degree at this or any other university.

I acknowledge that I have read and understood the University's rules, requirements, procedures and policy relating to my higher degree research award and to my thesis. I certify that I have complied with the rules, requirements, procedures and policy of the University (as they may be from time to time).

James Chin Lik Nga

Date:
ACKNOWLEDGEMENTS

I am deeply indebted to the very many who inspired and helped me with my research.

Foremost my late grandfather, Mr. Nga Diaw Chiong, who dedicated his life to self-education despite being denied the opportunity for formal education.

I am grateful to my father, Mr. Nga Bing Lieng, my mother, Madam Guok Har Siang, my elder sister, Jessica and her spouse, Richard, my two younger sisters, Emily and Janice, for their love, prayers and sharing a happy childhood. Also, to my dear wife, See Mei and our three lovely daughters, Rebecca, Rachel and Raelene for their love, patience and understanding.

I was privileged to be supervised by Professor A. Selvanathan. His expertise, unceasing commitment, encouragement and guidance enabled me to complete the research.

My senior colleagues at Unity College International, Emeritus Professor Dato’ Sham Sani, Chairman, Board of Governors, Datuk Mohamed Zaini Amran, Group CEO and Datin Rohaidah Shaari, Executive Director for their blessings and encouragement to pursue and complete the study.

The Senior Pastors of the Renewal Lutheran Church, Reverend Drs. Joshua and Carey Yee and my many close friends and colleagues, both near and far, who supported me throughout these years with their prayers, words of encouragement and understanding.

Above all, praise and honour be upon my Lord God Almighty for all His blessings.
This research focused on the internationalisation of Malaysian private higher education institutions for increasing their higher education exports. Largely exploratory, this research used a combination of inductive and deductive approaches.

The emergence of the knowledge economy is creating massive demands for internationally recognised tertiary education qualifications and has made transnational higher education a major and thriving export industry. Higher educational institutions are emphasising on the internationalisation of higher education for increasing international enrolments by conducting offshore programmes through overseas branch campuses, twinning and franchised arrangements.

The Malaysian Government, aiming to increase its exports of higher education, has a target of 100,000 foreign students by 2010. Major educational reforms to make the country a regional educational hub now permit qualified PHEIs to conduct their own degree programmes and invite reputable foreign universities to establish branch campuses. The National Higher Education Strategic Plan encourages PHEIs to improve educational quality, internationalise their curriculum, and upgrade their premises and to become high quality educational providers.

Growing international student mobility is driving the internationalisation of the Malaysian PHEIs by increasing domestic and offshore student enrolments and establishing branch campuses abroad. Malaysia is currently the 11th largest exporter of higher education.

Although Malaysian higher education exports are a major source of foreign exchange earnings, there was limited prior research on the effectiveness of Government policies to support the internationalisation efforts of the PHEIs. The literature was also silent on the desired strategies for PHEIs to achieve sustainable competitive advantage in the international higher education market. These factors justified the need for this research.

The research tested three propositions developed from a comprehensive literature review. Primary data was collected from an Experience Survey, a Focus Group meeting and a
Questionnaire Survey and the analysed data resulted in several findings. These revealed that the PHEIs are committed to internationalisation. However, they face several challenges including the rivalry posed by Singapore and Vietnam which also emphasise on increasing higher education exports.

The research findings generated several recommendations for consideration by the educational authorities and the PHEIs. In line with the research objectives, the findings extended the body of knowledge on the research topic. They also contributed to new theory development as reflected by a modified framework for internationalising higher education. Finally, the research offered recommendations for follow up research to generalise the findings.

Key Words

- Internationalisation
- Private Higher Educational Institutions
- Transnational Education
- Twinning Arrangements
- Franchised programmes
- Branch campuses
- International Enrolments
- Strategic Approaches
- Inductive
- Deductive
- Experience Survey
- Focus Group
- Questionnaire Survey
- Exploratory
- New Theory Development
- Further Research
- Recommendations
LIST OF ABBREVIATIONS

AEI    Australian Education International
ASEAN Association of South East Asian Nations
AUQA  Australian Universities Quality Agency
COPIA Code of Practice for Institutional Audit (Malaysia)
COPPA Code of Practice for Programme Accreditation (Malaysia)
DEST  Department of Education, Science and Training (Australia)
DFAT  Department of Foreign Affairs and Trade (Australia)
GATS  General Agreement on Trade and Services
GOM   Government of Malaysia
HESA  Higher Education Statistical Agency
HKCAAVQ Hong Kong Council for the Accreditation of Academic and Vocational Qualifications
IDR   Iskandar Development Region (Malaysia)
IHE   Institute for Higher Education
IIE   Institute for International Education
IAU   International Association of Universities
LAN   National Accreditation Board (Malaysia)
MATRADE Malaysia External Trade Development Authority
MOHE  Ministry of Higher Education (Malaysia)
MOSTI Ministry of Science, Technology & Innovation (Malaysia)
NAAC  National Accreditation and Assessment Council
NEP   New Economic Policy (Malaysia)
NDP   National Development Policy (Malaysia)
NHEAP National Higher Education Action Plan (Malaysia)
NHESP National Higher Education Strategic Plan (Malaysia)
NZQA  New Zealand Qualification Agency
OBHE  The Observatory of Borderless Higher Education
OECD  Organisation for Economic Cooperation and Development
PHEI  Private Higher Education Institution
QAA   Quality Assurance Agency for Higher Education (United Kingdom)
SAQA  South African Qualifications Authority
SCU   Southern Cross University
SJTUIHE Shanghai Jiao Tong University Institute of Higher Education
UNESCO United Nations Educational, Scientific and Cultural Development Organisation
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CHAPTER 1 -
INTRODUCTION
CHAPTER 1 - INTRODUCTION

1.1 Introduction

The forces of globalisation and the emergence of the knowledge society are generating massive demands for internationally acceptable and negotiable global qualifications (Huang 2006). Consequently student enrolments in foreign institutions of higher education are rising (OECD 2004) and educational exports are large for the leading educational providers (DFAT 2005).

Higher education, a key instrument for human capital development and promoting national unity in Malaysia, was a monopoly of the state from the time of independence in 1957 (Lee 2006, Sivalingam 2007). The situation changed in 1996 when the Government introduced reforms in the higher education sector with the two aims of (i) permitting the private higher educational institutions (PHEIs) to provide higher education as the public institutions were unable to meet the growing demand for tertiary education (Ayob and Yakob 2000, Santiago 2005) and (ii) to make the country an exporter of higher education by leveraging on the opportunities created by the rapid expansion of the international student market (Morshidi 2005).

Private higher education is now a vibrant business in Malaysia and a major earner of foreign exchange. Accounting for a two percent share of the international student market (UNESCO Institute of Statistics 2008) the international students enrolled in Malaysia contributed a total of RM3 billion in foreign exchange earnings in 2008 (The New Straits Times, 23rd May 2009).

However, the small domestic market and the emergence of a market saturation situation require the PHEIs to venture abroad for their sustained growth. Furthermore, several of the small PHEIs have financial limitations and these result in high student staff-ratios, poor quality premises, and the inability to hire well qualified academic staff to conduct high quality undergraduate and postgraduate programmes (Sivalingam 2007).
The competitive positioning of the Malaysian PHEIs is also being eroded by the intensive regional rivalry posed by the higher education institutions in Singapore and Vietnam (Ngo 2006). This requires them to adopt aggressive marketing strategies to differentiate themselves to maximize income generating student enrolments (Winter, Taylor and Sarros 2000).

A preliminary literature review revealed inadequate information on the critical factors for the successful internationalisation of Malaysian PHEIs; hence the need for this research.

1.1.1 The Research Problem

"The research problem drives or directs the research enterprise" (Berg 2004, p. 28). This research aims to extend the body of knowledge on the export potential of Malaysian PHEIs to take advantage of the rapidly growing market for international higher education. Accordingly, the research problem requiring investigation is:

‘What are the measures required for the successful internationalisation of Malaysian private higher educational institutions to increase higher education exports?’

1.2 The Chapter Structure

This Chapter is organized into 11 Sections as shown in Figure 1.1. The earlier Section 1.1 introduced the research and the research problem. This Section 1.2 presents the Chapter outline followed by the background to the research in Section 1.3. The next Section sets the research questions which emerged from the findings of the literature review and the unit of analysis.

Section 1.5 justifies the conduct of the research based on the targeted contributions. Section 1.6 lists the research objectives. An important one is to extend the body of knowledge on the internationalisation of Malaysian PHEIs in the context of the globalisation of higher education.
Figure 1.1: Structure of Chapter 1

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Source: Developed for the Research
Section 1.7 outlines the research methodology, its design, the data collection instruments, the data analysis procedures and the measures taken to triangulate the findings. The subsequent Section addresses the ethical issues pertaining to the research and the requirements of the Ethics Committee of Southern Cross University. Section 1.9 defines the key terms used in the thesis. Section 1.10 lists the delimitations and limitations of the research. Section 1.11 provides an outline of the thesis and the final Section summarises the Chapter.

1.3 Background

The internationalisation of higher education is emerging as a major trend in developed countries and the transitional economies (Bennell and Pearce 2003). Public policies are directed at reducing higher education imports and increasing educational services (Mok 2000). Governments are reassessing the directions of higher education to expand the access to tertiary education (Sukumaran 2002, Sivalingam 2007).

Universities are responding to the needs of the rapidly globalizing economy by internationalising their curricula, increasing international student enrolments promoting research, encouraging postgraduate and staff exchanges. They are also increasing foreign students’ intakes on campus and offshore by taking advantage of the different modes of transnational education. These include twinning programmes, distance education, franchising arrangements and branch campuses for the off shore delivery of their courses (OECD 2004, Ziguras 2005, Altbach and Knight 2007).

Recognising the lucrative prospects of exporting higher education, the Malaysian Government introduced major educational reforms, in 1996 and 2003, for making the country a regional educational hub with a target of 100,000 foreign students by 2010 (GOM, Ninth Malaysia Plan 2006). To achieve this, qualified private higher education institutions (PHEIs) were allowed to conduct their own degree programmes. Reputable foreign universities were also permitted to establish branch campuses (Mok 2006b, Lee and Healy 2006). Consequently, there was a rapid increase in privately owned universities, university colleges, and the branch campuses of foreign universities (Morshidi 2008a).
Several Malaysian PHEIs are internationalising their operations to become important contenders in the market for mobile international students. Recent data shows that there were 69,154 foreign students enrolled in public and private higher educational institutions in March 2009. The majority were enrolled in the PHEIs (MOHE, cited in The Star, 29th August 2009). A few of the larger PHEIs are conducting programmes abroad through partnership arrangement and branch campuses (Morshidi 2008b). Accounting for a 2% share of the international students market (UNESCO Institute of Statistics 2008), the international students contributed a total of RM3 billion in foreign exchange earnings (MOHE, cited in The Star, 29th August 2009).

However, the PHEIs face several challenges. The smaller ones experience difficulties in securing the capital required to reduce student – staff ratios, recruit high quality teaching staff and internationalise their curricula. Due to their financial limitations, their college premises and facilities generally fall short of the standards and expectations of foreign students (Hasan and Sherrif 2006). They also have to contend with the intense competition from their regional rivals (Sedgwick 2004).

The Government, through its NHESP or the National Higher Education Strategic Plan (2007) and the NHEAP or the National Higher Education Action Plan (2007), has policies to encourage the PHEIs to increase their domestic and offshore foreign student enrollments. However, a preliminary literature review revealed research gaps on the effectiveness of the Government’s policies and the constraints that the PHEIs face to be better positioned as higher education exports.

The scholarship was relatively silent on the adequacy of the government’s policies to strengthen and enhance their educational quality which are critical for promoting educational exports. There were also limited data on the constraints faced by PHEIs that are internationalising their operations. Finally, there was a paucity of information on the strategies for PHEIs to successfully internationalise their operations in the face of intense competition from their regional rivals.
1.4 The Research Questions

A research question is a researcher’s translation of a business problem into a specific need for an enquiry (Zikmund 2003, p. 98). A well stated research question indicates what data will be necessary to answer it (Punch 1998). Perry (2002, p. 9) suggested that the term ‘research question’ rather than ‘research hypothesis’ be used for research that is largely exploratory and qualitative in nature. Accordingly, three research questions were developed from the literature review and, as detailed in Section 2.10, were:

Research Question 1:
How adequate are the Malaysian Government’s policies to promote the exports of private higher education?

Research Question 2:
What are the constraints faced by PHEIs to enhance their capabilities to export world class higher education?

Research Question 3:
How can Malaysian PHEIs capitalise on the opportunities created by the internationalisation of higher education?

1.4.1 The Unit of Analysis

A unit of analysis can be defined as “the primary empirical object, individual, or group under investigation” (Davis 2005, p. 175). In view of the costs and resource limitations, the unit of analysis of this study comprised Malaysian PHEIs, university colleges and the branch campuses of foreign universities located in the Klang Valley including the capital city of Kuala Lumpur.

1.5 Justification for the Research

The forces of globalisation and the emergence of the knowledge society are generating massive demands for internationally acceptable and negotiable global qualifications
Consequently student enrolments in foreign institutions of higher education are rising (OECD 2004). Educational exports are large for the leading educational providers. In Australia they amounted to AUD 5.9 billion in 2004 and are its fourth largest source of exports earnings (DFAT 2005).

Several developing countries are major importers of higher education and Asian countries are the world’s largest source of foreign students. The top ten providers of overseas students to the Australian education sector were all Asian countries (Nelson 2005). However, several Asian countries including China, India, Philippines and Singapore are developing strategies to attract students and to export educational programmes and institutions (Huang 2006, Ngo 2006, Gonzalez 2006).

There is strong demand for higher education in Malaysia due to insufficient university places (Middlehurst and Woodfield 2004). Consequently, several thousand students travel overseas to obtain tertiary education and the costs accounted for nearly 12% of Malaysia’s current account deficit (Ziguras 2001). Faced with the predicament of continuous current outflows and expanding tertiary education supply, the Government’s policies are aimed at expanding access, controlling public expenditure, and turning Malaysia into a regional hub for higher education. For this purpose, the PHEIs that met the required conditions were allowed to award their own degrees and selected foreign universities were invited to establish branch campuses (Sukumaran 2002, Middlehurst and Woodfield 2004).

The reforms led to a rapid growth of PHEIs and by 2007, there were 32 public and private universities, 5 branches of foreign universities, 21 polytechnics, 37 community colleges and 485 private colleges. A few of the larger PHEIs established overseas campuses and delivered offshore programmes through partnership arrangements or overseas campuses. The national policy changes also resulted in sharp increases in foreign student enrolments largely from the Middle East, China and Indonesia (Morshidi 2008a).

However, the small domestic market and the emergence of a market saturation situation require the PHEIs to venture abroad for their sustained growth. Furthermore, several of the small PHEIs have financial limitations and are unable to hire academic
staff with doctoral qualifications to conduct postgraduate programmes (Sivalingam 2007).

The competitive positioning of the Malaysian PHEIs is also being eroded by the intensive regional rivalry posed by higher education institution in Singapore and Vietnam (Ngo 2006). This requires them to adopt aggressive marketing strategies to differentiate themselves to maximize income generating student enrolments (Winter, Taylor and Sarros 2000). The student numbers from the Middle East are also expected to decline in the medium to long term since several Gulf countries are expanding their higher education capacities (Reuters, 31st October 2007).

The available literature, detailed in Chapter 2, is relatively silent about the issues that negatively impact on the successful and sustainable internationalisation of Malaysian PHEIs. Although earlier prior research by Sukumaran (2002), Sivalingam (2007) and Morshidi (2008) provided useful insights, there are research gaps on the adequacy and the effectiveness of the Malaysia Government’s support policies for PHEIs. Accordingly, the finding of this research would enlarge the scholarship on the internationalisation of PHEIs. These would be useful for policy formulation to make the PHEIs better positioned to withstand the intense competition in the international student market.

This research was therefore justified on the grounds that the findings would:

i) extend the scholarship on the issues relating to the internationalisation of PHEIs.

ii) identify the constraints that they face while enhancing their capabilities to export world class higher education.

iii) enable the PHEIs to adopt more appropriate corporate strategies to enable them to gain sustainable competitive advantage.

iv) lead to policy recommendations to create an environment that is more conducive for PHEIs to successfully compete in the international arena.
1.6 The Research Objectives

The research objectives provide measureable terms of the purpose of this research and define what the research should achieve (Zikmund 2003). On the basis of the research problems and the research questions the objectives of this research are to:

(i) examine the adequacy of national policies to internationalise Malaysian PHEIs.

(ii) identify the constraints faced by PHEIs to enhance their capabilities to export world class higher education?

(iii) determine appropriate approaches for the strengthening of Malaysian PHEIs.

(iv) offer policy recommendations for consideration by the concerned Government agencies and the PHEIs.

(v) extend the existing body of knowledge on the internationalisation of Malaysian PHEIs.

1.7 Research Methodology and Design

“Empirical research in social science proceeds in a variety of settings and contexts. The choice of a design setting for any research is generally a vital concern of the researcher” (Miller 1991, p. 31). The design for a research project is the plan for conducting the study (Berg 2004). Accordingly, this research was guided by a Master Plan which is shown in Figure 1.2. It depicts the dimensions of the research, the selected data collection instruments, the sources of data and the procedures for analysis.
As shown in the Masterplan, the research involved a combination of deductive and inductive approaches. Qualitative and quantitative methods were used in a complimentary fashion to build upon each other’s findings (Steckler et. al. 1992). The combined approach was also considered necessary as the objectives of the research extended beyond the mere identification of the research problem. Another aim was to extend or generalise the findings (Pen-y and Coote 1994).

The research adopted a two staged approach. The first stage was exploratory in nature and qualitative for developing new theory. The second was descriptive and quantitative in order to generalise the findings (Perry and Coote 1994). Notwithstanding the research was largely exploratory and qualitative in nature since the research was primarily aimed at understanding the perspectives of the owners and the management of the PHEIs.
1.7.1 The Data Collection Exercise

Four data collection instruments were used as detailed in Chapter 3. These were i) the literature review for the collection of secondary data, ii) an Experience Survey for qualitative data, iii) a Focus Group meeting also for qualitative data and iv) a Questionnaire Survey for the descriptive stage of the research.

1.7.2 The Literature Review

Secondary data were collected through a detailed review of the existing scholarship and the literature on the parent and immediate disciplines of the study (Philips and Pugh 1987). As detailed in Chapter 2, the former comprised the internationalisation of higher education and global higher education with the immediate disciplines being Malaysia’s higher educational system and the Malaysian PHEIs.

The review identified the key research issues and developed the theoretical foundations for the research. This permitted the identification of the gaps in the body of knowledge for the purpose of developing the research questions and the research propositions that were tested by the research.

1.7.3 Experience Survey

An Experience Survey consists of interviews with a carefully selected small number of knowledgeable persons to assist with the identification of the research problem (Zikmund 2003). The researcher identified eight knowledgeable participants who were best suited to provide a range of perspectives on the research issues. As detailed in Section 3.3.1, they comprised Government officials, academics and foreign students enrolled in Malaysian PHEIs.
1.7.4 The Focus Group

Focus groups are a form of group interviews that capitalise on communication between research participants in order to generate data (Kitzinger 1995). They are useful in obtaining the respondent’s views, impressions and opinions on research issues (Sekaran 2000). Largely for this reason, a Focus Group was selected as a data collection technique for the exploratory stage of this research. The Group benefitted from the participation of eight respondents who were knowledgeable about the pertinent research issues. As detailed in Section 3.3.2, they comprised representatives of the PHEIs, senior academics, civil servants and foreign students enrolled in Malaysian PHEIs.

1.7.5 The Questionnaire Survey

The Questionnaire Survey is a technique of collecting data in which each person is required to respond to the same set of questions in a predetermined order. Since questionnaire surveys usually involve the quantification of the response data, this data collection tool was considered appropriate for the descriptive stage of the research (De Vaus 2002).

The value of a research survey is dependent on the questions posed (Zikmund 2003). As this research involved a two stage research, the Questionnaire was based on the views expressed by the Experience Survey and the Focus Group. A Likert scale enabled the researcher to measure the respondent reactions and to draw distinctions in the attitude of the survey participants. The Questionnaire was pilot tested by three knowledgeable persons before being finalized.

The target population comprised Malaysian PHEIs, branch campuses of foreign universities, academics, the regulatory authorities, foreign students and the marketing staff for PHEIs. Eighty persons were identified from the target population, through the adoption of judgment sampling and quota sampling, to participate in the Questionnaire Survey and the recruitment process is detailed in Section 3.3.3.1.
1.7.6 Data Analysis

The data analysis process, as detailed in Chapter 3, was governed by the criteria of completeness, consistency and reliability. Appropriate measures were taken, including triangulation to meet the criteria. The first stage of the research, being exploratory in nature, required qualitative data from the Experience Survey and the Focus Group meeting. Guided by Miles and Huberman (1994), Sekaran (2000), Neuman (2006), the collected data were reduced through summarising and coding procedures. Content analysis was used to locate patterns and to induce findings.

The quantifiable data collected through the Questionnaire Survey were coded and transcribed. The data, corresponding to the values in the Likert scale, were then entered for each Statement in the Questionnaire. The Mean, Standard Deviations and the Cross Tabulation of the Results were calculated by using the computer program SPSS Windows version 16.0.

1.7.7 Triangulation

Triangulation is “the idea of looking at something from multiple points of view to improve accuracy” (Neuman 2006, p. 149). Research quality was enhanced by collecting data from four sources. The first was from the literature review. The second source was the Experience Survey. The third was the Focus Group meeting with the Questionnaire Survey being the final source. The use of the data from all four sources met the requirements of the triangulation process.

1.8 Ethical Issues

This research has been approved by the Ethics Committee of Southern Cross University (Approval No: ECN-08-122). The ethics requirements of Southern Cross University concerns the 3 parties involved in the research namely, the researcher, the respondent and Southern Cross University. In line with the requirements, all members of the Experience Survey and the Focus Group signed an Informed Consent Form.
(attached as Appendix 1A and 1B) which clearly stated that participation is voluntary and that the rights of the participants will be fully safeguarded.

1.9 Definition of Key Terms

The key terms used in this research are defined below. More detailed descriptions of important terms appear in various Chapters of the thesis.

- **Internationalisation of Higher Education** is defined as “The process of integrating international/intercultural dimensions into teaching, research and service functions of the institution” (De Wit 1999, p. 2).
- **Globalisation** is defined as “the flow of technology, economy, knowledge, people, values and ideas across borders” (Knight 1997, p. 6).
- **Branding** is defined as “a name, term, sign, symbol or a combination of them, intended to identify the goods or services of one seller or a group of sellers and differentiate them from those of competitors” (Kotler and Keller 2006, p. 256).
- **Transnational Education** refers to “a situation in which the learner is located in a country different from the one where the warding institution is based” (UNESCO and Council of Europe 2006).
- **Massification of Higher Education** is defined as “the global trends of improving higher education access for all by ensuring that the higher education systems provide for mass participation across different social, income and geographical groups” (Lee and Healy 2006, p. 3).
- **Increasing Higher Education Exports** is defined by the researcher as “increasing export revenues through expanding fee paying international student enrolments, twinning arrangements, distance education, franchising arrangements and overseas branch campuses”.

1.10 Delimitations and Limitations

Southern Cross University stipulates a 50,000 words thesis for the successful completion of the Doctor of Business Administration programme. Due to this requirement, the researcher was constrained from expanding the scope of the study to include comparisons between the strategies adopted by the branch campuses of the
overseas universities, the university colleges and the smaller PHEIs. The researcher treats this as a delimitation.

The researcher relied on purposive non-random sampling for the selection of the participants in the Questionnaire Survey. While this was necessary, due to the confidential nature of the industry, the researcher acknowledges that the selection process of the participant could have created an element of "survey bias" and considers this as a limitation.

Finally, the research is largely exploratory and qualitative in nature. The findings, being inductive and judgmental, may not be appropriate for generalisation and is therefore a limitation.

1.11 Outline of the Thesis

This thesis as shown in Figure 1.3 has five chapters in line with Perry (2002).

Chapter 1 introduced the research problem stated as 'What are the measures required for the successful Internationalisation of Malaysian private higher educational institutions to increase higher education exports?' It then provided the background outlined the research design, defined the key terms, the delimitations and limitations and the organization of the thesis for meeting the research objectives.

Chapter 2 reviews the literature on the parent and immediate disciplines (Perry 2002). They are aimed at developing the theoretical foundations for this research, identifying the key research issues and determining the research gaps for the crafting and testing of three Research Propositions.

Chapter 3 outlines the research methodology. It justifies the use of inductive and deductive approaches, and then details the data collection instruments. These are an Experience Survey, a Focus Group and a Questionnaire Survey. The data analysis processes and the ethical issues pertinent to this research are also presented.
Figure 1.3: Outline of the Thesis

CHAPTER 1- INTRODUCTION
Research Problem, Justification

CHAPTER 2 – LITERATURE REVIEW
Country Contacts, Parent Disciplines, Immediate Disciplines
Research Gaps, Research Problem
Research Questions, Research Propositions

CHAPTER 3 – RESEARCH METHODOLOGY
Research Paradigm, Research Design, Experience Survey
Focus Group, Questionnaire Survey, Questionnaire Design,
Data Analysis Procedures, Ethical Issues

CHAPTER 4 – DATA ANALYSIS
Experience Survey, Focus Group, Questionnaire Survey
Analysis of each Research Proposition

CHAPTER 5 – CONCLUSION & IMPLICATIONS
Conclusions about of each Research Proposition/ Research Problem,
New Theory Development, Recommendations for Policy and Practice
Implications for Future Research
Limitations

REFERENCES
Source: Developed for the Research
Chapter 4 analyses and presents the findings of the Experience Survey, the Focus Group meeting and the Questionnaire Survey by way of a Case Processing Summary, Frequency Distribution Tables, and Cross Tabulations by Frequency of Responses, Comparison of Means and Standard Deviations for each Proposition. It also presents the unplanned data on the salient issues that emerged from the Experience Survey and the Focus Group although they had not been included by the researcher in the Information Sheets.

This final Chapter 5 details the conclusions, implications and the impact of the research. It presents a comparative analysis of the findings emerging from the analysed primary data with the findings of the literature reviewed in Chapter 2. It then offers recommendations for the successful internationalisation of the PHEIs, proposes new theory development and provides a synopsis of the opportunities for further research.

1.12 Conclusion

This Chapter introduced the research problem and laid the foundations for the research. It provided the justification, the unit of analysis, the preferred research methodology and the selected data collection instruments. It then defined the key terms and the measures taken to address ethical issues. The next Chapter details the literature review to identify the key research issues and the gaps in the existing body of knowledge.
CHAPTER 2 -
LITERATURE REVIEW
CHAPTER 2 – LITERATURE REVIEW

2.1 Introduction

The earlier Chapter introduced the research topic and the methodology for this research. This Chapter reviews the literature on the topic as this is an intrinsic element of problem solving (Baker 2000). However, the literature review is “not an end in itself but is a means to the end of identifying the worthy research issues” (Perry 2002, p. 16).

Guided by Hart (1998), Leedy (1993) and the Baker (2000) the review had the following interrelated purposes:

(i) Establishing the context of the topic.
(ii) Determining the key research issues.
(iii) Developing the theoretical foundation for this research.
(iv) Identifying the main methodologies and research techniques used.
(v) Identifying gaps in the body of knowledge.
(vi) Developing the research questions and the research propositions.

The literature survey covered the parent and immediate disciplines (Philips and Pugh 1987). The former comprised the internationalisation of global higher education with the immediate disciplines being Malaysia’s higher education system, and the PHEIs.

2.1.1 The Concept Map and Chapter Content

A concept map, displayed in Figure 2.1, shows how the material in this Chapter, supports, informs and assists with the development of the conceptual framework of the study. It also identifies the theoretical and conceptual issues pertinent to the research problem and charts the boundaries of the research (Perry 2002).
Figure 2.1: The Concept Map of Chapter 2

INTRODUCTION
- Concept Map
- Chapter Structure
- Country Background

INTERNATIONALISATION OF EDUCATION
- Theories, Dimensions

THE MALAYSIAN EDUCATIONAL SYSTEM
- Evolution

PRIVATE HIGHER EDUCATION INSTITUTIONS
- Structure, Positioning, Global Competitive Advantage, Challenges

NATIONAL EDUCATION POLICIES
- Targets, Goals & Adequacy

RESEARCH GAPS
- Theoretical Framework, Research Questions, Propositions

CONCLUSION

Source: Developed for the Review
Guided by the concept map, this Chapter has 11 Sections as shown in Figure 2.2. This Section presents the background information on Malaysia to provide the contextual setting for this research.

**Figure 2.2: Structure of Chapter 2**

<table>
<thead>
<tr>
<th>2.1</th>
<th>INTRODUCTION: CONCEPT MAP, COUNTRY CONTEXT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2</td>
<td>PARENT DISCIPLINES</td>
</tr>
<tr>
<td>2.3</td>
<td>THE INTERNATIONALISATION OF HIGHER EDUCATION</td>
</tr>
<tr>
<td>2.4</td>
<td>THE THEORETICAL FOUNDATION FOR THE STUDY</td>
</tr>
<tr>
<td>2.5</td>
<td>THE GLOBAL MARKET FOR TRANSNATIONAL HIGHER EDUCATION</td>
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<tr>
<td>2.6</td>
<td>DIMENSIONS OF TRANSNATIONAL HIGHER EDUCATION</td>
</tr>
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<td>2.7</td>
<td>EMERGING TRENDS IN GLOBAL HIGHER EDUCATION</td>
</tr>
<tr>
<td>2.8</td>
<td>IMMEDIATE DISCIPLINES</td>
</tr>
<tr>
<td>2.9</td>
<td>THE MALAYSIAN EDUCATIONAL SYSTEM &amp; POLICIES</td>
</tr>
<tr>
<td>2.10</td>
<td>THE DEVELOPMENT OF MALAYSIAN PRIVATE HIGHER EDUCATION</td>
</tr>
<tr>
<td>2.11</td>
<td>THE GLOBAL COMPETITIVENESS OF MALAYSIAN PHEIs</td>
</tr>
<tr>
<td>2.10</td>
<td>RESEARCH GAPS, RESEARCH QUESTIONS AND PROPOSITIONS</td>
</tr>
<tr>
<td>2.11</td>
<td>CONCLUSION</td>
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</tbody>
</table>

Source: Developed for the Research
Section 2.2 provides a historical perspective of the internationalisation of higher education. It outlines the cross border movements of students during the “Cold War”, the creation of the European Community and more recently with higher education becoming export commodity.

Section 2.3 develops the theoretical foundations for the study. It discusses the scholarship on the internationalisation of higher education, the links with globalisation, the theories and models pertinent for this research and the dimensions of internationalising higher education.

Section 2.4 discusses the global market for transnational higher education. It examines the three distinguishing types. They are the import – orientated countries, the export – orientated countries and countries that are both import and export orientated.

Section 2.5 examines the dimensions of transnational education and the delivery modes comprising twinning arrangements, distance learning, franchised programmes and branch campuses. It then discusses the issues associated with the internationalisation of higher education in respect of quality standards, access and the brain drain.

Section 2.6 reviews the emerging trends in global higher education and the likely impact on the domestic higher education markets. This includes the role of GATS for liberalizing global higher education.

Section 2.7 outlines the history of the Malaysian education system and then reviews the national educational policies, including the Education Acts of 1996 and the National Higher Education Strategic Plan (NHESP) 2007.

Section 2.8 examines PHEIs in Malaysia in terms of their evolution, structure, foreign partnership arrangements, enrollments and the programs offered. It also lists the key players, EDU-City educational hub and discusses the implications of the current global economic slow down on the Malaysian PHEIs.

Section 2.9 assesses the international competitiveness of Malaysian PHEIs. For this purpose it use Porter’s (1979) Five Forces model.
Section 2.10 identifies the gaps in the body of knowledge for the formulation of the research questions and the research propositions.

Section 2.11 sets out the conclusions of this Chapter.

2.1.2 The Context of this Research: Country Background

This Section examines the evolution of higher education the country’s development history which is categorised into 4 stages; namely the initial post-independence stage, the New Economic Policy (NEP) period, National Development/National Vision and the current National Mission are shown in Figure 2.3 and outlined below:

Figure 2.3: Malaysia Development History

Source: Adapted from MOSTI (2006)
2.1.3 The Historical Perspective of the Malaysian Educational Sector

Malaysia (then Malaya) achieved independence on 31st August, 1957. In August 1963, Malaya merged with Singapore, Sabah and Sarawak to form Malaysia. Singapore exited in September 1965. The then 7.1 million population comprised the Bumiputras (45%), the Chinese (40%) and the Indians (8%).

The Government’s initial developmental efforts were therefore directed at rural development, agricultural diversification, industrial development, and improving physical and social infrastructure. Emphasis was given to education; through the building of new primary and secondary schools, particularly in the East Coast, as it was one the least developed areas (GOM, Third Malaysia Plan 1971).

“Higher education was treated as a global public good because of the positive externalities associated with its provision” (Sivalingam 2007, p. 3). Accordingly the Government emphasized the higher educational sector and addressed two interrelated issues. First, to increase the access to tertiary education in the context of a multi-ethnic Malaysian society. The second was to expand the available places in the higher education institutions to meet the growing demand for tertiary education (Had Salleh 2000).

After the formal separation from Singapore, the University of Malaya Singapore campus was renamed the University of Singapore. The University of Malaya’s campus in Kuala Lumpur retained the name of University of Malaya (Shukor 2000).

Under the monopoly of the State, the higher education institutions grew slowly in the early years. Resources were allocated to primary schooling as opposed to university education because the returns to the latter were considered to be lower than the former (Psacharpoulos 1972). For this reason, the second university, the Science University of Malaysia was only set up in 1969. During that year, it is also significant that the Government denied permission for the setting up of a Merdeka University, an initiative of the Opposition Party namely the Democratic Action Party (DAP). However a third
university, the National University of Malaysia, now known as Universiti Kebangsaan Malaysia was established in 1970 (Adnan 1973).

The New Economic Policy (NEP) was the Government’s response to the race based riots on 13th May, 1969. The NEP was aimed at creating national unity by eradicating poverty, restructuring society and accelerating equity and social based justice economic growth (GOM, Third Malaysian Plan 1971). National education policies became key instruments for human capital development and promoting national unity (Lee 2006).

Bahasa Malaysia replaced English as the medium of instruction in 1972. Entry quotas were introduced in tertiary education. Race based, they reflected the ethnic composition of the population and were aimed at increasing Bumiputra access to higher education (Young, et. al. 1980). The initiatives resulted in the doubling of enrolments in the public universities between 1970–1975. Despite this, the available university places were insufficient to meet the demands for university education and those who were unable to secure admission to the local universities had to rely on overseas institutions. These were largely in the United Kingdom, Australia, India, Hong Kong and Singapore. The Federal and State Governments provided scholarships for Bumiputras for overseas training (Sivalingam 2007).

Accordingly, the Government introduced a set of Private Higher Education Institutional Acts in 1996 and 2003 with two interrelated purposes. The first was to liberalise the educational sector to enable the private sector to share the burden of providing higher education. Second, to stem currency outflows due to the increasing number of Malaysian students who were studying abroad (Morshidi 2006b).

The National Development Policy (NDP), introduced in 1991, was targeted at attaining an economically just society with inter-ethnic parity (Gomez 1996). This was followed by a Knowledge-based Economy Master Plan in 2002 for transforming the economy into a knowledge-based one for maintaining the country’s competitiveness and attracting FDIs (GOM, K-Economy Master Plan 2002). Policies were directed at forging a fully developed Malaysian nation committed to excellence and innovation.
(GOM, Fifth Malaysia Plan 1986). The aim was to increase the enrolment ratio for tertiary education to 40% of the population in the 19-24 age groups by 2020.

Consequently, and as shown in Table 2.1, Malaysia achieved significant increases in higher education participation rates among the countries that are member of the Association of South East Asian Nations (ASEAN). Growth enrollment ratios increased more than ten fold from 2% in 1965 to 23% in 2000. However it lagged behind Thailand and the Philippines which registered ratios of 32% and 30% respectively for the same year.

Table 2.1: Expansion of Higher Education in the Asean Region as Measured by Gross Enrolment Ratios (%)

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<tbody>
<tr>
<td>Singapore</td>
<td>10</td>
<td>9</td>
<td>12</td>
<td>34</td>
<td>n.a.</td>
</tr>
<tr>
<td>Thailand</td>
<td>2</td>
<td>4</td>
<td>20</td>
<td>20</td>
<td>32</td>
</tr>
<tr>
<td>Philippines</td>
<td>19</td>
<td>18</td>
<td>38</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Malaysia</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>11</td>
<td>23</td>
</tr>
<tr>
<td>Indonesia</td>
<td>3</td>
<td>2</td>
<td>7</td>
<td>11</td>
<td>n.a.</td>
</tr>
<tr>
<td>Brunei</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>7</td>
</tr>
<tr>
<td>Vietnam</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>4</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Lee and Healy (2006)

2.1.4 The Higher Education Strategic Plan

The Malaysian Government launched the National Higher Education Strategic Plan (NHESP) on 27th August, 2007 for transforming the higher education sector to produce highly knowledgeable graduates as well as develop world class higher education institutions (NHESP 2007). Subsequently, in his speech on 7th September 2007 to present the 2008 Budget, the former Prime Minister reiterated the Government’s commitment to strengthening human capital development since this was a critical factor for Malaysia to become a developed nation. The Budget for 2008 introduced two new policies for the education sector, First, improving the quality of education and second, to provide free education for all. Both were directed at making the education
sector better positioned to produce highly knowledgeable workers (GOM, Budget Speech 2007). The NHESP was also a reflection of the Government’s response to the forces of globalisation which are impacting on the higher education sector.

2.1.5 Section Summary

This Section provided the country setting for this research by outlining Malaysia’s education history. It traced the evolution of public universities and discussed the emergence and expansion of PHEIs in line with national policies. The next Section examines the scholarship on the internationalisation of higher education.

2.2 The Evolution of the Internationalisation of Higher Education

The internationalisation of higher education appears to have occurred in the 12th century with the emergence of the medieval universities in Europe. Recognised throughout Christendom, they received migrant students, followed the same systems of examinations, and used Latin as the official language (De Ridder-Symoens 1992).

However some authorities dispute this on the grounds that most contemporary universities are “non-medieval creations that they were only established in the late nineteenth and twentieth centuries” (Scott 1998). They therefore consider the internationalisation of higher education as a recent concept which “prior to the twentieth century was more incidental than organized” (De Wit 2002, p. 26).

The term internationalisation started to be used in the 1920s when it emerged as the dominant organisational principle framing cross border interactions between market economies. The internalisation process accelerated in the post–second- World War era, till the early 1970s, with the emergence of the new phenomena of globalisation (Gjellerup 2000).

During the Cold War era, the United States used educational exchange programmes as an instrument for promoting capitalism to counter the Soviet propaganda of communism (Coombs 1964). Large numbers of foreign students benefited from ‘subsidised’ study in the USA. They were exposed to the American way of life with
the expectation that upon returning home, they could reorient public opinion towards favouring American policies (Mungazi 2001).

In Australia and New Zealand, government policies towards foreign students were reflected in the Colombo Plan which provided aid-related assistance to students from developing countries of the Commonwealth (Smart and Ang 1996). The United Kingdom subsidised foreign students in the post war period as part of its global responsibilities and regardless of their country of origin, they were treated on the same basis as the home students. Such government initiatives led to sharp increases in overseas students numbers between the 1950s and 1970s (Williams 1981).

As the number of overseas students grew and the value of the subsidies to them mounted, many countries found it costly to continue with their educational aid programmes (Williams 1981). The overseas student policy therefore shifted from a traditional ‘aid’ approach to a ‘trade’ rationale through the introduction of a full cost fees policy (Throsby 1985). Despite this, the flow of foreign students, increased significantly (Maxey 2000).

In Europe, the internationalisation of higher education was spurred by the adoption of an action program for education by the Council of The European Communities in 1976 with the aim of furthering European political integration. This was considered necessary because of the differences in degree structure, languages, traditions, public perceptions and purposes of the universities (Field 1998).

The growing political and economic interdependence among European countries led to the harmonization of systems. Emphasis was also given to technological research in Europe to deal with the competition from the United States and Japan (Preston 1991). Joint study programs were developed for stimulating academic mobility within the European Union for enhancing the quality and reinforcing the European dimension of higher education. One such program is LINGUA which was set up to promote the learning of European languages (EUROPA 2004).

Until recently, the internationalisation of higher education was characterized by students moving from the developing countries to the developed countries; particularly
to the English speaking countries of Australia, Canada, New Zealand, the United States and the United Kingdom. However the internationalisation of higher education is now emerging as a major agenda item in several developing countries. Universities in India, Hong Kong, Singapore, South Korea, Japan and China are now seeking to attract foreign students to improve the quality and cultural composition of the student body, gain prestige and earn income (Altbach and Knight 2007). They are also expanding their ‘International Students’ exchange programs by sending students to international partners (Tin et. al. 2005).

2.3 The Theoretical Foundations for this Research

An important purpose of a literature review is to develop the theoretical foundation for the research (Perry 1995, Hart 1998). Accordingly this Section examines the theories on internationalisation which are pertinent to this research. It commences with a discussion on the meaning of the term internationalisation and its linkage with globalisation.

2.3.1 Defining Internationalisation

Several theories have emerged from earlier research undertaken on internationalisation (Young 1987, Johanson and Vahlne 1990, Johanson and Mattson 1993, De Wit 1999, Teichler 2004, Kirtz 2006, Ruzzier, Hisrich and Antoncic 2006). Internationalisation has been viewed in the context of organisational theory, marketing, strategic management, international management and education. Accordingly, internationalisation can be interpreted in many ways with several definitions of the term as shown in Table 2.2.

From a historical perspective, the term internationalisation emerged in the 1920s to explain the dominant organisational principle underpinning cross border interactions between market economies. Viewed in this perspective, internationalisation can be a “synonym for the geographical expansion of economic activities and services over a country’s national borders” (Ruzzier, Hisrich and Antoncic 2006, p. 477).
Table 2.2: Selected Definitions of Internationalisation

<table>
<thead>
<tr>
<th>Authorities</th>
<th>Definition</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Johanson and Mattson (1993)</td>
<td>The process of adapting firms’ operations (strategy, structure, resources, etc) to international environments</td>
<td>Process, Firm’s Operations</td>
</tr>
<tr>
<td>Johanson and Vahlne (1990)</td>
<td>As a cumulative process in which relationships are continually established, developed, maintained and dissolved in order to achieve the firm’s objectives.</td>
<td>Relationship, Process</td>
</tr>
<tr>
<td>De Wit (1999, p.2)</td>
<td>Process of integrating international/intercultural dimensions into teaching, research and service functions of the institution.</td>
<td>Process, Higher Education</td>
</tr>
<tr>
<td>Teichler (2004, p.7)</td>
<td>A situation whereby there is an increase of border crossing activities amidst national system of higher education.</td>
<td>Higher Education</td>
</tr>
<tr>
<td>Kirtz (2006, p.5)</td>
<td>Institutional arrangements set up by governments, universities and education agents that involve the delivery of higher education services in two or more countries</td>
<td>Institutional Arrangements</td>
</tr>
</tbody>
</table>

Source: Adapted from Ruzzier, Hisrich and Antoncic (2006), Kirtz (2006).

From a higher education perspective, internationalisation is “a situation whereby there is an increase of border crossing activities amidst national systems of higher education” (Teichler, 2004, p. 7). This is in relation to physical mobility, academic cooperation, knowledge transfer as well as international education.

De Wit (1999, p. 2) treated the internationalisation of higher education as a “process of integrating international/intercultural dimensions into teaching, research and service functions of the institution”. Unlike this definition which focused on the processes of higher education, Kirtz (2006, p. 5) defined it as “institutional arrangements set up by governments, universities and education agents that involve the delivery of higher education services in two or more countries”.
The researcher concurs with the definition of De Wit (1999) as it suggests that internationalisation has many dimensions and that it is a dynamic process of institutional change. This is therefore the working definition for this research.

2.3.2 Internationalisation and Globalisation

There is much debate on the link between internationalisation and the term globalisation (Enders 2004). As these terms are used in different domains, each with its own focus, associated values and connotations, authorities hold divergent views on the matter (Fok 2007). Some authorities regard internationalisation and globalisation as two radically different processes (Scott 1998, Altbach 2002). Internationalisation can be viewed as a process on how nation states dominate the world, with globalisation being the outcome of the dismantling of national boundaries brought about by advances in technology and the emergence of a world culture (Scott 1998).

The differences between globalisation and internationalisation are subtle and there is considerable overlap between the two terms (Middlehurst 2002). Denman (2002) explained the globalisation – internationalisation nexus, describing the latter as the conduit of the former and held the view that the two processes may overlap. He noted however, that the evolving nature of internationalisation is not necessarily dependant on globalisation. Consequently, internationalisation is often confused with globalisation (Altbach and Knight 2007). Another difference between globalisation and internationalisation is whether national systems become more integrated as suggested by globalisation, or more interconnected as with internationalisation (Beerkens 2004).

Internationalisation and globalisation can also be viewed from the perspectives of their interaction. The internationalisation of higher education can be regarded as a response to globalisation as well as an agent of globalisation. Internationalisation is changing the world of higher education and globalisation is changing the process of internationalisation (Knight 2003). Knight’s position assists with the understanding of the diverse approaches taken by universities of different sizes, countries and cultures.
Her views also help to explain the many activities and measures on internationalisation of higher education in different domains (Fok 2007).

2.3.3 Pertinent Theories on Internationalisation

The literature revealed three principal schools of thought on internationalisation namely:

a) The economic school of foreign direct investment theory;
b) The behavioral school of stage models and;
c) The relationship school of the network models.

The foreign direct investment theories originated in the late 1950s. Since they focus on the international production operations of the TNCs, this researcher does not consider the foreign investment theories as being pertinent to this research. Accordingly the discussion in this Section will be confined to the stage theories and the network models as they both have a bearing on the process of how PHEIs can internationalise their operations.

2.3.3.1 Stage Theories

The stage theories were initiated by Johnson and Wiedersheim-Paul (1975) and developed further by Johanson and Vahlne (1977). Known as the Uppsala Internationalisation U-Model, the Model suggests that internationalisation activities occur by way of incremental steps of international involvement (Tan 2008). Each new step benefits from the accumulated knowledge gained from conducting international operations. As it expands externally there is a corresponding modification of the firm’s internal structures and cognitive systems (Whitehead 1992).

In the U-Model the foreign market commitment is reflected by resources committed and the degree of commitment as shown in Figure 2.4. The former relates to the investment required for securing the required human capital, undertake international
marketing and establishing an appropriate organisational structure for successfully moving into overseas market (Buckley and Ghauri 1993).

**Figure 2.4: The Uppsala Model of Internationalisation**

This Model argues that manager and their beliefs shape the degree and nature of the incremental involvement in foreign markets (Reid 1981). The Model also implies that intense domestic competition is also an important motivator for firms and PHEIs to venture abroad (Winsted and Patterson 1998). In an economic slowdown many firms, including PHEIs, face problems of under-utilized product capacity and therefore are compelled to explore new external opportunities for continued survival (Rao, Kreighbaum and Hawes 1983).

Another important factor which influences the decision to move into export markets is the size of the firm (Chetty and Hamilton 1993). Since international expansion requires a greater resource commitment very small firms, with limited human, managerial and financial resources, are not in the position to internationalise, (Turnbull 1987). Larger firms are therefore in a better position to venture abroad (Bell 1995).

While the U-Model has received much support (Peng 2001, Chetty 1999), it also has its critics (Reid 1981, Andersson 2000). Their main contention is that a linear and orderly export development, as implied by the Model, may not always occur due to differences in market opportunities, managerial capabilities and resource availabilities (Reid 1983). The researcher concurs with Buckley, Pass and Prescott (1992) that stage
models may not be appropriate for knowledge-intensive and business service industries which include higher education.

2.3.3.2 Network Theory

Johanson and Vahlne (1990) extended the U-Model by incorporating network relationships. They view the market as a system of social business and industrial relationships among all the internal and external state holders of the firm namely the suppliers, customers, competitors, consultants and the regulatory bodies. The theory postulates that a firm has to develop new network relationships with its foreign counterparts in order to internationalise. This means that in order to internationalise, firms must establish and develop business relationship through networks in other countries (Ellis 2000).

Certain industries are better suited for the networking approach and are therefore better positioned to become internationalised (Andersen 1993). Networks can be used to overcome problems of knowledge and technology and share knowledge on international markets in order to learn from one another (Ruzzier, Hisrich and Antoncic 2006).

Networks play a big part in the export of higher education as they underpin twinning arrangements and franchised programs. Viewed in this context, network theories are pertinent to this research. However, as discussed in the next subsection, an appropriate framework for this research should also integrate global citizenship, scholarship and an international curriculum for producing graduates with international perspectives.

2.3.4 The Framework for Internationalising Higher Education Institutions

Some authorities maintain that global citizenship should be the principal aim of internationalisation. In this situation, graduates are able to live and work successfully in multicultural societies because they understand and respect the cultures of others (De Vita and Case 2003). As shown in Figure 2.5, the framework developed by Morey (2000), the key elements are a diverse and international faculty with a range of
expertise with the cultural competence to increase the knowledge base through research and scholarship. This can be enhanced through linkages with other universities and organizations in the public and private sectors, both nationally and internationally.

**Figure 2.5: Framework for Internationalising Higher Education Institutions**

The cultural and international competency of the faculty would also be strengthened by an international curriculum in terms of content and practices. An internationalised curriculum is defined as "a curriculum which gives international and intercultural knowledge and abilities, aimed at preparing students for performing in an international and multicultural context" (Nilsson 2000, p. 21). Universities are striving to meet the needs of the rapidly changing global economy by internationalising their curricula with the aim of making the content more relevant to the changing needs of industry (Bennell and Pearce 2003). An international curriculum contributes to meeting the needs of the diverse international students.

The University of South Australia developed the G7 generic graduate qualities to demonstrate a wide range of competencies for producing graduates with an international perspective (Leask 2001). As shown in Table 2.3, the G7 extends beyond the stricter confines of graduate attributes in the cognitive sense, to include the attitudinal and intercultural dimensions of the learning process. Significantly, graduates with international perspectives appreciate the importance of multi-cultural diversity for
professional practice and citizenship. They also have the competence to apply international standards and practices in their area of expertise.

Table 2.3: The University of South Australia’s G7# Generic Graduate Qualities

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>Display ability to think globally and consider issues from a variety of perspectives</td>
</tr>
<tr>
<td>7.2</td>
<td>Demonstrate awareness of own culture and its perspective and other cultures and their perspectives.</td>
</tr>
<tr>
<td>7.3</td>
<td>Appreciate the relationship between their field of study and professional traditions elsewhere.</td>
</tr>
<tr>
<td>7.4</td>
<td>Recognise intercultural issues relevant to their own practice</td>
</tr>
<tr>
<td>7.5</td>
<td>Appreciate the importance of multicultural diversity to professional practice and citizenship</td>
</tr>
<tr>
<td>7.6</td>
<td>Appreciate the complex and interacting factors that contribute to notions of culture and culture relationships</td>
</tr>
<tr>
<td>7.7</td>
<td>Value diversity of language and culture</td>
</tr>
<tr>
<td>7.8</td>
<td>Appreciate and demonstrate the capacity to apply international standards and practices within the discipline or professional area</td>
</tr>
<tr>
<td>7.9</td>
<td>Demonstrate awareness of the implications of local decisions and actions of local communities</td>
</tr>
</tbody>
</table>

Source: Leask (2001)

2.4 The Global Market for Higher Education

The global economy is now characterized by the forces of globalisation and the emergence of the “knowledge society”. The growth of the knowledge economy motivates individuals to acquire the skills required by the transnational corporations and the business community at large. This situation is generating massive demands for internationally acceptable and negotiable global qualifications (Huang 2006).
The English language is now acknowledged as the *lingua franca* for scientific communication and the growing international labor market for scholars and scientists (Altbach and Knight 2007). “The role of English affects higher education policy and the work of individual students and scholarly English-language products of all kinds dominate the international academic marketplace” (Altbach 2004, p. 5).

Consequently, the international activities of universities have dramatically expanded in terms of volume, scope and complexity over the past two decades (Altbach and Knight 2007). Student enrolments in foreign institutions of higher education are constantly rising. The number of students studying outside their home countries grew from 149,590 in 1955 to reach 1.9 million in 2002 (OECD 2004).

Higher education exports are large for the leading educational providers namely; the United States, the United Kingdom, Australia and New Zealand. International students contributed USD12 billion to the US economy in 2002 (Davis 2003). Australia’s educational exports, amounting to AUD5.9 billion in 2004, are its fourth largest source of export earnings (DFAT 2005). Strongly driven by economic factors, the global higher education market can be categorised into three distinguishing types as shown in Table 2.4.

**Table 2.4: The Global Market for Transnational Higher Education**

<table>
<thead>
<tr>
<th>Country</th>
<th>Import-Oriented</th>
<th>Import &amp; Export-Oriented</th>
<th>Export-Oriented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most developing countries or countries with colonial experiences.</td>
<td>Most developed countries and some developing countries.</td>
<td>Especially English-speaking developed countries.</td>
<td></td>
</tr>
<tr>
<td>Most developing countries or countries with colonial experiences.</td>
<td>Most developed countries and some developing countries.</td>
<td>Especially English-speaking developed countries.</td>
<td></td>
</tr>
<tr>
<td>Seeking competent professional personnel but with a weak modern higher education system.</td>
<td>Importing English-language products to enhance the quality of learning and research; and exporting educational programs with distinctive characteristics.</td>
<td>Attracting foreign students from developing countries and non-English-speaking countries; and exporting transnational education services as trade.</td>
<td></td>
</tr>
<tr>
<td>Brain drain and loss of national identity.</td>
<td>Conflicts between foreign imports and national characteristics.</td>
<td>Quality assurance and negative effects resulting from commercialization of higher education.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from Huang (2006)
2.4.1 Import Orientated Countries

In several developing countries, national policies in the early 1980s discriminated against higher education. Sending students to another country for higher education, was considered costly and a trigger for "brain drain problems". Policy makers argued that before investing in elite higher education, countries should invest in elementary and secondary schooling in order to achieve universal education at those levels (Kirtz 2006). As a result, there were low budgetary allocations for new university development and this resulted in a widening gap between the supply and the growing demand for university level qualifications.

These gaps led to increased student mobility; largely from the developing countries to the OECD countries in search of higher education. International student mobility gained momentum with the sustained economic growth of several developing countries in the 80s and early 90s and was propelled by China emerging as a major economic power in the 90s (Naidoo 2006).

Currently Asian countries are the world's largest source supply of international students. In 2004, there were 222,855 students from Asia enrolled in higher educational institutions in the United States. The top 10 providers of overseas students in the Australian higher education sector were all Asian countries (Nelson 2005). In 2004, there were more than 530,000 students from China studying overseas in more than 103 countries (Qianlong 2002). They accounted for 19% of all universities enrollments in Australia and the numbers as shown in Table 2.5, increased to 46,075 in 2006 (AEI 2007). Australian foreign students are mainly from Asia. It is the first ranked choice for foreign students from Singapore and Malaysia and the second choice for students from India, Indonesia and Thailand (Kirtz 2006).

Indonesia is an also example of an import orientated country. Annually, 450,000 high school graduates compete for 75,000 seats in public universities-leaving a short fall of more than 360,000. An overseas education has therefore always been a choice for many well off students and an estimated 100,000 students study abroad. There were 8,772 Indonesian students studying in Australian universities in 2006 and their
estimated spending of USD410 million per year was larger than the total higher
Indonesian education budget in that year (Nizam 2006).

Table 2.5: Country of Origin of International Students Studying at Australian
Universities in 2005 and 2006

<table>
<thead>
<tr>
<th>Country</th>
<th>2005</th>
<th>2006</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>40,163</td>
<td>46,075</td>
<td>14.7%</td>
</tr>
<tr>
<td>India</td>
<td>22,207</td>
<td>25,431</td>
<td>14.5 %</td>
</tr>
<tr>
<td>Malaysia</td>
<td>15,384</td>
<td>14,932</td>
<td>-2.9%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>10,743</td>
<td>9,948</td>
<td>-7.4%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>9,555</td>
<td>8,772</td>
<td>-8.2%</td>
</tr>
<tr>
<td>Singapore</td>
<td>8,353</td>
<td>7,862</td>
<td>-5.9%</td>
</tr>
<tr>
<td>Korea</td>
<td>5,332</td>
<td>5,590</td>
<td>4.8%</td>
</tr>
<tr>
<td>Thailand</td>
<td>5,222</td>
<td>4,891</td>
<td>-6.3%</td>
</tr>
</tbody>
</table>

Source: Australian Education International (AEI) (2007)

2.4.2 The Export Orientated Market

Several governments in the developed countries are reducing their grants to the public
universities. Government reforms have also increased the competition between
universities for securing public funding for both teaching and research activities. The
universities therefore have to find ways to make up for serious financial short falls;
hence the increased reliance on educating foreign students either on campus or through
offshore arrangements (Knight 2004).

In the developed countries and in some emerging economies, the internationalisation of
higher education is largely commercial (Lane 2005, Currie 2005, Altbach and Knight
2007). Contemporary universities are becoming far more entrepreneurial by
developing partnership with industry and business (Mok 2005). Universities accepting
international students are generally profit orientated (Marginson 2002, Altbach and
Knight 2007). It is a multi-billion dollar business motivated as much by profit as by
teaching and learning objectives (Feast and Bretag 2005).

As shown in Table 2.6, the export of education services is growing at a rapid rate. New
Zealand increased its educational exports by 265 per cent over the period 1999 - 2005.
Canada and Australia registered increases of 177 percent and 173 percent respectively.
over the same period. It is predicted that the number of international students will reach 7.2 million by 2025 (Bohm et. al. 2002).

The United States receives the largest number of foreign students in the world. In 2005-06 there were 564,766 international students in American universities and colleges. These included 260,000 at the graduate level with 58,000 coming from India, 47,000 from China and 23,000 from Korea (IHE 2006).

Table 2.6: Export of Education Services (Foreign Students) by Selected Leading Exporting Countries, 1999 – 2005 (US$ million)

<table>
<thead>
<tr>
<th>Countries</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>Percentage increase 99-04/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>2,038</td>
<td>2,259</td>
<td>2,528</td>
<td>2,897</td>
<td>3,925</td>
<td>4,872</td>
<td>5,563</td>
<td>173</td>
</tr>
<tr>
<td>New Zealand</td>
<td>273</td>
<td>257</td>
<td>343</td>
<td>632</td>
<td>925</td>
<td>998</td>
<td>1,000</td>
<td>265</td>
</tr>
<tr>
<td>Canada</td>
<td>568</td>
<td>615</td>
<td>699</td>
<td>784</td>
<td>1,014</td>
<td>1,268</td>
<td>1,573</td>
<td>177</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>4,101</td>
<td>3,766</td>
<td>3,921</td>
<td>3,891</td>
<td>4,709</td>
<td>5,627</td>
<td>6,064</td>
<td>48</td>
</tr>
<tr>
<td>United States</td>
<td>9,620</td>
<td>10,350</td>
<td>11,480</td>
<td>12,630</td>
<td>13,310</td>
<td>13,640</td>
<td>14,120</td>
<td>47</td>
</tr>
<tr>
<td>Total 5 countries</td>
<td>16,600</td>
<td>17,247</td>
<td>18,971</td>
<td>20,834</td>
<td>23,883</td>
<td>26,405</td>
<td>28,320</td>
<td>71</td>
</tr>
</tbody>
</table>

Source: Bashir (2007)

However the military conflict in the Middle East and the “war on terror” is resulting in an overall decline in international student enrollments. In the United States, there was a drop in enrollment numbers from Pakistan (14%) Indonesia (13%) and Malaysia (5%) (OECD 2005). These declines could also be attributed to rising tuition costs, competition from other English-speaking exporters and a perception that it is more difficult for international students to obtain student visas (IIE 2006).

The United Kingdom, which tied for second place with Germany in the international students export market, hosted approximately 240,000 international students in 2002. Of these 124,500 were in postgraduate programmes, with more than half in the broader discipline areas of computer science, engineering and technology (IHE 2006). The number is anticipated to more than double by 2010 (THES 2003).
Australia occupied third place with educational exports amounting to AUD5.9 billion in 2004. There were 172,297 international students in Australian universities in 2006; an increase of 5.2 per cent compared to 2005. A study based on a sample of 30,943 international students enrolled in Australian universities, between 2002 and 2005, found that only 1,048 were in doctoral programmes and only 188 were enrolled for master’s programmes by research (Sugimoto 2006).

2.4.3 The Import and Export Orientated Market

There is a third group of countries, including several in Asia and in Europe, which exhibit a two way exchange by importing and exporting higher education (Marginson 2006). India and The Philippines are significant host countries for students from other countries. India hosts more than 8,000 students from abroad with 95% from developing countries (Bhalla 2005). China is developing strategies to attract students and to export educational programs and institutions (Huang 2006). Singapore institutions are noteworthy exporters. The National University of Singapore and Fudan University have a joint MBA program aimed at Chinese and Singapore students.

In Malaysia, the flow of international students into the country has increased steadily since 1966 following the implementation of several educational reforms. The September 11th bombings in the United States made Malaysia a more attractive destination for international students from the Middle East and Arab nations. This was due to entry restrictions imposed by the US Government on security grounds. The tighter visa application rules also made it difficult for Malaysian students to further their education in the United States and resulted to a decrease in new enrollments for international students in that country. Malaysia is now the eleventh most preferred study destinations in the world (IIE 2009).

China, manifests an “import cum export” orientated country is strengthening and expanding its higher education capacity, increasing its pool of high skilled labor in science and technology and increasing its training of foreign students (People’s Daily Online, http://english.people.com.cn/). It is currently the major exporting country of overseas students in the world with more than 527,000 Chinese students studying
overseas in 2004. The tuition fees of Chinese students studying abroad were worth several billion USD in 2002 (Qianlong 2002).

The Chinese Government considers education as the key to economic and social development (Yang 2000). As reflected by its national objective of “Invigorating Nation through Science and Education” (NIER), its “Project 211” aims to establish 100 world class universities (OECD 2004). The strategy is to fast track the country’s capabilities by sending Chinese nationals abroad and utilizing their talents when they return (Kirtz 2006). China is also raising its international and regional profile in foreign affairs by increasing its intake of foreign students in over 300 domestic universities and colleges. The number of overseas students studying in China increased at the rate of 30% annually to reach 141,000 in 2005. They came from 175 countries and studied in 353 Chinese higher educational institutions (Liu 2004). South Korea and Japan are China’s two main sources of foreign students (Kirtz 2006).

2.5 Dimensions of Transnational Higher Education

The cross-border movements of education services and activities are major components of the internationalisation of higher education (Huang 2006, Morshidi 2006a, Mok 2006b). The term transnational is also often referred to as “offshore” or “cross-border” or “borderless”.

The term ‘offshore’ education is usually from the perspective of educational providers and describes the situation where international students are located in a different country to that of the institution providing education services (Davis et. al. 2000). Transnational education refers to a situation in which the learners are located in a country different from the one where the awarding institution is based (UNESCO and Council of Europe 2000). Both are therefore terms to describe the real or virtual movements of students, teachers, knowledge and educational programs from one country to another. While there may be some conceptual difference between these terms, they are often used interchangeably (Knight 2004). This researcher views transnational higher education as a component of the internationalisation of higher education.
2.5.1 Delivery Modes of Transnational Education

The leading higher education exporters, including the British, Australian and American institutions, are increasing their supply of foreign qualifications by delivering programs through different delivery modes (Ziguras 2005). As shown in Figure 2.6, they include twinning programs, distance education, franchising arrangements and branch campuses.

2.5.2 Twinning Arrangements

Under twinning arrangement, students are enrolled with a foreign provider and taught a foreign syllabus. They carry out part of the course in the home country and complete it in the foreign institution (Bennell and Pearce 2003). The relationships between the foreign and local institutions are regulated by a variety of arrangements. Usually segments of the curricula of the foreign provider are replicated for one or two years in the domestic institution. Courses generally use same teaching formats, texts and evaluation methods as in the home campus, with some adaptation for local content.

Figure 2.6: The Dimensions of Transnational Higher Education

Source: Developed for this Research
It is also a practice for the faculty of the foreign provider to teach some part of the course along with local instructors. The local partner provider supplies the physical facilities and recruits teachers and staff, according to the criteria and standards set by the foreign provider (Knight 2005).

The bulk of twinning programs are delivered by universities in the United Kingdom, the United States and Australia. The largest demand for twinning programs originates from the Asia Pacific Region. In 2000, there were 657 twinning arrangements in China and 144 in India (OBHE 2002).

There were 34 Australian’s universities with foreign students enrolled offshore through twinning arrangements in 2003. The numbers of enrolled students increased from 26.5% in 2001 to 40.5% in 2003 (AEI 2003).

2.5.3 Distance Learning

Distance learning is growing rapidly as this mode of delivery allows students to do all or a significant part of their study program at home. Most universities delivering distance learning are “for-profit” institutions and they market their services as a cost effective way for students to obtain a higher education degree (Bashir 2007).

Technological advances and the internet have created a mass market for online distance education. The decreased importance of geographic distances means that any university in any country can decide to open a branch anywhere in the world by using satellite communication links. It is estimated that in the United States alone, there are more than 3,000 specialized institutions dedicated to online training (Salmi 2000).

The Mexican Virtual University of Monterrey offers 15 Master’s programs using teleconferencing and the Internet and these reached 50,000 students in 1,450 learning centers throughout the Mexico and 116 centres spread all over Latin America. The American Inter-Continental University (AIU) - offers online education but also has campuses in the United States, London and Dubai where students can finish their studies after starting it online (Knight 2005).
Universitas 21 Global, based in Singapore, collaborates with universities in North America (2 Canadian universities; 1 USA), Europe (5 British universities; 1 German), Asia-Pacific (5 universities), and Oceania (3 Australian universities) to provide distance learning services to students worldwide. Set up jointly by Universitas 21, a British firm and Thompson, a multinational corporation, it provides information, software applications and services to business and professional markets (Knight 2005).

2.5.4 Franchised Programmes

In several developing countries the domestic supply of tertiary education places exceed demand (Middlehurst and Woodfield 2004). To address the situation, Governments are liberalizing the educational sector to permit foreign universities to offer their full degree programs through franchise arrangements with local partners. In a full franchise, the foreign provider delegates all powers to the local partner. Under part franchises the agreement between the partner institutions specifies the division of responsibilities. The foreign provider usually assesses the ability of the local partner to meet minimum quality standards and provides guidelines and/or supports/monitors student admission criteria and assessment. The course belongs to the foreign provider which charges for the use of syllabi, course materials, examinations and technical support to staff (Knight 2006b, Bashir 2007).

2.5.5 Branch Campuses

A branch campus as a subsidiary of a foreign university or jointly-owned with a local partner for the local delivery of the foreign university’s degree programs (Knight 2005). The establishment of branch campuses is a relatively new development. It signals “a deepening commitment to international provision, moving away from dependence on local partners for delivery and towards a corporate presence, with quality assurance as one of the primary driving forces among certain pioneering providers” (OBHE 2002, p. 5).

Branch campuses require heavy initial investments in land, infrastructure and equipment. Leading European and American institutions have opened branch
campuses in Asia and the Middle East. As shown in Table 2.7, several respectable foreign institutions are offering programs through joint-venture branch campuses. They include Cornell University in Singapore, Monash University in Malaysia and the American Inter-Continental University in the UAE (Knight 2006a). Significantly, LimKokWing University from Malaysia has branch campuses in London and Botswana. The Bhavnagar University, India has a campus in Mauritius.

Table 2.7: Selected Listing of Universities with Branch Campuses Abroad

<table>
<thead>
<tr>
<th>Source University</th>
<th>Host University or Partner</th>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monash University</td>
<td>Monash University Malaysia</td>
<td>1998</td>
<td>Offers a comprehensive university curriculum and awards undergraduate and graduate degrees. Monash University set campus up on site of former school.</td>
</tr>
<tr>
<td>Bhavnagar University</td>
<td>Maurus College Of Dentistry Mauritius</td>
<td>2003</td>
<td>Offers post-graduate programs to students in India Ocean sub-region</td>
</tr>
<tr>
<td>LimKokWing University, Malaysia</td>
<td>LimKokWing University United Kingdom</td>
<td>2007</td>
<td>Diploma programs</td>
</tr>
<tr>
<td>Cornell University</td>
<td>Nanyang Technological University Singapore</td>
<td>2005</td>
<td>Master's degree program in management and hospitality. Set up by Cornell's School of Hotel Administration and NTU's Nanyang Business School.</td>
</tr>
<tr>
<td>American Inter-Continental University</td>
<td>American University in Dubai, UAE</td>
<td>1995</td>
<td>Awards Associate, Bachelor degrees and Masters degrees</td>
</tr>
</tbody>
</table>

Source: Adapted from Kirtz (2006)

2.5.6 Emerging Issues and Challenges

The discussion in the earlier Sub Section revealed that the process of internationalisation has benefited higher education. However a survey conducted in 2005, by the International Association of Universities (IAU) and involving 95 countries, found that 70% of the respondents believed that there are substantial risks associated with the international dimensions of higher education (IAU Global Survey 2005). Three significant risks are:

- Quality standards and control.
- Increasing inequity in access to higher education.
- Brain drain.
2.5.6.1 Quality Standards and Control

The profit motive has led to several corporate initiatives to create “for-profit” education. Such foreign providers invest heavily in marketing and advertising and offer low cost offerings. Student choices tend to be affected by this and they may end up paying more for a somewhat dubious foreign education. Another serious problem is posed by “fly by night” educational providers, who operate for few days and leave students stranded. The weakness or lack of domestic licensing or quality assurance/accreditation measure is a contributing factor for these risks (Bashir 2007).

Many capacity lacking countries do not have regulatory systems to register or evaluate problems by foreign providers. Regulatory frameworks for quality assurance or accreditation, even when they exist, usually do not apply to providers outside the national education system. This loophole permits both bonafide and rogue foreign providers to avoid compliance with national regulations in many countries and makes monitoring their activities difficult (Altbach and Knight 2007). One of the consequences of market and profit driven private education is that the number of ‘diploma mills’, ‘canned degrees’ and ‘accreditation mills’ will increase (Nizam 2006, p. 65).

2.5.6.2 Increasing Inequity in Access to Higher Education

In most countries, external education providers are located in the capital cities and urban areas and appeal to students with higher purchasing power. Urban areas are preferable because they have better communications and better suited to attracting high quality academic staff. Domestic public universities tend to be disadvantaged as they also have to cater to students from disadvantage backgrounds and this affects student performance and perceived quality (Nizam 2006). Some countries including China, India and Malaysia have introduced legislation to address these problems. Foreign institutions aiming to establish branch campuses in Malaysia have to be invited by the Higher Education Ministry (Sivalingam 2007). India also has regulations for foreign providers providing technical education (Knight 2005).
2.5.6.3 Brain Drain

Knowledge is increasingly a commodity that moves between countries. The growth of the knowledge based economies is creating competition among employers worldwide, for the best brains and among the institutions that train the best brains. Since the demand for higher education in several developing countries exceeds supply, the resulting migration by students to obtain higher education creates brain drain problems (Kirtz 2006).

“Brain drain” can occur when students, academic staff and researchers do not return to the country upon completion of their overseas program. A “brain drain” for the sending country is a brain gain for the receiving country (Kirtz 2006). Some authorities (Ozden and Schiff 2006, Docquier and Marfouk 2006) advanced the argument that “brain circulation” may be a more apt term than “brain drain” to depict what happens when tertiary students do not return or when other high skilled workers emigrate.

The evidence suggests that countries competing for skilled labor and professionals have relaxed procedures to make it easier for them to obtain residency visas. Accordingly foreign graduate students, benefit from the choice of whether to stay in their country of study or return home. Only 14 per cent of Chinese students return to their home country after studying in the United States (Tremblay 2005). About half of all the international doctoral graduates accepted faculty positions in the United States after graduation (Marginson and van der Wende 2007).

2.5.7 Section Summary

This Section critically reviewed the literature on the dimensions of transnational higher education. The increasing demand for higher education, particularly in developing countries is contributing to the rapid growth of international higher education. The curricula in several countries are being internationalised. Transnational education is now offered through different modes of delivery including twinning arrangement, franchised programs and the establishment of branch campuses by foreign universities. However international education is also generating concerns about educational quality
and the brain drain from the developing countries. The next Section discusses the second parent discipline which relates to the trends in global higher education.

2.6 **Emerging Trends in Global Higher Education**

The earlier Section outlined the growing impact of globalisation and the dimensions of the internationalisation of higher education. The literature suggests that higher education is underpinned by global marketing and shaped by economic policies undergoing partial global convergence. This is aptly summed up by Teichler (2004) that:

"it is surprising to note how much the debate on global phenomena in higher education suddenly focuses on marketisation, competition and management in higher education. Other terms, such as knowledge society, global village, global understanding or global learning, are hardly taken into consideration" (Teichler 2004, p. 23).

There are four significant current features of higher education in developing countries, particularly in South East Asia. The first is the gearing of higher education towards meeting economic needs. This has been manifested by policies to reduce educational imports, increased educational exports, change curricula and enrollment (Tan 2006). The second is the dominant interventionist role of governments in controlling and directing major policy decisions concerning higher education institutions towards prescribed social and economic goals (Cheung 2002).

The third is sustained economic growth which is resulting in increasing social demands for access to higher education (Sivalingam 2007) and finally, the emergence of a knowledge or "K-Society”. Knowledge is now viewed as a commodity that moves between countries and as such can be commercialized to generate export earnings (Kirtz 2006).

This Section examines the trends in the global higher education policy environment. This is against the backdrop of the trade liberalization in educational services through their inclusion in the negotiations under the GATS. For this purpose, several governments in Asia, Latin-America and Africa are reviewing their educational
systems and introducing reform measures to improve the overall quality of education (Mok 2003). The governance and management of education are commanding emphasis (Cheung 2002). Governments are applying pressures on the universities to re-structure and re-invent themselves in order to adapt to the changing socio-economic and socio-political environment (Mok 2006a).

The literature suggests that public policy is moving in the direction of reducing the imports of higher education and promoting the exports of educational services thorough the establishment of educational hubs with world-class universities and PHEIs (Mok 2006b). Viewed in this context, governments are giving emphasis to academic research capabilities and internationalising the curricula. These inter-related issues, as shown in Figure 2.7 are examined below.

**Figure 2.7: Framework of Global Trends and Higher Education**

Source: Developed for the Review
2.6.1 Liberalizing Higher Education Policies

GATS, now being negotiated, focuses on liberalizing the regulatory conditions governing trade, including higher education. Governments interested in the educational trade see it as a driver of change and national benefit. The GATS agenda is also potentially helpful in implementing reforms along new public management lines (Marginson and van der Wende 2007). As shown in Table 2.8 there are four modes of supply or trade:

I. Cross border supply which typically takes the form of twining degree programs, 3 + 0 programs, distance education and e learning (Ong and Chong 2004).

II. Commercial presence. This includes the establishment of foreign university campuses; Indonesia for example, has stipulated that only a foreign accredited university can established a presence. Furthermore, it has to be limited to 5 major main cities (Nizam 2006).

III. Consumption abroad or the movements of students to take advantage of overseas educational establishment (Ong and Chong 2004).

Table 2.8: Modes of Supply of Services under GATS

<table>
<thead>
<tr>
<th>GATS MODE OF SUPPLY</th>
<th>Description</th>
<th>Examples for Higher Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mode 1 – Cross border delivery</td>
<td>Delivery of education services from exporting country A to importing country B</td>
<td>Distance education, tele-education, and education testing services, education via internet.</td>
</tr>
<tr>
<td>Mode 2 – Consumption abroad</td>
<td>Movement of students from importing country B to exporting country A to obtain education services</td>
<td>Chinese students studying in US universities in the US.</td>
</tr>
<tr>
<td>Mode 3 – Commercial Presence</td>
<td>Establishment of local unit of institution from exporting country A to importing country B</td>
<td>Country A’s course offerings through branch campuses or subsidiaries of institutions, franchising, twinning/ articulated arrangements, etc</td>
</tr>
<tr>
<td>Mode 4 – Presence of natural persons</td>
<td>Temporary movement of teachers, lectures and education personnel from country A to country B to provide education services</td>
<td>Teachers exchange programs</td>
</tr>
</tbody>
</table>

Source: Adapted from Bashir (2007)
IV. Presence of natural persons which relates to the employment of foreign academics e.g. South Korea has granted access to non-Koreans to participate in the higher educations. More than 1,700 non nationals occupied teaching positions in Korea’s educational systems in 2004 (Man 2006).

GATS has four provisions to encourage member countries to liberalise the trade in educational services. First, the commitments made are voluntary. However a country making a commitment can be penalized for making changes. The second and third are the “market access provision” and the “national treatment provision”. These prohibit limitations on the entry of foreign providers and discriminatory treatment between foreign and national providers unless these have been specifically inscribed by a member country in its schedule of commitments. The final provision is the Most Favoured Nation (MFN) principle. According to the MFN, a country making a commitment to liberalise cannot discriminate between foreign providers according to the country of origin (Bashir 2007).

The advocates of GATS contend that higher education liberalization will increase access to quality education through cost reductions. Furthermore, the entry of foreign institution could assist with the transfer of knowledge and technology and improve the efficiency and quality of national universities through competition (Nizam 2006).

The inclusion of education under GATS has raised concerns. Some argue that the private gains from higher education exceed social gains (Nizam 2006). It could result in the outflow of currency and students who may never return (Ong and Chong 2004). Furthermore the ‘mode three’ or commercial presence overseas is not a viable proposition for many developing countries. The critics also contend that GATS will turn education into a trade commodity that is driven by economic and commercial motives. As a result, this could erode higher education’s social and cultural roles in nation building and its position as a public good (Shafie 2005).

Probably due to such concerns, most developing countries have been hesitant to make commitments. By 2002, only 32 countries had committed themselves to higher education. By and large Asian countries have not made any commitment under GATS (Bashir 2007). These lukewarm responses suggest that the liberalization of trade in
higher education will occur more on a bi-lateral or regional basis rather than through
global multilateralism (Marginson and van der Wende 2007).

2.6.2 World-Class Universities

The internationalisation of higher education has very strong image building element
centered on the establishment of international world class universities (Fok 2007). The
literature indicates that there is a growing trend for countries to establish world-class
universities (Altbach 2004). Nearly all Asian governments are giving emphasis to the
importance of “international benchmarking”. They are aiming to create “world-class
universities” and are striving to secure better rankings in the “international university
league” (Mok 2006a). They include:

- Malaysia where policies are in place for the establishment of a “university of
world-class standard” by 2010 (The Malaysian Prime Minister, reported in The
Straits Times, 10th September 2007).

- Singapore which has policies to make the National University of Singapore and the
Nanyang Technological University world-class institutions on the grounds that they
should compete in the international arena for elite fee paying international students
(Davie and Quek 2000).

- The University of Hong Kong which is committed to becoming a world-class
institution to attract the world’s best professors and researchers and to turn it into a
world-class research led university with a doubling of the number of international
students (Yeung 2005).

- China and South Korea are giving serious attention to transforming their public
universities into world-class institution (Morshidi 2006a, Fok 2007).

What is a world-class university? Several institutions call them-selves world-class and
these include relatively modest academic universities in Asia and Australia to a new
private institution in Saudi Arabia. Since this implies ambiguity about the meaning of
the term, Altbach (2004) identified four relevant characteristics necessary for world-
class status. The first is excellence in research conducted by top quality academics with adequate funding support. Second is academic freedom which permits academic staff and students to pursue knowledge and to publish their work freely. Third relates to adequate facilities. These include well stocked libraries, fully equipped laboratories as well as electronic resources. The final set of characteristics are internal self-governance and a tradition of ensuring that the academic community controls students admissions, the curriculum, degree awards, and the selection of new academic staff.

2.6.3 Research and Postgraduate Mobility

The internationalisation of higher education is reflected by increasing numbers of faculty member and students being sent abroad for research or postgraduate studies. Research and doctoral training are the most globalized higher education activities, particularly in scientific disciplines (Marginson and van der Wende 2007). In several developing countries the exchanges of faculty and research students among universities are becoming increasingly common and continue to rise (Lee and Healy 2006).

The main motivations are to enhance research, knowledge capacity and cultural understanding. International graduate students also provide research and teaching services for modest compensation in universities in developing countries. China, Malaysia and Singapore are hosting a significant number of international students to improve the quality and cultural composition of the student body and to gain prestige (Altbach and Knight 2007). Pertinent country examples are given below.

2.6.3.1 The United States

The United States has 17 of the world's top 20 research universities in terms of research performance and 54% of the top 100. It play a significant global role in drawing researchers from East Asia and South Asia and the 41% of the post doctoral personnel in the United States in 2001 were foreign born (NSB 2006). Furthermore, in 2004 the American doctoral centre enrolled 102,000 foreign doctoral students or 18.1% of the total doctoral student population (OECD 2005). These statistics indicate that the
country is a magnet for talented doctoral students, postdoctoral researchers and established faculty from around the world (SJTUIHE 2006).

2.6.3.2 The United Kingdom

The United Kingdom, ranked second in the global higher education market, also encourages the recruitment of non-national academic and research staff. There were 31,447 non-UK nationals in academic posts in UK higher education institutions in 2005/06 and they accounted for 19.1 per cent of total academic staff. Significantly, the proportion of UK non-national academic staff, with a doctorate as the highest qualification, was higher (53 per cent) than among staffs who were UK nationals (41 per cent). Also noteworthy is that almost 40 per cent of non-UK academic staff in 2005/2006 was researchers. As shown in Table 2.9, Chinese nationals were the largest single group of non-UK nationals among research staff (HESA Staff Record 2005/06).

Table 2.9: Major Non-UK Nationalities of Staff Graded as Researchers, 2005/06

<table>
<thead>
<tr>
<th>Nationality</th>
<th>Researchers</th>
</tr>
</thead>
<tbody>
<tr>
<td>China (People’s Republic of)</td>
<td>1,450</td>
</tr>
<tr>
<td>Germany</td>
<td>1,070</td>
</tr>
<tr>
<td>France</td>
<td>900</td>
</tr>
<tr>
<td>Italy</td>
<td>750</td>
</tr>
<tr>
<td>Greece</td>
<td>570</td>
</tr>
<tr>
<td>India</td>
<td>570</td>
</tr>
<tr>
<td>Republic of Ireland</td>
<td>560</td>
</tr>
<tr>
<td>United States</td>
<td>510</td>
</tr>
<tr>
<td>Spain</td>
<td>490</td>
</tr>
<tr>
<td>Australia</td>
<td>440</td>
</tr>
<tr>
<td>Canada</td>
<td>230</td>
</tr>
<tr>
<td>Japan</td>
<td>200</td>
</tr>
<tr>
<td>Malaysia</td>
<td>170</td>
</tr>
</tbody>
</table>

(NB: value rounded to nearest 10) Source: HESA Staff Record (2005/06)

2.6.3.3 China

China is emerging as a leader in academic research with the Government taking measures to lift the quality and global competitiveness of the leading research universities. The country accounts for half the R&D expenditure of the non OECD
nations (Vincent-Lancrin 2006). The number of doctoral degrees awarded by universities in China rose from 19 in 1993 to 18,625 in 2003 and a doctoral admission target of 54,000 was planned for 2005 (Liu 2006). The researcher was unable to determine whether this target was achieved.

2.6.4 Internationalising Academic Structures

Academic structures are changing to meet the needs of a knowledge-based society, good governance and management (Morshidi 2006b). The role of information technology in educational delivery, including online tertiary education, is being emphasized (Bovornsiri 2006). Academic programs are being structured to permit better international articulation with other important international systems such as the United States and Western Europe (Fok 2007). Universities are creating multidisciplinary programs that are more appropriate to the job market (Morshidi 2006b).

A pertinent example is Singapore (EMB 2004, p. 4). The Government reviewed the programs of public universities to ensure that students are equipped with the necessary skills for national economic progress. Both the National University of Singapore and the Nanyang Technological University have introduced a modular system for undergraduate courses. They replaced the British nomenclature system for academics job titles in favor of the North American nomenclature (Tan 2006).

The use of the English language, as the medium of instruction, is also emphasized in countries where English is not the national language. These include China, where priority and attention is now being accorded to English language studies and English-speaking related programs at undergraduate level and those that lead to international professional qualifications (Huang 2007). Malaysia is emphasizing the increased use of English as a medium of research and instruction (Morshidi 2006a, National Higher Education Action Plan 2007).

2.6.5 The Massification and Expansion of PHEIs

Higher education reform policies in developing countries are generally aimed at increasing the overall access for university age students. The term “massification of
higher education” reflects the global trends of improving higher education access for all, by ensuring that the higher education systems provide for mass participation across different social, income and geographical groups (Lee and Healy 2006).

The growing demand for access comes into conflict with the funding of academic systems. Higher education is an expensive undertaking and there is much debate on how to fund expanding academic systems. Current approaches emphasize the need for users to pay for the costs as policy makers increasingly believe that higher education only benefits the individuals and therefore, should not be treated as a public good (Altbach and Davis 1999).

The public universities in developing countries face capacity and funding constraints and are generally unable to meet the expanded demand for higher education. The resulting widening gap, between the demand for higher education and supply, is shifting the emphasis to privatized higher education which has now become a worldwide phenomenon (Altbach and Davis 1999).

Governments are increasingly relaxing policies to encourage the creation of strategic partnerships between the public and the private sector for providing higher education. This has contributed to the rapid expansion of PHEIs, which include private owned universities, university colleges, technical institutes and foreign universities, delivering their programs through local partners and branch campuses (Lee and Healy 2006).

Policies for expanding private higher education are helping to increase enrollments and reduce the Governments’ budgetary burden. In the Philippines and Indonesia, PHEIs enrollments outnumber those in the public providers. In some countries a few PHEIs cater to the elite few who can afford high quality private education. Pertinent examples include De La Salle University in the Philippines, Monash University in Malaysia (Morshidi 2006b) and RMIT in Vietnam (Ngo 2006). PHEIs also foster the opportunity to diversify curriculum and instruction and in Malaysia, English rather than Malay is the medium of instruction (Morshidi 2006a).
2.6.6 The Role of PHEIs in Selected Regional Countries

The growing importance of the contributions of PHEIs to increasing access to higher education is reflected by the selected regional examples given below:

2.6.6.1 Indonesia

In Indonesia, the first private university, Universitas Islam Indonesia (UII), was established in 1945. The PHEIs grew rapidly in 1980s following changes in Government policy and the emergence of a new middle class society. Enrolments in private universities grew by 9 per cent annually between 1985 to 1995 by which time the number of students enrolled in the 1,228 private universities were almost 2 million as compared to the 436,000 in the 72 public universities. This indicates that private universities are sharing the burden of meeting the demands for higher education (Nizam 2006).

2.6.6.2 Thailand

Private universities and colleges contribute greatly to the continuing expansion of Thai higher education. In 2005, there were 59 PHEIs as compared to 55 public universities. Licensed under the provisions of the Private Higher Education Institutions Act, 2003, they provide degree level courses, conduct research and render academic services (Bovornsiri 2006).

Two of the PHEIs are foreign based institutions. One is Webster University, a US accredited institution which has over 250 students from 13 nations, and the other is the St. Theresa Inti College. This is a partnership between two international education institutions in the region, namely St. Theresa Technology of Business Administration School, Thailand and the Inti Group of Colleges, Malaysia (Bovornsiri 2006).

2.6.6.3 Vietnam

The country’s rapid economic growth has been matched by escalating pressures on Vietnam’s higher education systems. Annually, more than one million upper secondary
graduates take the entrance exams to secure one of the 120,000-140,000 universities places available in 227 institutions. Those who are unsuccessful have to resort to PHEIs (Ngo 2006).

Although the first PHEI was only established in 1998, Vietnam already had 24 non-public higher education institutions by 2004. They comprised of 17 people-founded institutions, six semi-public institutions and one private junior college. In the 2003 – 2004 academic year, these institutions enrolled 137,122 students nationwide, accounting for 13.28 per cent of the total student number of 1,032,440 (Ngo 2006). The Government is committed to increasing the number of PHEIs and the aim is for them to account for 30 per cent of all students by the year 2010. However, the PHEIs are generally weaker than the public institutions due to funding constraints (Sloper and Can 1999, Hoang 2004).

The internationalisation of higher education in Vietnam is driven by foreign education programs either conducted entirely by the foreign universities or through cooperation with local institutions The Royal Melbourne Institute of Technology which has 2 campuses, in Ho Chi Minh City and in Hanoi, Troy State University, Washington State University, the University of Houston and the University of Technology in Sydney, also offer programs in conjunction with local partners (Kelly 2000).

2.6.7 Educational Hubs

Several national governments, in South East and East Asia, are strategising to become educational hubs in the region to capture a larger slice of the estimated USD2.2 trillion world education markets (Ministry of Trade and Industry, Singapore 2002). This is also supported by rising student demands for obtaining advanced educational training to improve their career opportunities. Student pressures to study in educationally advanced countries are compelling national education authorities to improve their educational systems by introducing educational reforms (Wu and Yu 2006).

There are three other drivers for creating education hubs. The first is the rising cost of overseas education; in particular the imposition of full fees for foreign students, by the
United States, the United Kingdom and Australia which are the leading educational providers. The second is to stem foreign exchange outflows and provide additional capacity for local students who are unable to afford overseas education. Finally the hubs create opportunities to generate export incomes by attracting overseas students.

The Malaysian Government actively supports overseas providers to set up branch campuses in the country. The five foreign universities that have done so are the Swinburne Institute of Technology, De Monfort University, Monash University, Curtin University, and the University of Nottingham (Sivalingam 2007). More recently, the Malaysian Government announced ambitious plans to establish an educational city “EduCity” in the Iskandar Development Corridor in South Johor which is across the causeway from Singapore. Taking advantage of the incentives offered, The University of Newcastle, United Kingdom is establishing a branch campus specializing in medical and related courses (The New Straits Times, 4th January 2009).

As part of its strategy for becoming a regional hub, the Singapore Government adopted a “Global Schoolhouse” strategy which provides for three tiers of universities. The first tier relates to world-class foreign universities. The State run Economic Development Board invited 10 prestigious foreign universities to set up branch campuses for turning Singapore into an international educational centre or a “Boston of the East”. These included John Hopkins University, University of Chicago, INSEAD, the University of New South Wales (UNSW) and the Wharton School of Business. However, much to the embarrassment of the Singapore Government, John Hopkins University and the UNSW exited soon after they commenced operations due to weak demand (Morshidi 2008a).

The second tier comprises the public universities. These are the National University of Singapore, Nanyang Technological University and the Singapore Management University. The third consists of private universities either local or foreign in origin. The aim is to attract the bulk of foreign full fee paying students (Ministry of Trade and Industry, Singapore 2002). For this purpose, Singapore is building a “country brand” and not individual institutions. This strategy has been successful as they have been able to attract students from Malaysia and Indonesia (Santiago 2005).
2.6.8 Section Summary

This Section highlighted the significant trends in higher education emerging from educational reforms. Governments are expanding the roles of PHEIs for meeting the rapidly growing demands for higher education. Governments are creating educational hubs, and world-class universities. The curricula are being internationalised, academic structures are under review and research capacities are being enhanced. The next Section reviews the literature related to the Malaysian education system and the policies for higher education.

2.7 Malaysian Educational Systems & Policies

This Section reviews the literature on the immediate discipline of higher education in Malaysia. It introduces Malaysia’s tertiary education and then discusses the Government’s educational reforms and their impact on PHEIs.

2.7.1 The Evolution of Malaysian Higher Education

The University of Malaya, the country’s first university, was established in 1961. Over the period, 1970-1975, enrolments in public funded higher educational institutions doubled. Ethnic quotas, introduced in 1971, resulted in a sharp increase in the domestic enrollments of Malays for degree courses. They grew from 50% in 1970 to 65% in 1975 (Young et. al. 1980). Total student enrollments, in degree courses escalated from 7,677 in 1970 to 20,045 in 1980. Since the demand for tertiary education exceeded supply, about 19,515 Malaysian students were studying abroad for a degree in 1980. This was almost equal to the number of students enrolled in local public universities (Sivalingam 2000).

Students enrolled in degree courses increased three fold from 20,045 in 1980 to 60,030 in 1990. This vast expansion was generated by the need to increase the “trained manpower required by the expanding commercial and industrial sectors” (Fifth Malaysia Plan 1986, p. 501) as a result of the vast inflows of foreign investment in Malaysia (Sivalingam 2007).
The rapid growth of tertiary level enrollments led to a sharp rise in the Government’s expenditure on tertiary education. As a percentage of GDP, this increased from about 9% in 1970 to 13% in 1990. Despite this increase, only 7.2 percent of Malaysians of university age were enrolled in local tertiary institutions. This figure was much lower than the 35.8 percent in Argentina or 58.4 percent in South Korea (Ziguras 2001). Furthermore, Malaysia’s Vision 2020 Policy calls for increasing the enrollment ratio for tertiary education to 40% of the population, in the 19-24 age group, by 2020 (Sivalingam 2007).

The demand for higher education in Malaysia is strong with insufficient university places (Middlehurst and Woodfield 2004). Consequently, several thousand students rely on overseas tertiary education and this is reflected in Table 2.10.

Table 2.10: Malaysian Students Abroad (1999-2004)

<table>
<thead>
<tr>
<th>Countries</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>16,482</td>
<td>12,869</td>
<td>N/A</td>
<td>17,574</td>
<td>19,431</td>
<td>16,904</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>12,924</td>
<td>10,351</td>
<td>9,193</td>
<td>9,011</td>
<td>9,715</td>
<td>11,806</td>
</tr>
<tr>
<td>United States</td>
<td>10,639</td>
<td>N/A</td>
<td>6760</td>
<td>7,395</td>
<td>6,595</td>
<td>6,483</td>
</tr>
<tr>
<td>Japan</td>
<td>1,960</td>
<td>1,956</td>
<td>1,747</td>
<td>1,613</td>
<td>1,612</td>
<td>1,841</td>
</tr>
<tr>
<td>New Zealand</td>
<td>1,489</td>
<td>1,178</td>
<td>1,060</td>
<td>893</td>
<td>831</td>
<td>1,062</td>
</tr>
<tr>
<td>India</td>
<td>N/A</td>
<td>148</td>
<td>148</td>
<td>92</td>
<td>788</td>
<td>806</td>
</tr>
<tr>
<td>Ireland</td>
<td>673</td>
<td>623</td>
<td>603</td>
<td>519</td>
<td>663</td>
<td>775</td>
</tr>
<tr>
<td>Germany</td>
<td>140</td>
<td>156</td>
<td>197</td>
<td>216</td>
<td>245</td>
<td>423</td>
</tr>
<tr>
<td>France</td>
<td>104</td>
<td>84</td>
<td>118</td>
<td>212</td>
<td>220</td>
<td>318</td>
</tr>
</tbody>
</table>

Source: Adapted from UNESCO Institute for Statistics Database (2005)

In 1995, the 20 percent of Malaysian students who were studying abroad cost the country around USD800 million in currency outflows (Ziguras 2001). Malaysia became one of the top 20 countries of origin for students in the OECD in 2001 with 32,709 or 2 percent of the total of 1.5 million foreign studying for higher education (Hatakenaka 2004). The USA, with a far larger student population came next to Malaysia with 30,103 students studying abroad (Morshidi 2006b).
More than 38,000 Malaysians were studying abroad in 2004. The largest numbers or 16,904 were in Australia. This was followed by 11,806 in the United Kingdom and another 6,483 in the United States. The rest were largely in Japan New Zealand, India, Ireland, Germany and France (UNESCO Institute for Statistics 2005).

While Malaysia remains one of the “top ten source countries” for higher education institutions in the United States, the United Kingdom and Australia (Verbik and Lasanowski 2007), there is now a downward trend (Morshidi 2008a). This is attributable to four main factors. The first was the Asian financial crisis in 1997 whereby Malaysians found overseas education too costly. The second relates to transnational higher education providers and reputable foreign universities increasing local capacity by establishing branch campuses (Morshidi 2006a). The third factor was the educational reforms over the period 1996 - 2007 pertaining to Malaysian higher education which made studying locally more affordable and attractive. The final factor is the policy interventions by the Malaysian Government to promote the growth of the PHEIs and internationalise their operations. These are discussed in the subsequent sections.

2.7.2 Higher Education Reforms for Internationalisation

In the early 1990s, the Government, faced with the predicament of continuous currency outflows and expanding tertiary education supply, re-assessed the directions of higher education. The objectives were to expand access, control public expenditure, ensure the quality of private sector provision and to turn Malaysia into a regional hub for higher education (Morshidi 2006a, Sivalingam 2007).

This led to the major reforms of the Malaysian higher education sector. They addressed concerns that in the absence of regulations, the higher education system in Malaysia could drift into a new market orientated format with serious consequences for quality and equity (Middlehurst and Woodfield 2004). The reforms were also necessary to smoothen the running of the system and to address new developments and challenges (Shafie 2005). The key ones included increasing access to higher education, maintaining standards and exporting higher education through privatization and internationalisation.
The reforms were reflected in three pertinent Acts passed by Parliament in 1996, amendments to the Act in 2003 and the Malaysian Qualifications Agency Act in 2007. Outlined below, they were directed at transforming Malaysia into a regional education hub and to provide the necessary regulatory framework for the liberalization and privatization of higher education (Morshidi 2006a).

2.7.2.1 Private Higher Education Act 1996

The Private Higher Education Act, enacted in 1996, was aimed at building a pool of well educated and skilled professionals (Sohail, Jegatheesan and Nor Azlin 2002). The Act opened the doors for Malaysian PHEIs to award degrees either at sub-degree level or degree programs offered through collaborative or twinning arrangements with local or foreign universities. In respect of the latter, some part of the program had to be undertaken in the degree-awarding partner institutions. Students enrolled in degree programmes, offered through partnership links between Malaysian PHEIs and overseas universities, were required to transfer from Malaysia to the concerned university to complete their studies (QAA 1999).

The Act was a clear indication of the Government's recognition that the PHEIs had to expand and to do more. It resulted in a process of marked differentiation with new providers entering the higher education systems (World Bank 2000). The Act also addressed the reality that the Government could no longer provide resources for new or expanded public institutions to cater to the increased demand for tertiary education (Middlehurst and Woodfield 2004). For example, the 2003 operating expenditure for the public universities exceeded RM4 billion and the development allocation for the universities in the Eighth Malaysia Plan amounted to over RM7 billion. This figure has since increased with the establishment of new public higher education institutions and the recent upgrading of some universities into research universities (Yahaya and Abdullah 2003).

2.7.2.2 National Accreditation Board Act 1996

This Act led to the creation of the National Accreditation Board or LAN (now the Malaysian Qualifications Agency (MQA)) with responsibilities for accreditation and
ensuring quality control process in PHEIs. The Board’s policies were premised on making higher education a profitable export industry and for establishing Malaysia as a regional centre of excellence in education (Middlehurst and Woodfield 2004).

In 2002, LAN introduced the Malaysian Qualifications Framework (MQF) for assessing the standards and the delivery of study programmes offered by licensed providers of higher education (GOM, Ninth Malaysia Plan 2006). The MQF requires all licensed PHEIs to evaluate all qualifications on the basis of criteria and standards that conform to international best practices. They are also required to review the curricula of all programmes offered every three to five years to make Malaysian institutions of higher education globally competitive for the export of the educational services (Morshidi 2006b).

In 2003, LAN issued guidelines on the criteria and standards for courses offered by PHEIs. These emphasize on quality assessments and set the academic qualifications framework for courses of study at the certificate, diploma, bachelor degree and postgraduate degrees. The guidelines also detail the curriculum component, the credit hour systems, and the entry requirements, and reiterate that the National Language, Malaysian Studies and Moral Education are compulsory subjects.

It is doubtful as to whether the compulsory subjects benefit overseas students as the majority is enrolled in courses offered by foreign universities in partnerships with Malaysian PHEIs. Furthermore, the foreign universities do not stipulate these compulsory subjects as course requirements. Significantly, the entry requirements for tertiary levels of studies require a pass in Bahasa Malaysia with no stipulation on the required levels of English although overseas students generally prefer courses conducted in the English language (Sukumaran 2002).

The LAN (now MQA) processes for course accreditation involve a preliminary visit by a panel and a subsequent visit by a panel of assessors drawn primarily from the public universities. The shortage of experts in the entire range of disciplines to carry out accreditation exercises results in delays in the process (Sukumaran 2002).
2.7.2.3 The Private Higher Education Act (Amended) 2003

The Private Higher Educational Act 1996 was amended in 2003 to cater to new challenges in the provision of private higher education. Specifically, the amended Act paved the way for the establishment and upgrading of private universities, university colleges and branch campuses of foreign universities in Malaysia (Morshidi 2006b).

These changes, summarized in Table 2.11, require the MOHE to approve all new foreign partnerships and stipulate that Malaysians must have majority ownership of branch campuses. Furthermore, all programmes must include compulsory subjects on the National language, Malaysian Studies and Moral Education.

Table 2.11: Regulations Regarding Foreign Providers in Higher Education

<table>
<thead>
<tr>
<th>Year</th>
<th>Regulation</th>
</tr>
</thead>
</table>
| 2000 | 1. New foreign partnerships and branch campuses invitation from Ministry of Education. After invitation, the foreign higher education institution registers with MOE and submits application for permission to conduct course.  
      2. Each course must be accredited in home country; LAN assesses whether each course meets minimum standards. Submit documentation on course of study, teaching subjects, faculty, facilities and rationale for providing course. |
| 2005 | Branch campuses
      1. Foreign universities must establish a Malaysian company with majority Malaysian ownership; to operate campus
      2. All programmes must include compulsory subjects on National language, Malaysian society and religion
      For franchise programmes, MOE will invite only those highly ranked foreign institutions |

Source: Adapted from Bashir (2007)

Some larger and longer established PHEIs met the requirements of the Amended Act and were subsequently upgraded to university colleges. Five foreign universities established branch campuses in Malaysia as shown in Table 2.12. Monash University established a branch campus in Malaysia through a partnership with the Sunway Group.
Table 2.12: International Branch Campuses in Malaysia

<table>
<thead>
<tr>
<th>University</th>
<th>Country</th>
<th>Branch Location in Malaysia</th>
<th>Year Opened</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monash University</td>
<td>Australia</td>
<td>Petaling Jaya (near Kuala Lumpur)</td>
<td>1998</td>
</tr>
<tr>
<td>Curtin University</td>
<td>Australia</td>
<td>Miri, Sarawak</td>
<td>1999</td>
</tr>
<tr>
<td>University of Nottingham</td>
<td>UK</td>
<td>Semenyih (near Kuala Lumpur)</td>
<td>2000</td>
</tr>
<tr>
<td>De Monfort University</td>
<td>UK</td>
<td>Kuala Lumpur</td>
<td>2000</td>
</tr>
<tr>
<td>Swinburne University of Technology</td>
<td>Australia</td>
<td>Kuching, Sarawak</td>
<td>2000</td>
</tr>
</tbody>
</table>

Source: Adapted from OBHE (2002)

2.7.2.4 The Malaysian Qualifications Act 2007

This Act led to the merger of LAN with the Quality Assurance Division of the Ministry of Higher Education to create a single quality assurance body named as the Malaysian Qualifications Agency (MQA). The MQA has since issued the Code of Practice for Programme Accreditation (COPPA) and the Code of Practice for Institutional Audit (COPIA). These are the guidelines, standards and codes of practice to assist the PHEIs to enhance their academic performance and institutional effectiveness (GOM, MQA 2008).

During the formulation stage of these Codes, the MQA took account of the quality assurance practices of the Quality Assurance Agency for Higher Education (QAA) of the United Kingdom, Australia Universities Quality Agency (AUQA), the New Zealand Qualifications Authority (NZQA), Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ), South African Qualifications Authority (SAQA) and the National Accreditation and Assessment Council (NAAC) of India (GOM, MQA 2008).

Although there is very limited literature on the performance of MQA, the available evidence indicates that MQA is retaining the operational policies of its predecessor LAN. It continues the practice of conducting accreditation visits by panels with
members who are largely from the public universities. It also continues to evaluate the quality of foreign degree programmes offered by PHEIs in conjunction with foreign universities even though they may have been assessed by the home governments of the foreign partners.

2.7.3 Changes in the Educational Structure

Higher education is a growing service industry, which requires compliance with the business objectives of efficiency and systematization (Cremin 1970). Despite the radical reforms in 1996 the Malaysia higher education system remained in a state of flux. The situation called for private-public partnerships to complement existing reforms on the development of quality, effectiveness, efficiency, academic freedom, institutional, autonomy, public accountability, and good governance (Newman and Couturier 2001). It also required changes in the educational structure.

The new Ministry of Higher Education (MOHE), responsible for all universities, university colleges, polytechnics and colleges, was created in March 2004 following the enactment of the educational Acts. The separation of the Malaysia Education Ministry, into two separate ministries, reflected the Government’s policy to improve efficiency in the management of higher education in Malaysia.

2.7.3.1 The National Higher Education Action Plan

The National Higher Education Action Plan (NHEAP), announced in 2007, is aimed at privatization of higher education, and emphasises standardisation and quality assurance. It is also directed at transforming the national education system at all levels from pre-school through higher education and to lift the education system to new heights (GOM, NHEAP 2007). Human capital development is the principal focus of the Action Plan which has seven strategic thrusts as shown in Table 2.13.
Table 2.13: Strategic Thrusts of the National Higher Education Action Plan

| 1.  | Widening Access and Enhancing Equity |
| 2.  | Improving the Quality of Teaching and Learning |
| 3.  | Enhancing Research and Innovation |
| 4.  | Strengthening Institutions of Higher Education |
| 5.  | Intensifying Internationalisation |
| 6.  | Enculturation of Lifelong Learning |
| 7.  | Reinforcing the Higher Education Ministry's Delivery System |

Source: Adapted from the GOM, NHEAP (2007-2010)

The Plan acknowledges that the Malaysian higher education system requires changes since the country had to create knowledge workers with high value-added capabilities. They are necessary to raise the country’s competitive positioning in the global value chain and to withstand the growing competition from South Korea, Singapore and China. Another policy outcome is the Government’s intention to create world class universities. Towards this end, the MOHE developed a rating system to enable the leading ones that meet the international bench marking systems to become “apex universities”. The University Science Malaysia was awarded the status of an Apex University in July 2008 (The News Straits Times, 17th July, 2008).

While the Action Plan emphasis on the advancement of all aspects of higher education, it specifically states that it is directed at public and not private higher educational institutions. This is on the grounds that ‘the Ministry is directly responsible for the operations and performance’ of the former (GOM, NHEAP 2007, p. 40). This implies that the Government is paying less attention to improving the performance of the PHEIs.

2.7.4 National Policy Changes for Exporting Higher Education

The Educational Acts of 1996 triggered a proliferation of agreements between Malaysian and overseas higher educational institutions. In 1999, at least 70 UK higher educational institutions had either franchise or articulation arrangements with private Malaysian institutions (QAA 1999). Australian universities also extended their
participation in the Malaysian higher education sector. In February 1998, Malaysian institutions had twinning programs with 24 Australian universities (Denman 2002).

Another significant reform was the Ministry of Education’s decision to permit the ‘3+0’ arrangement in 1998. This enabled the PHEIs to offer and deliver degree level programmes under collaborative arrangements with foreign universities (QAA 1999). The curriculum for these programmes had to be similar to the home-campus version with minimum contact hours (Middlehurst and Woodfield 2004).

2.7.4.1 The Impact of the Reforms on Foreign Student Enrollments in Malaysia

The Educational Acts of 1996 and 2003 liberalised the education sector. They permitted the larger PHEIs to achieve University College status with degree awarding powers. They also opened the doors for reputable international universities to establish branch campuses. They recognised the important role that PHEIs can play in a globalizing world, both by training students for entering global markets and by the attraction of fee paying foreign students (Morshidi 2005). Accordingly, the Government’s policies are directed at exporting higher education with the target of 100,000 foreign students by 2010 (GOM, Ninth Malaysia Plan 2006) and 8 million by 2025 (MOHE, cited in The Star, 29th August, 2009).

Malaysian higher education institutions are now important contenders in the market for mobile international students. As shown in Table 2.14, an estimated 45,550 international students were enrolled in public and private higher education institutions in July 2007. Accounting for a 2% share of the international student market (UNESCO Institute for Statistics 2008) the international students enrolled in Malaysia contributed a total of RM3 billion in foreign exchange earnings. More recent data show that foreign student enrollments increased to 50,788 in March 30, 2008 and to 69,154 in March 2009 (MOHE, cited in The Star, 29th August, 2009).

Overseas student enrollments in Malaysian PHEIs including the branch campuses of foreign universities increased sharply as also shown in Table 2.14. More than 33,000 international students were enrolled in the PHEIs in July 2007 and they were largely from China, Pakistan, Indonesia and the Middle East. Since more than half of the
international student enrollments in Malaysian higher education institutions were enrolled in PHEIs, this is indicative of their pivotal role in attracting foreign students (Praphamontripong 2007).

Table 2.14: International Students at Public and Private Higher Education Institutions in Malaysia, 2002 – 2007 (July)

<table>
<thead>
<tr>
<th>Year</th>
<th>Public</th>
<th>Private</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>5,045</td>
<td>22,827</td>
<td>27,872</td>
</tr>
<tr>
<td>2003</td>
<td>5,239</td>
<td>22,158</td>
<td>30,397</td>
</tr>
<tr>
<td>2004</td>
<td>5,735</td>
<td>25,939</td>
<td>31,674</td>
</tr>
<tr>
<td>2005</td>
<td>6,622</td>
<td>33,903</td>
<td>40,525</td>
</tr>
<tr>
<td>2006</td>
<td>7,941</td>
<td>36,449</td>
<td>44,390</td>
</tr>
<tr>
<td>2007 (July)</td>
<td>12,419</td>
<td>33,131</td>
<td>45,550</td>
</tr>
</tbody>
</table>

Note: Based on the student visas/passes issued by the Immigration Department, Malaysia


2.7.5 Section Summary

This Section reviewed the literature on higher education in Malaysia, its evolution and the reforms undertaken in 1996 and 2003 to liberalise the educational sector for enabling PHEIs to play a more significant role in delivering higher education. The policy measures for quality control and for exporting higher education were also detailed. The next section focuses on Malaysian PHEIs.

2.8 The Development of Malaysian Private Higher Education

Private higher education is a recent development (Santiago 2005). Although Malaysian PHEIs have been in existence for the last 25 years, they were only actively developed in 1995, since the public university system was unable to meet the demand for university places. Private higher education is now a vibrant business in Malaysia and the demand for it is growing. Due to the rapid growth of the high school population,
rising income levels and the growing costs of providing public higher education (Ayob and Yaakub 2000).

PHEIs provide educational alternatives to parents. Urban middle class parents have wider choices given their financial strengths. Although public universities have lower tuition fees, they tend to insist on high entrance requirements compared to the PHEIs that can admit students into their diploma programmes as a stepping stone to degree programmes without having to leave the country (Ayob and Yaakub 2000).

2.8.1 The Structure of the Malaysian Private Higher Educational Industry

The context in which Malaysian PHEIs functions is best described as ever-changing (Morshidi 2006b). Within this context, the two key themes that are driving changes are internationalisation (Enders 2004) and the educational reform in 1996 and 2003 which resulted in the rapid growth in the range and number of private higher education providers (Lee 2006).

In 2000, there were 11 public higher educational institutions, seven new local private universities, three foreign university branch campuses and more than 400 approved private colleges (Ziguras 2001). In 2007, the number increased to 32 Malaysian private universities and university colleges, five branches of foreign universities, 21 polytechnics, 37 community colleges and 485 private colleges. They specialized in courses relating to business, applied science, IT, engineering and medical disciplines (Morshidi 2005).

However, the vast majority of the private colleges are small with limited resources. Although almost all of them have foreign student enrollments they have high student – staff ratios and less qualified academic staff. Accordingly a number of smaller PHEIs were unable to meet the regulatory standards set by the MQA. Between November 2002 and April 2003, the MQA (then LAN) directed 178 PHEIs to stop their operations; resulting in a reduction in their numbers from 706 to 535 (Rohana 2003). An additional 10 institutions were directed to stop offering courses which had not been approved (Izwar 2003).
Furthermore, PHEIs do not participate in official rankings. This exclusion makes performance monitoring problematic. Ratings are expected to be extended to them in 2010 and it is unclear whether this will be on a compulsory basis or a voluntary one (The New Straits Times, 23rd May 2009).

2.8.1.1 The Major Players

The primary driving force behind the private colleges and private universities is the desire to provide alternative avenues for higher education while earning profits from the venture (Lee 1999). Datuk M.S Tan of Metropolitan College believes 'that purely making money in private college will not work and having a good reputation and programmes are equally important to ensure business success.' Taylor's College former President, Khoo Soo Peng, stated that 'there must be reinvestments of “surplus”- which means less dividends for shareholders, reinforcing the notion that profit is not the primary motive in the private higher education business' (The Star, 10th August 2004).

Morshidi (2004) identified 5 categories of PHEIs;

i. Private universities established by government linked companies. These include Malaysian Telecommunications Multimedia University, the National Electricity Corporation's University Tenaga Malaysia and University Technology Petronas.

ii. Those established by large public listed companies including Sunway University College, Taylors College and the Asia-Pacific Institute of Information Technology.

iii. Those established by political parties of the Barisan Nasional Government. These include the United Malay National Organisation's University Tun Abdul Razak, the Malaysian Indian Congress's Asian Institute of Science and Technology and the University Tunku Abdul Rahman of the Malaysian Chinese Association.
iv. Local branches of foreign universities including Monash University, Curtin University, University of Nottingham, De Monfort University and Swinburne University of Technology.

v. Private colleges set up by individuals and entrepreneurs including Unity College International, Stamford College, Metropolitan College and Taylors College.

2.8.1.2 Pertinent Examples of Internationalising Malaysian PHEIs

The literature indicates that the larger and more progressive Malaysian PHEIs are generally subsidiaries of large Malaysian corporate bodies. Equipped with the necessary financial resources, they are already exporting their services through increased international students’ enrollments. A key element of their marketing strategies is the recruitment of students by appointed agents in their target international markets. Some have entered into partnerships and linkages with foreign universities for the delivery of programmes and have established branch campuses. The pertinent examples include:

1. The Asia Pacific University College of Technology (APIIT)
   This University College specializing in courses relating to information technology was the first to internationalise its operations by opening a foreign campus in Karachi, Pakistan in 1998. This was followed by campuses in Colombo (Sri Lanka) and Panipat (India) in 1999 and 2000 respectively. In 2009, APIIT diversified its course offerings by establishing a law school in Colombo in collaboration with a local partner. APIIT is currently the largest overseas PHEI in Colombo (The Nations, 23rd September 2009).

2. UCSI University (UCSI)
   Formerly the Sedaya College International, UCSI achieved University College status in 2008. Through an agreement with the Blue Ocean Strategy Initiative Centre based in London UCSI secured the licenses to conduct Blue Ocean Strategy training in Malaysia, Australia, Canada, China, India, Indonesia, Philippines, Singapore, Taiwan and Thailand. UCSI is also planning to set up its first overseas campus in Dhaka, Senegal.
3. Sunway University College
This large PHEI is a subsidiary of the Sunway Holdings Group which has interests in construction and property development. Sunway University College established a campus in Shanghai in 2008 offering accounting programs and professional qualifications. Its parent company has a controlling interest in Monash University Malaysia.

4. Limkokwing University
Limkokwing University, which focuses its creative information technology and design courses promote itself as ‘global university’. It has established branch campuses in London, United Kingdom and in Botswana in Southern Africa. It also has educational partnerships in Lesotho, Swaziland, Cambodia and Indonesia.

5. INTI Group
The INTI Group of Colleges is listed on the Malaysian Stock Exchange. With several student recruitment offices in China and in other countries, INTI has more than 2000 foreign students enrolled in its campus in the state of Negeri Sembilan. It was the first Malaysian PHEI to venture into Thailand by establishing the St. Theresa Inti College through a partnership with the St. Theresa Technology and Business Administration School.

6. Taylors University College
Taylors University College, a subsidiary of a public listed company has a state of the art campus in Petaling Jaya. Benefitting from several foreign partnerships, the College is investing RM450 million in a new Lakeside Campus to house about 7,000 students and provide hostel accommodation for 1,000 students.

7. HELP University College
This is a long established college located in the heart of Kuala Lumpur. With a large international student population, it is building a HELP International New Subang 2 campus on 23.3 acres. Scheduled for completion in 2011/2012 and estimated RM17 million costs, the campus will have a student capacity of between 12,000-13,000 students.
Table 2.15: Selected Commentaries on Malaysian PHEIs Internationalisation

<table>
<thead>
<tr>
<th>Name</th>
<th>Commentary</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Paramjit Singh (2008)</td>
<td>“…Exporting education became possible when Malaysian institutions developed their own intellectual property and formulated their own courses…”</td>
<td>Executive Director, APIIT</td>
</tr>
<tr>
<td>Dato' Loy Teck Ngan (2008)</td>
<td>“…after building up our capabilities for so many years, we now feel the time is right for to begin exploring opportunities further afield…”</td>
<td>Managing Director, Taylors Education</td>
</tr>
<tr>
<td>Mr. Peter Ng (2008)</td>
<td>“……things were slow at first but we kept faith in our product and today, our curriculum has a following in Pakistan, Bangladesh, China, Oman, Nigeria, India and even New Zealand…”</td>
<td>President, UCSI University</td>
</tr>
<tr>
<td>Ms. Elizabeth Lee (2008)</td>
<td>“….Sunway’s reputation in the domestic market help paved the way for it to venture into China”</td>
<td>Executive Director, Sunway University College</td>
</tr>
</tbody>
</table>

Source: The Star Education (26th October 2008)

2.8.2 Emerging Trends in the Enrollments of International Students in Malaysian PHEIs

As discussed in Section 2.7, the liberalization of the private higher educational sector and the national policy changes generated sharp increases in foreign student enrollments. In 2007, more than 55,000 international students were enrolled in Malaysian PHEIs (Verbik and Lasanowski 2007).

Several factors contribute to the growth. Prospective students view Malaysia as a preferred destination due to the relative low costs of tuition fees and the related costs of living. Another important factor is the international recognition of programmes, conducted in the English language and delivered through twinning and franchise arrangements through reputable international universities. Other supportive factors are the political stability of the country and the diversity of cultures which are of special appeal to students from the Middle East, South and East Asia countries (Sukumaran 2002). However the percentage of foreign students at PHEIs varies markedly. The
INTI International University College is a good example of this. More than 60 percent of its foreign student enrollments were from China (Morshidi 2008b).

Students from the People’s Republic of China accounted for approximately 35% of the total overseas student enrollment in Malaysia largely because of the geographical proximity between the two countries and the social – cultural and linguistic affinities; however, there has been a decline in the numbers of Chinese students enrolling due to China developing its own higher education systems (Morshidi 2008b).

To offset the declining enrollments from China, Malaysian PHEIs are targeting several countries in the Middle East including the United Arab Emirates, Oman, Yemen, Saudi Arabia and Lebanon. However, student flows from the Middle East may also decline in the medium to long term since several gulf countries are aggressively implementing plans to expand higher education capacities. Saudi Arabia and the United Arab Emirates are planning to spend more than USD22 billion on educational projects (Reuters, 31st October 2007). Furthermore, students in the Middle East are enrolling at US-style universities in the Gulf region. These are popular as students do not have to travel to the United States where barriers and constraints are being implemented (Sedgwick 2004).

Japan is also accepting more foreign students into universities and graduate schools. The Government has set a target figure of one million for international students by 2025 and increasing the number of scholarships for foreign students studying in Japan (Yomiuri Shimbun 2007).

These developments point to an increasingly competitive market for international students. They trigger the need for Malaysian PHEIs to formulate and implement longer term plans and strategies to better position themselves in the dynamic and changing international higher education landscape.

2.8.2.1 The Edu City Educational Hub

Malaysia’s drive to establish itself as a regional leader in education is also reflected by the establishment of an education hub termed Edu City in the Iskandar Development
Region (IDR) in the south of Peninsula Malaysia close to the border with Singapore. Two international universities are establishing campuses in the IDR. The first is University of Newcastle from the United Kingdom. The University expects to accommodate 900 medical students when it starts its Johor Campus in 2011. Professor Reg Jordan who heads the new campus stated that the advantages of establishing in Malaysia strong government support; relatively low costs; and an excellent location, close to populous Asian countries and within reach of the Middle East and Australia (The New Straits Times, 23rd May 2009).

The other is the Vinayaka Mission’s University (VMU); an Indian education group which is planning to establish a RM100 million branch campus in the Edu City to offer engineering, technology, and management courses. It has also earmarked RM220 million for various education based projects in Malaysia up to 2015. These include the Surya College, a specialty institute offering programmes in allied health science, started operations in early 2009 (StarBiz, The Star, 12th June 2009).

2.8.2.2 Implications of the Current Global Economic Slowdown

The key economic indicators point to Malaysia being adversely affected by the global recession (MIER 2008) which was triggered by the sub-prime credit crisis in the United States in 2007. Malaysia’s leading trading partner markets including the United States, Europe, Singapore, Korea and Japan entered recession in November 2008 (Bloomberg, 16th December 2008). The growth performance of China PRC, a leading source of foreign students studying in Malaysia, is forecasted to slow down considerably from 11.7% growth in 2007 to 7% in 2009.

Countries in Middle East, Southeast Asia, West and East Africa are also expected to register reduced if not negative growth rates in 2009. This dismal outlook raises the question as to whether foreign enrollments in Malaysian PHEIs would be affected. Some industry analysts regard the education industry as a recession proof industry on the grounds that education is a necessity. Professor Robin Pollard, the Vice Chancellor of Monash University of Malaysia stated that the university is showing above-normal application rates (StarBiz, The Star, 12th January 2009).
2.8.3 Section Summary

This Section examined PHEIs in Malaysia in terms of their evolution, structure, foreign partnership arrangements, enrollments and the programs offered. It also listed the key players, the EDU-City educational hub and discussed the implications of the current global economic slow down on the PHEIs.

2.9 Assessing the Global Competitiveness of Internationalising Malaysian PHEIs

Based on the reviewed literature, this Section assesses the global competitiveness of Malaysian PHEIs that are either export ready or are already exporting higher education. Porter’s (1979) Five Forces Model is used as it is an appropriate tool for analysing a firm’s principal competitive pressures. The Model has five components as shown in Figure 2.8 below:

Figure 2.8: Michaels Porter’s Five Forces Model of Competition

Source: Adapted from Porter (1979)
- First is the number of rival-sellers in the industry.
- The second relates to the barriers to entry or the threat of new entrants into the market.
- The third is the availability of substitute products.
- Fourth is supplier bargaining power and finally, buyer bargaining power.

2.9.1 Rivalry Among Competing Sellers

Regional governments are emphasizing on policies to export higher educational implementing strategies to become educational hubs. These policies challenge Malaysia's stated intention to becoming a regional centre for higher education.

An immediate challenge is the rivalry posed by Singapore. As stated in Section 2.6.7, the Singapore Government invited 10 prestigious foreign universities to set up branch campuses for making Singapore an international educational centre or a "Boston of the East". These include John Hopkins University, The University of Chicago, INSEAD, and the University of New South Wales.

This changing situation implies that prospective students residing in the target markets of Malaysia's PHEIs have more choices. Those with financial means and the academic entry requirements can opt to enroll in prestigious overseas universities in Singapore rather than in Malaysian PHEIs. Foreign students seeking more affordable tuition fees and living costs can gain entry to the branch campus of the Royal Melbourne Institute of Technology, Troy State University, Washington State University, The University of Houston and the University of Technology Sydney programmes in Vietnam. The cited examples are indicative of the growing rivalry among competing PHEIs in the region.

2.9.2 Barriers to Entry

The Education Acts of 1996 and 2003 liberalised the private higher education sector. The relaxation of barriers of entry permitted overseas universities to establish branch campuses in Malaysia. As discussed in Section 2.7.2 and shown in Table 2.12, five foreign universities established international branch campuses in Malaysia. Although
their tuition fees are generally higher than those of Malaysian PHEIs, their enrollment numbers are growing. Several other international universities have indicated their interest in establishing a physical presence in the country and include universities from India and the Philippines. Their major clientele are the urban middle class with the purchasing power to acquire foreign degrees delivered locally and the ability to undertake study in the English study (Ayob and Yaakub 2000). These developments are also resulting in Malaysian PHEIs facing stiffer competition. Mr. Tan Yew Sing, the CEO of INTI College asserted that “only the fittest will survive” (The Star, 16th August 1999).

2.9.3 Substitute Products

As discussed in Section 2.5.3, online distance education, fueled by technological advances and the internet, is now growing rapidly. This can be termed as a substitute product as any university in the world can open a branch in Malaysia by relying solely on satellite communication links. One such example is the Asia E-University which commenced operations in Malaysia in August 2008 and already has an enrolment of 2000 students. Several universities and overseas PHEIs, largely from Australia, United Kingdom and United States are offering online courses. These include:

- Australia: Southern Cross University, University of Southern Queensland, University of the Sunshine Coast.

- United Kingdom: University of Liverpool, The University of Wales, University of London, Open University.

- United States: University of Phoenix, University of Maryland University College, Liberty University, Northcentral University, Capella University, Westwood College, Ashford University, Walden University, Western Governors University.

These substitute products constitute a further challenge to Malaysian PHEIs. It compels them to enhance educational quality and to invest in new technologies to improve delivery. At the same time, the PHEIs have to find ways of keeping tuition fees low in order to compete with the providers of online courses.
Malaysian PHEIs have progressively developed several strengths which have enhanced their bargaining power in seven key areas:

The first is the award of internationally recognised qualification from reputable foreign universities. This appeal to international students, particularly from developing countries, as they can enroll in a Malaysian PHEI, and be awarded a degree by a reputable university from Australia, Canada, the United Kingdom or the United States at affordable costs. It also enables such students to benefit from an overseas education at a low cost location (Sivalingam 2007).

The second is a diversity of curriculum. PHEIs give greater emphasis to academic programmes in the science, engineering and other technology based curriculum which are relevant for the international workplace (Ayob and Yaakub 2000).

Third, the conduct of study programmes in the English language. There is a growing demand for such programmes from foreign students who come from countries that attach a premium to programmes conducted in English.

Fourth, the global education landscape which is changing due to the interplay of political and economic factors. This creates opportunities for Malaysian PHEIs to internationalise their operations. On the global political front, Malaysia is being viewed as a forward looking moderate Islamic nation with a stable and harmonious national setting.

The fifth relates to religious and cultural reasons. The country's multiracial population and mixture of culture attracts students from a wide range of nations in Asia, Africa and the Middle East. Malaysia is a preferred study venue for Indonesian students especially those who are unable to secure places in the local public universities. Chinese students find Malaysia popular because of the widespread Chinese influences in the country. Saudi Arabian students also find Malaysia a good alternative to the
United Kingdom and the United States which have imposed stricter visa controls (Rashid 2007).

Sixth, the reduction in bureaucratic procedures for the issuance of student visas for international students. This has enhanced foreign students’ perceptions of Malaysia as a preferred study destination; particularly for students from higher education importing countries in Southeast and East Asia (Sukumaran 2002).

Seventh, Malaysian government agencies are giving more support to Malaysian PHEIs with their overseas marketing strategies. The Malaysian External Trade Development Agency (MATRADE) organizes educational fairs and exhibitions in selected countries to showcase Malaysian PHEIs their courses. These proactive measures create opportunities for Malaysian PHEIs to expand the global outreach (MATRADE 2008).

However, some authorities contend that the Malaysian Government has to formulate a long term strategy for increasing international student enrollments in the PHEIs. The country therefore, seems to have “conveniently arrived at the internationalisation stage almost fortuitously, due to the promotional efforts undertaken internationally by PHEIs” (Sukumaran 2002, p. 54).

2.9.5 Buyer Power

This is examined from two perspectives. First, in relation to entry into collaborative arrangements with foreign universities for the conduct of their programs locally. Second, in respect of the capital requirements of the PHEI’s for their development and expansion.

Malaysian PHEIs appear to have buyer power as reflected by the large number of foreign courses conducted locally under training and 3+0 franchise agreements. The trend however is for foreign universities to progressively increase their royalties and their fees to offset their own costs. Since the current economic downturn, is impacting on both domestic and international enrollments, PHEIs experience difficulties in
raising their tuition fees to accommodate increases in the royalty payments to their foreign partners.

Second, is the restriction that PHEIs face to “buy” capital to meet development and operational costs. Consequently, PHEIs are competing to be cost conscious on issues that relate to i) teaching quality ii) upgrading infrastructure, facilities and equipment iii) the costs of course approvals and accreditations.

i) Teaching Quality

International students give weightage to the perceived quality of education (Follari 2004). In 2000, the student-staff ratio in PHEIs was double the student staff ratio in public institutions. This has obvious implications for the quality of teaching and supervision (Sivalingam 2007). Furthermore, the qualifications of the academic staff of PHEIs are generally much lower on average when compared to the public universities. As shown in Table 2.16 below, less than 4% of the academic staff of PHEIs had PhDs as compared to almost 33% for the public universities in 2006. Nearly three quarters of the academic staff in PHEIs have only a first degree or diploma.

Table 2.16: Staff Qualifications: Malaysian Public Institutions vs. Private Institutions, 2006

<table>
<thead>
<tr>
<th>Qualifications</th>
<th>Public Institutions</th>
<th>Private Institutions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
</tr>
<tr>
<td>PhD</td>
<td>3,375</td>
<td>32.6</td>
<td>362</td>
</tr>
<tr>
<td>Masters</td>
<td>4,932</td>
<td>47.6</td>
<td>2,289</td>
</tr>
<tr>
<td>Bachelors</td>
<td>2,045</td>
<td>19.8</td>
<td>6,210</td>
</tr>
<tr>
<td>Diploma</td>
<td>NIL</td>
<td>NIL</td>
<td>1,076</td>
</tr>
<tr>
<td>Total</td>
<td>10,352</td>
<td>100.0</td>
<td>9,928</td>
</tr>
</tbody>
</table>

Source: Ministry of Higher Education (2007)
ii) *Upgrading Infrastructure, Facilities and Equipment*

The purchasing decision of potential students is influenced by the nature and location of the campus and the facilities available. These include computer labs, lecture halls, library, hostels accommodation and students’ recreational facilities (Follari 2004). Commercial land close to the city area for the establishment or expansion of PHEI is expensive. Rental costs are also increasing. Overhead and operational costs are high. Due to financial limitations, the college premises and facilities of the smaller PHEIs do not often meet the expectations of foreign students (Hasan and Sherrif 2006).

iii) *Meeting the Costs of Course Approvals and Accreditations*

Under current regulations, the Ministry of Education has to approve the pricing of course offered by PHEIs. The costs of the accreditation of courses and for meeting the minimum standards are also borne by the PHEIs. These costs leave little or no leeway for PHEIs to increase their fee base further weaken them (Sukumaran 2002).

2.9.6 Section Analysis

Section 2.9 used Porter’s (1979) Five Forces framework for assessing the international competitiveness of Malaysian PHEIs. The discussion revealed that:

- Increased international students’ mobility has created intense regional competition among PHEIs for foreign student enrollments.
- The easing of the barriers of entry has permitted foreign universities to establish branch campuses in Malaysia. They are better positioned to attract foreign students at the expense of Malaysian PHEIs.
- The rapid expansion of online distance education is also impacting on Malaysian PHEIs. These “substitute products”, offered a lower costs, are attractive alternatives for price conscious students.
- International students expect world class campuses with credible professors. However, the smaller Malaysian PHEIs are unable to recruit teaching staff with doctoral qualifications. The high student-staff ratios affect programmes delivery.
The financial limitations also act against investments in infrastructure, facilities and equipment.

- Malaysian PHEIs have relatively strong "supplier powers". These include a diversified curriculum, foreign degrees offered at lower costs through franchise arrangements, the use of English as medium of instruction, affordable living costs and government support by way of organising international exhibitions and educational trade fairs.

On balance the weaknesses of the Malaysian PHEIs erode their ability to compete effectively in the global market for transnational education as compared to the higher education institutions in Australia, the United States and the United Kingdom. Furthermore several supplier countries, in particular those in the Middle East, are expanding their higher education capacity (Reuters, 31st October 2007). Several leading universities from the United States have also established collaborative programmes in the Gulf region. These include Georgetown University, John Hopkins University, Massachusetts Institute of Technology, Harvard University and Michigan State University (Sedgwick 2004).

The findings also indicate that the branch campuses of international universities located in Malaysia, Singapore and Vietnam have a higher profile than Malaysian PHEIs. The findings suggest that PHEIs must devise appropriate strategies to stay abreast in a volatile economic scenario which could result in reduced international students' enrollments.

2.10 Development of the Research Problem, Questions, Objectives and the Research Propositions

As stated in Section 2.1, the literature review was aimed at identifying gaps in the body of knowledge for developing the research questions "that will be the focus of data collection" (Perry 2002, p. 25). This Section discusses each of the three stated purposes.
2.10.1 Establishing the Research Problem

There was much literature on the internationalisation of higher education, the dimensions of transnational higher education and the emerging trends in global higher education. In parallel, there are several relevant theories on the internationalisation of higher education. The two pertinent theories are the stage theory and the network theory. The former argues that internationalisation activities occur by way of incremental steps of international involvements (Whitehead 1992). Furthermore, intense domestic competition is also an important motivator for firms to expand (Winsted and Patterson 1998).

The network theory views the market as a system of social business and industrial relationships among all the internal and external stakeholders (Johanson and Vahlne 1990). The theory is premised on firms developing new network relationships with their foreign counterparts in order to internationalise. This implies that certain industries are better suited for the network approach and are therefore more suited to become internationalised (Andersen 1993).

Higher education has changed profoundly in the past three decades (Davis 2003, Altbach 2005). The massification of higher education and budget constraints compel Governments to adopt policies focusing on the need for ‘users’ to pay for the cost of education. PHEIs are being encouraged to become lead players in the provision of higher education and this has generated a rapid growth of franchised programmes, branch campuses, distance education and twinning arrangements. The demands for these delivery modes have also given rise to concerns on quality standards, the increasing inequity in access to higher education and the brain drain when students do not return to the country after their overseas programmes (Kirtz 2006).

The literature revealed that the forces of globalisation and the emergence of the knowledge society have created massive demands for internationally acceptable and negotiable global qualifications. This triggered a dramatic expansion of the international activities of students and substantial increases in the investments worldwide for higher education (Altbach and Knight 2007). These emerging trends
have prompted several regional governments including Singapore, Thailand and Vietnam to aggressively export higher education by becoming regional educational hubs.

The available literature also provided valuable insights on the evolution of the Malaysian education system and the policies to liberalise the higher education system. These included the four national Education Acts passed by Parliament in 1996 as well as the Amendments made in 2003. This legislation enabled Malaysian PHEIs to expand their roles and for some to become private universities or university colleges.

The National Higher Education Action Plan and The National Higher Education Strategy Plan set out the future directions for the country’s higher education development and to make the country a regional education hub. The discussion also examined the nature of Malaysian PHEIs and their international competitiveness in the higher education export market.

Table 2.17: Identification of the Research Gaps

<table>
<thead>
<tr>
<th>Research Issues</th>
<th>Literature Review Findings</th>
<th>Research Gaps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Context</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Theories on Internationalisation</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Global Higher Education Market and Trends</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Dimensions of Transnational Education</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Evolution of the Malaysian higher education systems</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Malaysian Higher Educational Reforms</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Adequacy of Government Policies to Internationalise Higher Education Export</td>
<td>No</td>
<td>Adequacy of Government policies to support PHEIs, MQA support for PHEIs, Providing capital support to PHEIs</td>
</tr>
<tr>
<td>Situational Analysis of Malaysia as an Higher Educational Exporter</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Constraints faced by PHEIs</td>
<td>No</td>
<td>Global orientation for internationalisation, facilities and equipment, staff development</td>
</tr>
<tr>
<td>Appropriate export strategies for PHEIs</td>
<td>No</td>
<td>Marketing, Branding, Branch campuses, Foreign Linkages</td>
</tr>
</tbody>
</table>

"Yes" : Sufficient literature coverage on the issue.

"No" : Insufficient data.

Source: Developed for this Research
However, there were research gaps on some key issues pertinent to the research problem. As reflected in Table 2.17 above, the scholarship was relatively silent on the adequacy of the government’s policies to strengthen and enhance their educational quality which are critical for promoting educational exports. There were also limited data on the constraints faced by PHEIs that are internationalising their operations. Finally, there was a paucity of information on the strategies for PHEIs to successfully internationalise their operations in the face of intense competition from their regional rival. These research gaps reaffirmed the relevance of the research problem as restated below:

“The Internationalisation of Malaysian Private Higher Education Institutions for Increasing Higher Education Exports.”

2.10.2 Research Questions Development

A research question is a researcher’s translation of a business problem into a specific need for an enquiry (Zikmund 2003, p. 98). While Malaysia has a comprehensive set of policies for higher education and a strong regulatory framework, the literature is silent on the effectiveness of the policies for supporting the internationalisation of PHEIs. Accordingly, the research question to bridge this gap is:

**Research Question 1:**

*How adequate are the Malaysian Government’s policies to promote the exports of private higher education?*

As shown in Table 2.17, there are insufficient data on the challenges that hamper the efforts of PHEIs to compete successfully in the global market place. While Sukumaran (2002) and Morshidi (2006) identified some of the constraints, little subsequent research has been undertaken on the challenges that PHEIs now face. Accordingly, the second research question emerging from this gap is:
Research Question 2:
What are the constraints faced by PHEIs to enhance their capabilities to export world class higher education?

The literature revealed that the increasing student mobility between countries is contributing to an expansion of the global market for higher education. Since the export of higher education can be an important source for export earnings, Malaysian PHEIs are aiming to seize the opportunities emerging from the expanding global market for higher education. Accordingly, the third research question is:

Research Question 3:
How can Malaysian PHEIs capitalise on the opportunities created by the internationalisation of higher education?

2.10.3 The Research Objectives
On the basis of the research problems and the research questions the objectives of this research as stated in Section 1.6 are:

(i) examine the adequacy of national policies to internationalise Malaysian PHEIs.

(ii) identify the constraints faced by PHEIs to enhance their capabilities to export world class higher education?

(iii) determine appropriate approaches for the strengthening of Malaysian PHEIs.

(iv) offer policy recommendations for consideration by the concerned Government agencies and the PHEIs.

(v) extend the existing body of knowledge on the internationalisation of Malaysian PHEIs.
2.10.4 Crafting the Research Propositions

A research proposition “is a theoretical statement that specifies the relationships between two or more concepts and says something about the kind of relationship it is” (Neuman 2006, p. 58). Guided by this, the researcher, on the basis of the developed research questions, listed in Subsection 2.10.2, crafted three research propositions for testing by this research. These are:

(i) The Malaysian Government has an adequate policy framework for promoting the exports of private higher education.

(ii) Malaysian PHEIs face several challenges for competing in the global higher education market.

(iii) Malaysian PHEIs are capitalising on the opportunities created by the internationalisation of higher education.

2.11 Conclusion

This Chapter reviewed the pertinent literature on the research topic and found that the globalisation of the higher education sector has accelerated global students’ mobility, the massification of higher education, promoted transnational education and pushed the internationalisation of higher education. The Malaysian private higher education industry is growing rapidly and the Malaysian PHEIs are internationalising their operations to remain internationally competitive. There were several research gaps on the research topic and these permitted the development of the research questions and the crafting of the three Research Propositions for testing by this research. The next Chapter details the methodology adopted for this research.
CHAPTER 3 -

RESEARCH METHODOLOGY
CHAPTER 3 - RESEARCH METHODOLOGY

3.1 Introduction

The earlier Chapter detailed the literature relevant to the research topic namely the internationalisation of Malaysian private higher education institutions for increasing the exports of higher education. It included prior research on the internationalisation of higher education that related to Australia (Bohm et al. 2002, Bennell and Pearce 2003, Marginson and van der Wende 2007, Lane 2005), the United Kingdom (Middlehurst 2002, Altbach and Knight 2007) the United States (Mendels 2000, Docquier and Marfouk 2006, De Wit 2002) and China (Mok 2005, Liu 2006, Huang 2006) as well as Malaysia’s regional rivals namely Singapore (Mok 2006b), Indonesia (Nizam 2006), Philippines (Gonzalez 2006) and Vietnam (Kelly 2000, Ngo 2006).

The findings of earlier research revealed that policies and strategies concerning transnational education are gaining increased attention and visibility (Huang 2006). Consequently, higher education exports are growing at a rapid pace in China, Singapore and in Malaysia. The emphasis is on increasing higher education enrolments and accelerating the massification of higher education.

Malaysia’s higher education progress has been impressive. However, Malaysian PHEIs are at a critical point in their development because of increasing global competition. They have to adopt new measures in order to capitalise on the opportunities created by the internationalisation of higher education (Morshidi 2008a).

As stated in Section 2.1.1 there are gaps in the literature and these permitted the development of the research questions and the research objectives. The research propositions were then crafted for testing by this research and these are restated for ease of reference.

Research Proposition 1

The Malaysian Government has an adequate policy framework for promoting the export of private higher education.
Research Proposition 2

Malaysian PHEIs face several challenges for competing in the global higher education market.

Research Proposition 3

Malaysian PHEIs are capitalising on the opportunities created by the internationalisation of higher education?

This Chapter details the research methodology for the collection of the primary data required for the testing of the research propositions. Accordingly, it has eight Sections as presented in Figure 3.1.

Section 3.2 details the justification of the selected research design. It commences with a discussion on research paradigms and justifies the adoption of a combined approach. It then examines the dimensions of research, the preferred paradigm and justifies the use of both exploratory and descriptive research for the study.

Section 3.3 details the procedures for data collection. It explains the use of an Experience Survey, a Focus Group and a Questionnaire Survey as data collections instruments. It details the recruitment of the participants for the Experience Survey the Focus Group and the Questionnaire Survey. It also discusses the design of the questionnaire. The Section also outlines the measures taken to meet the requirement of rigour, validity and reliability.

Section 3.4 sets out the procedures for the analysis of the qualitative data that emerged from the Focus Group meeting and the quantifiable data from the Questionnaire Survey.

Section 3.5 discusses the issues that had to be addressed for enhancing the trustworthiness of the research findings. The pertinent ethical issues are covered in Section 3.6. Section 3.7 presents the research schedule and the final Section sets out the conclusion.
Figure 3.1: Structure of Chapter 3

3.1 INTRODUCTION
Chapter Structure

3.2 SELECTION AND JUSTIFICATION OF RESEARCH DESIGN
3.2.1 Research Paradigms
3.2.2 The Preferred Research Paradigm
3.2.3 The Dimensions of Research
3.2.4 Justification for a Combined Approach
3.2.5 Unit of Analysis

3.3 DATA COLLECTION
3.3.1 The Experience Survey
3.3.2 Focus Groups: Composition and Conduct
3.3.3 The Questionnaire Survey
3.3.4 The Sample Design
3.3.5 Conducting the Questionnaire Survey

3.4 DATA ANALYSIS
3.4.1 Qualitative Data Analysis
3.4.2 Quantitative Data Analysis

3.5 RIGOUR, RELIABILITY AND VALIDITY

3.6 ETHICAL CONSIDERATIONS

3.7 THE RESEARCH SCHEDULE

3.8 CONCLUSION

Source: Developed for the Research
3.2 Selection and Justification of Research Design

This Section justifies the research strategies employed and the research design used in the study. A research design is a framework, plan, structure and strategy specifying the methods used for collecting and analyzing the required information (Zikmund 2003). The research design for this study is shown in Figure 3.2 and the discussion on the key components is presented in subsequent sections.

Figure 3.2: The Research Design
3.2.1 Research Paradigms

A paradigm is a basic belief system (Guba 1990). It "represents a world view that defines for its holder the nature of the world, the individual place in it, and the range of possible relationships to that world and its parts" (McMurray 2007, p. 27). Other pertinent definitions of scientific paradigms are set up in Table 3.1:

Table 3.1: Pertinent Definitions of Scientific Paradigms

<table>
<thead>
<tr>
<th>Date</th>
<th>Author</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>Babbie (p.48)</td>
<td>• A paradigm is a point of view and provides researchers with looking at life.</td>
</tr>
<tr>
<td>1994</td>
<td>Guba and Lincoln (p.107)</td>
<td>• A paradigm is a basic belief system or worldview that guides researchers and deals with ultimates or first principles</td>
</tr>
<tr>
<td>1962</td>
<td>Kuhn (p. 11)</td>
<td>• A paradigm is a framework of beliefs, values, orientations and techniques shared by the members of a specific professional community • People whose research is based on a shared paradigm are committed to the same rules and standards for generating knowledge</td>
</tr>
<tr>
<td>1998</td>
<td>Perry, Riege and Brown (p.3)</td>
<td>• A paradigm is an overall conceptual framework within which a researcher may work, and it may be explicit or implicit</td>
</tr>
</tbody>
</table>


As with every other scientific discipline, the conduct of business research is guided by a paradigm. The selection of an appropriate paradigm is critical and a researcher must be clear about just what paradigm informs or guides the researcher’s approach (Guba and Lincoln 1994). A paradigm comprises ontological, epistemological and methodological assumptions. Taken together, they provide the framework for the research and set the role of the researcher (HICSS 2003).

- **Ontology** refers to the fundamental belief of the paradigm which concerns the “nature of reality” (Guba 1990). At the start of the research undertaking, the researcher should
seek answers to the ontological question “under what conditions can we really know the social world that we inhabit” (McMurray 2007, p. 28).

- **Epistemology** refers to the relationship between the researcher and the study (Guba, 1990). It also refers to the relationship between the “knower” and the “knowable” (Guba and Lincoln 1994, p. 108).

- **Methodology** refers to the way in which the researcher discovers or creates knowledge. This should be differentiated from “method” which is the tool or instrument used by the researcher to collect data. (McMurray 2007, p. 28). The methodology chosen usually reflects the ontological and epistemological beliefs of a paradigm.

There are numerous paradigms to guide research. They could be categorised into:

- naturalistic and rationalistic (Guba 1990).
- qualitative and quantitative (Bonoma 1985).
- deductive or inductive (Parkhe 1993).

### Table 3.2: Types of Paradigms

<table>
<thead>
<tr>
<th>Paradigm</th>
<th>Positivism</th>
<th>Constructivism</th>
<th>Critical Theory</th>
<th>Realism</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ontology</strong> (a)</td>
<td>Naive realism – “real reality” but apprehensible</td>
<td>Relativism – local and constructed realities</td>
<td>Virtual reality shaped by social, political, cultural, economic, ethnic and gender values</td>
<td>Critical realism – “real reality but only imperfectly and probabilistically apprehensible</td>
</tr>
<tr>
<td><strong>Epistemology</strong> (b)</td>
<td>Dualist/ objectivist: findings true</td>
<td>Transactional/ subjectivist: created findings</td>
<td>Transactional /subjectivist ; value- mediated findings</td>
<td>Modified dualists/objectivist; critical tradition/ community; findings probably true</td>
</tr>
<tr>
<td><strong>Common Methodology</strong> (c)</td>
<td>Chiefly quantitative methods; experiment/ surveys</td>
<td>“passionate participant”: consensus dialogues</td>
<td>“Transformative intellectual”; actual research/focus groups</td>
<td>Modified experimental/ manipulative; critical multiplism</td>
</tr>
</tbody>
</table>

Guba and Lincoln (1994) summarized the different types of paradigms and categorized them into positivism, constructivism, critical theory and realism. Their characteristics are shown in Table 3.2 and the suitability of each of them was considered for this research.

3.2.1.1 Positivism

The positivist perspective holds that there is a world that can be described and measured (Lincoln and Guba 1985). This is premised on the ontology that science is able to discover the true nature of reality. This means that “there is a single apprehensible reality composed of discrete elements whose nature can be known and characterized” (Perry, Alizadeh and Riege 1997, p. 129). From an epistemology perspective, the observer is separate from the research process. The findings are therefore value free and theory free (Guba and Lincoln 1994).

Despite its strengths, the positivist had two main limitations for this research. First, quantitative research emphasizes on the confirmation of a theory (Deshpande 1983) and not so much with the discovery and the development of theory (Lincoln and Guba 1985). While there is much literature on the internationalisation of higher education, as discussed in Chapter 2, they do not specially relate to the Malaysian situation. Accordingly, inductive theory building and not theory testing was required for this research.

The second reason relates to the environment for the research. Quantitative research requires a controlled environment (Guba and Lincoln 1994). The internationalisation of Malaysian PHEIs is a function of numerous known and unknown elements influencing corporate decisions and actions and these could not be isolated and controlled for research purposes. Furthermore, a controlled environment may result in findings that are not relevant to the real world, may lack rigour, and may provide poor results (Guba and Lincoln 1994).
3.2.1.2 Constructivism

In this paradigm, truth about a proposition of the worlds is subjective, because it is based on individuals' perceptions of reality. The epistemology of this paradigm is that the researcher and the involved subject are mutually interactive and therefore, the research findings are jointly created by both. This paradigm was considered to be unsuited for this research as the aim was to determine how Malaysian PHEIs can internationalise their operations. It is therefore concerned with management decisions and operational processes rather than with human thoughts and emotions (Perry, Alizadeh and Riege 1997).

3.2.1.3 Critical Theory

This focuses on the analysis and the transformation of social, political, cultural, economic, ethnic and gender values. The method applied within this paradigm usually takes the form of a dialogue between the researcher and the subject. The purpose is to transform them through new thinking (Guba and Lincoln 1994). An important objective of this research was to determine the success factors for the internationalisation of PHEIs and not to transform or change the thinking of educationists. Accordingly this paradigm was also not considered suitable for this research.

3.2.1.4 Realism

Realism research involves describing a social phenomenon which consists of both observable and non visible elements as realistically as possible. In order to arrive at an objective account of events, the realism paradigm triangulates several perceptions of reality for capturing a better picture of the phenomenon. From the epistemological perspective, the researcher while being part of the research process remains as objective as possible. As such, the researcher is not completely value free but can aim to be value aware (Perry, Alizadeh and Riege 1997).
3.2.2 The Preferred Research Paradigm

In order to decide on the appropriate method for addressing the research problem, the researcher examined the methodology adopted for studies broadly similar to the issues being addressed. Full account was also taken of the strengths and weaknesses of each research paradigm and noted that academics, senior policy makers and managers are moving away from solely positivist methods as deductive analysis methods often result in theory development without the benefit of informed data (Parkhe 1993, Cresswell 1998, Cameron and Miller 2007). The literature also suggest that there are concerns about the credibility of research studies that are solely qualitative in nature with small samples sizes and with findings that relied greatly on the subjective interpretation of the collected data by the researcher (Marsick 1990, Miles and Huberman 1994). Such findings tend to be less valid and reliable and cannot be generalised (Easterby-Smith et. al. 1991).

However, there is no clear boundary between inductive and deductive research for describing and explaining a research issue (Miles and Huberman 1994, Neuman 2006). Since each of the paradigms has strengths and weakness, a combination of qualitative and quantitative methods provides a better understanding of the research problem (Creswell and Plano Clark 2007, Miles and Huberman 1994, Yin 1994).

The scholarship also suggests that the mixed methods approach is increasingly being used in the field of management research (Bazeley 2003). This is also borne out by mixed methodology being the most frequently utilised research approach by DBA candidates at Southern Cross University. Research undertaken on DBA graduates over the period 1997 – 2007, revealed that 39% of them used the mixed method as compared to purely quantitative research (32%) and purely qualitative research which amounted to 29% (Miller and Marchant 2009).

In view of the benefit of using the mixed method for this research, the researcher combined qualitative and quantitative approaches to provide for theory building as well as theory confirmation elements (Sekaran 2000, Perry and Coote 1994, Cameron and Miller 2007).
There are several mixed method typologies (Creswell 2003, Greene and Caracelli 1997, Tashakkori and Teddlie 2003), pertinent to this research was the four type typology comprising triangulation, embedded, explanatory and exploratory developed by Cresswell and Plano Clark (2007). Taking full account of the objectives of the study, this researcher adopted the exploratory design which involves the sequential use of the qualitative and quantitative approaches. However, this research was largely exploratory and qualitative in nature as it was primarily aimed at examining the perspectives of Malaysian PHEIs on internationalising their operations. The supplementary use of the quantitative paradigm permitted the confirmation of the preferred theoretical model emerging from the exploratory stage.

3.2.3 The Dimensions of Research

The next issue that was addressed was the dimensions or the purposes of the study. This was necessary to guide the data collection exercise and the analysis (Emory and Cooper 1991, Neuman 2006). Several research methods may be employed for conducting a research study (Easterby-Smith et. al. 1991). These can be categorised as exploratory, descriptive and causal and the salient features are set out in Table 3.3.

<table>
<thead>
<tr>
<th>Research Type</th>
<th>Purpose/Features</th>
<th>Research Problems Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploratory</td>
<td>Initial Research to define research problem and to extend body of knowledge</td>
<td>Ambiguous</td>
</tr>
<tr>
<td>Descriptive</td>
<td>Describe the characteristics of the population or a phenomenon. Accuracy is essential.</td>
<td>Research problem known</td>
</tr>
<tr>
<td>Causal</td>
<td>Identification of cause and effect relationship among variables</td>
<td>Clear definition of research problem</td>
</tr>
</tbody>
</table>

3.2.3.1 Exploratory Research

There are situations in the business world where there are little information about the business problem requiring investigation or on how similar problems were examined in the past. In such situations, extensive preliminary work is required to gain insights and a better understanding of the involved issues before conducting a detailed study. Exploratory research can therefore be regarded as initial step to define the research problem for subsequent research (Sekaran 2000).

3.2.3.2 Descriptive Research

A descriptive study is undertaken in order to describe the characteristics of the variables of interests in a situation (Sekaran 2000). Its application requires some previous understanding of the research problems. Unlike exploratory research that is characterized by flexibility, descriptive research “has a formal research design and attempts to obtain a complete and accurate description of a situation” (Boyd, Westfall and Stasch 1991, p. 129).

The outcomes of the descriptive research as listed by Cavana, Delahaye and Sekaran (2001, p. 110) are:

- become aware of the characteristics of a group or a situation;
- be able to gauge aspects of the situation;
- provide information for further research; and
- assemble data around possible change.

This type of research therefore does not attempt to give an explanation for the cause of its findings. It only seeks “to find answers to who, what, when and how questions” (Zikmund 2003, p. 55).

3.2.3.3 Causal Research

The prime objective of such research, also referred to as conclusive research is to identify cause – end – effect relationships to confirm a hypothesized relationship
between two or more variables (McMurray 2007). Quantitative in nature, there is usually an expectation in causal research for the relationship to be explained.

There must be a clear definition of the research problem before causal research can be conducted. Furthermore, a causal study is usually undertaken subsequent to an exploratory or descriptive study (Zikmund 2003). For this reason as explained below, causal research was not deemed appropriate for this study.

3.2.4 Justification for a Combined Approach

Basic research advances knowledge about the social world and explains why and how things happen (Lyon and McMurray 2007). The literature review, detailed in Chapter 2 revealed there was not enough information available about the research problem. It was necessary for the researcher to start the research process with the aim of gaining an insight into the problem and to secure a better understanding of the data that required collection in order to meet the objectives of the study.

However, exploratory research has two main limitations. Since it adopts a qualitative approach this could result in a subjective interpretation of the findings. Secondly, the use of small sample sizes impedes the projectibility and the generalisability of the findings (Carson et. al. 2001). Furthermore, the objectives of the study extended beyond the mere identification of the research problem. An equally important aim was to obtain a complete and accurate description of the Malaysian higher educational sector.

Taking these factors into account, the researcher adopted a two stage approach, as shown in Figure 3.3 above in line with Miles and Huberman, (1994), Fielding and Fielding (1986).

The first stage was exploratory with qualitative data being collected to obtain background information on the research problem through the use of a focus group and the second stage was descriptive, relying on quantifiable data being collected through a
structured questionnaire survey. However, this research was largely exploratory in nature.

Figure 3.3: Combining Exploratory and Descriptive Research

![The Research Design Diagram](image)

3.2.5 Unit of Analysis

A unit of analysis can be defined as "the primary empirical object, individual, or group under investigation" (Davis 2005, p. 175). In view of cost and resource constraints, the unit of analysis for this study comprised Malaysian PHEIs that were located in the capital city of Kuala Lumpur and the suburbs.

3.3 Data Collection

The data collection project was guided by a master plan or framework outlining the methods and procedures for collecting and analyzing data. For designing the master plan, and as shown in Figure 1.2, identifying the appropriate data collection instruments, the researcher took full account of several factors. These included the
purposes of the study, the availability of the resources in respect of time and the cost of gathering data. The researcher was also aware that the industry is characterized by intense competition with the staff of PHEIs being reluctant to divulge their marketing approaches and strategies for new course offerings.

As discussed in Section 3.2.4, the researcher adopted a two-stage approach. Since Stage 1 of the research was exploratory in nature, an Experience Survey and a Focus Group were the qualitative data collection instruments. A Questionnaire Survey was used to collect quantifiable data for the second or descriptive stage of the research. Each of these three data collection instruments is discussed in subsequent sections.

3.3.1 The Experience Survey

“An experience survey is an exploratory research technique in which individuals who are knowledgeable about a particular research problem are surveyed” (Zikmund 2003, p. 114). In the interviews, some formal questions could be asked and the participants would also be allowed to discuss the questions with few constraints. An important purpose of the experience survey is to assist with the identification of the research problems and to clarify concepts rather than to develop conclusive evidence.

Experience surveys involved face to face interviews. This provides for direct face-to-face communications between the researcher and the respondent. It is therefore a “conversation with a purpose” (Babbie 2001, Patton 2001, Berg 2004, p. 75). This mode of data collection has two main advantages. First, it provides the researcher with the opportunity to observe body language (Zikmund 2003, Sekaran 2000, Neuman 2006). Second, it generates a large amount of information.

3.3.1.1 Selection of the Experience Survey Participants

The researcher now holds a senior position with Unity College International (UCI) which is a leading Malaysian PHEI Almost a third of 2,350 students enrolled in UCI are overseas students drawn from 48 countries worldwide. Prior to joining UCI, the researcher benefitted from working experience in several other Malaysian PHEIs.
During his long career in higher education, the researcher developed close contacts with education experts working with the Government and other PHEIs. He also benefitted from developing personal ties with several former students both Malaysian and foreign who had since graduated. Based on this, the researcher was able to approach and invite interviews participants who were best suited to provide a range of perspectives on the research issues.

Accordingly, the eight selected participants were:

- 2 Government officials closely associated with the promotions of Malaysian higher education;
- 2 Senior faculty staff from PHEIs with large student enrollment;
- 2 recently graduated foreign students; and
- 2 undergraduate foreign students enrolled in a PHEI.

3.3.1.2 Conduct of the Interviews

Interviewing can be very time consuming (Berg 2004, p. 91). In order to overcome this difficulty and to maximize the benefits from conducting the personal interviews with each member of the Experience Survey, the researcher considered two pertinent issues: interview length and interview type.

(1) Interview Length
Most respondents are reluctant to participate in long interviews (Rubin and Rubin, 1997). Furthermore, subjects may lose interests during a long interview leading to a withdrawal. Based on these important considerations the duration of each interview did not exceed 45 minutes.

(2) Interview Type
Interview structures can fall into two categories: structured or formal and unstructured or informal (Fitzgerald and Cox 2002). In a structured interview, all respondents are presented with standardized questions and requested to respond to each question
exactly as worded (Babbie 2001). In such interviews, the researchers are usually clear about the things that they want to uncover. They also assume that the meaning of each question is identical for every subject (Merriam 2001).

In an unstructured interview, interviewers operate from the assumption that they do not know in advance what all the necessary questions are. They must therefore generate questions that are appropriate the central purpose of the interview. More important, they assume that subjects may possess different vocabulary and therefore, will not find equal meaning in similarly worded or standardized questions (Berg 2004). Taking all factors into account, the unstructured interview of each member of Experience Survey was considered more appropriate for this research.

3.3.2 Focus Group

"Focus groups are forms of group interviews that capitalise on communication between research participants in order to generate data" (Kitzinger 1995, p. 1). They are extremely useful in obtaining the respondent views, impressions and opinions on research issues (Sekaran 2000).

The Focus Group is a data collection technique that is particularly sensitive to cultural variables (Hughes and Dumont 1993). Largely for this reason, a Focus Group was selected as a data collection technique for the exploratory stage of this research.

The size of the Focus Group depends on the aims of the research and resources available. Kruger (1994) suggested a range of six to nine members in a group. In line with this, the Focus Group for this study benefitted from the participation of eight respondents who were knowledgeable about the pertinent research issues.

All the three research propositions that were tested by this study were tabled for discussion at the focus group meeting. This is elaborated in Chapter 4.
3.3.2.1 Recruitment of the Focus Group Members

For the purpose of identifying the members of the Focus Group, the researcher established contacts with the:

i) Director of MAPCU who identified two representatives; one each from a university colleges and the Branch Campus of foreign university located in Malaysia.

ii) Dean of the Education Faculty of a reputable Malaysian university who suggested two senior academics with much research experience on Malaysian PHEIs’ internationalisation.

iii) Officials of the Ministry of Higher Education who suggested two civil servants who were closely associated with Malaysian PHEIs.

iv) The Heads of two associations representing foreign students studying in Malaysia to nominate two senior students at the post graduate level.

The researcher sent personal invitations to each of the identified/nominated persons together with an Informed Consent Form which outlined the purpose of the research; and the expected contributions. It also stressed that participation was voluntary and that the information provided would be kept strictly confidential. The participants were also advised that they could withdraw without prejudice or make complaints to the Ethics Officer of SCU should the need arise.

All eight accepted the invitations to participate in the Focus Group and signed the Informed Consent Form. This is attached as Appendix 1B.

3.3.2.2 Planning the Focus Group Meeting

The value of a Focus Group meeting is dependant on group dynamics. It is also important for each member to speak candidly and offer in depth views on the issues for discussions (Kruger 1994). The researcher encouraged this by sending in advance to each member an Information Sheet, setting out the discussion topics. It also stated that the Meeting would last for 45 minutes and provided the date, venue and time of
the Meeting. The researcher then telephoned each of the members and secured their confirmation to the arrangement. The Information Sheet is attached as Appendix 1B.

3.3.2.3 Conduct of the Focus Group Meeting

The focus group meeting was held in a meeting room of Unity College International after office hours. Every effort was made to create a comfortable and relaxed setting. In order to encourage free discussion, the researcher served as a moderator and only intervened when necessary. The participants were encouraged to do the talking and the researcher did not in any way try to influence their thinking.

Ideally, a focus group meeting should be tape recorded and transcribed (Kitzinger 1995). Since this was not possible due to cultural sensitivities, the researcher took detailed hand written notes during the meeting. At the end of the meeting the researcher read out the key points that were made by each participant. The notes were further refined after receiving their comments.

3.3.3 The Questionnaire Survey

A survey is a common and inexpensive way of generating primary data. It involves asking a representative sample of people information that is pertinent to the research topic (Zikmund 2003). There are two main types of surveys - cross-sectional and longitudinal (Boyd, Westfall and Stasch 1991).

A cross sectional survey is also known as "a one-shot survey as data is gathered just once in order to answer a research question" (Sekaran 2000, p. 138). Most surveys fall into this category.

A longitudinal survey is a study of responses at different point in time. The purpose of a longitudinal survey is to examine the continuity of responses and to observe changes that occurred over time (Sekaran 2000). A variation of longitudinal survey is a panel
survey that involves collecting data from the samples of respondents over time (Zikmund 2003).

The researcher took into account two key factors for deciding on the type of survey. First, the availability of resources both financial and time. The researcher had to complete this doctoral thesis within a specific time frame. This acted against the use of a longitudinal survey. Second, the purpose of this study. This required the researcher to capture the views of the representative group of people at a point in time.

Taking these factors into account, the cross-sectional type of survey was considered most appropriate for this research.

3.3.3.1 The Justification for a Questionnaire Survey

The questionnaire survey is a technique of collecting data in which each person is required to respond to the same set of questions in a predetermined order (De Vaus 2002). Questionnaire surveys usually involve the quantification of response data. Such surveys have several merits (Ticehurst and Veal 2000). As shown in Table 3.4, they provide for quantified information and transparency.

Table 3.4: Merits of Questionnaire Surveys

<table>
<thead>
<tr>
<th>For Decision Making</th>
<th>Questionnaire surveys are ideal means of providing quantified information for decision making.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transparency</td>
<td>The Questionnaire methods and data analysis can be presented in a clear and transparent manner.</td>
</tr>
<tr>
<td>Succinct presentation</td>
<td>Quantification of data provides for relatively complex information to be presented in a succinct form.</td>
</tr>
<tr>
<td>Capturing Complexity</td>
<td>A Questionnaire is effective for gathering complex information.</td>
</tr>
</tbody>
</table>

Source: Adapted from Ticehurst and Veal (2000)
They are also:

- very useful when structured data are required from a representative sample.
- an ideal means of providing quantified information.
- well suited for providing relatively complex information in an easily understandable form.
- an effective means of gathering a wide range of complex information.

For the cited reasons, a questionnaire survey was used for this research.

Questionnaire surveys can either be “interviewer – completed” or “respondent-completed”. In respect of the former, the interviewer reads the questions to the respondent and records the respondent’s answers. For the latter, the respondents read and fill up the questions by themselves (Ticehurst and Veal 2000).

Each approach has advantages and disadvantages as shown in Table 3.5. Since the people identified for the Survey were scattered geographically, it was more appropriate to use a respondent completion approach.

### Table 3.5: Interviewer vs. Respondent Completion

<table>
<thead>
<tr>
<th></th>
<th>Interviewer Completion</th>
<th>Respondent Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advantages</strong></td>
<td>• more accuracy</td>
<td>• cheaper</td>
</tr>
<tr>
<td></td>
<td>• higher response rate</td>
<td>• quicker</td>
</tr>
<tr>
<td></td>
<td>• fuller and more complete answers</td>
<td>• relatively anonymous</td>
</tr>
<tr>
<td></td>
<td>• design can be less user-friendly</td>
<td></td>
</tr>
<tr>
<td><strong>Disadvantages</strong></td>
<td>• higher cost</td>
<td>• Patchy response</td>
</tr>
<tr>
<td></td>
<td>• less anonymity</td>
<td>• Incomplete response</td>
</tr>
<tr>
<td></td>
<td>• exaggerated desire to please interviewer</td>
<td>• Risk of frivolous responses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• More care needed in layout and presentation</td>
</tr>
</tbody>
</table>

Source: Adapted from Ticehurst and Veal (2000)
3.3.4 The Sampling Design

Zikmund (2003, p. 70) defined sampling as:

"...any procedure that uses a small number of items or that uses parts of the population to make a conclusion regarding the whole population".

A sample then is a subset of the population which enables the researcher to estimate some unknown characteristics of the entire population. There are two methods for selecting samples; the probability and the non-probability methods.

Taking all factors into account, in particular the nature of the study, a combination of judgmental sampling and non-probability sampling was considered appropriate for this research as:

- It permitted the sample to be made up of participants who are knowledgeable about the research issues.
- It served to ensure that the sample size reflected the varied groups of people who were associated with the different aspects of the internationalisation of Malaysian PHEIs.

3.3.5 Conducting the Questionnaire Survey for this Research

This aspect of the research involved five principal steps namely i) identifying the target population, ii) the survey sample, iii) the design of the questionnaire, iv) pilot testing the questionnaire and v) the administration of the questionnaire. Each of these is examine below.

3.3.5.1 The Target Population

Neuman (2006) defines the target population as 'the concretely specified large group of many cases from which a researcher draws a same and to which results from a
sample are generalised’ (Neuman 2006, p. 224). Based on this, the target population for this research comprised:

- Malaysian PHEIs located in Kuala Lumpur.
- Branch campuses of foreign universities in Malaysia.
- Representatives of the Malaysian Ministry of Higher Education and the regulatory authority namely the Malaysian Qualifications Agency (MQA).
- Foreign students pursuing undergraduate and postgraduate study programs in Malaysia.
- Academic staff from Malaysian Public Universities and PHEIs.
- Marketing staff of Malaysian PHEIs.

3.3.5.2 The Preferred Sampling Method

Sampling methods can be divided into two categories, namely, probability and non-probability sampling. Each has advantages and disadvantages as shown in Table 3.6.

<table>
<thead>
<tr>
<th>Consideration</th>
<th>Design Type</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Probability</td>
</tr>
<tr>
<td>1. Cost</td>
<td>More costly</td>
</tr>
<tr>
<td>2. Accuracy</td>
<td>More accurate</td>
</tr>
<tr>
<td>3. Time</td>
<td>More time</td>
</tr>
<tr>
<td>4. Acceptance of results</td>
<td>Universal acceptance</td>
</tr>
<tr>
<td>5. Generalisability</td>
<td>Good</td>
</tr>
</tbody>
</table>

Source: Adapted from Davis (2005)

i) Probability Sampling

In probability sampling, every element has a known non-zero probability of being selected as a sample subject (Zikmund 2003). This method provides for a large sample size, with results that are universally accepted as they can be generalised.
(Sekaran 2000). However, probability sampling is more costly and difficult to administer and was therefore not considered appropriate for this research.

ii) **Non-probability Sampling**

In non-probability sampling, only specific elements in the population have the probability of being chosen as sample subjects as the researcher relies heavily on his personal judgment for the purpose. For this reason, there could be researcher “bias” which act against the findings being generalised (Cavana, Delahaye and Sekaran 2001).

Non-probability sampling can be categorised by way of convenience, judgment and quota sampling.

a) **Purposive Non-Random Sampling.** In this method, the subjects chosen are those in the best position to provide the information required and who are conveniently available (Sekaran 2000). Since they can be chosen quickly and inexpensively, purposive samples are often used for qualitative research where time and money are critical constraints (Davis 2005).

b) **Judgment Sampling.** This enables the researcher to choose subjects who are in the best position to provide the information required by virtue of their knowledge and expertise. Special efforts are required to locate and secure participants from specific categories of people who can give the requisite information (Sekaran 2000).

c) **Quota Sampling** enables the researcher to ensure that certain groups, relevant to the research are adequately represented in the study through the assignment of a fixed quota for each sub group. It is therefore necessary when a sub-set of population is under-represented in the target population (Davis 2005).

The sample method decision was based on two key considerations. First, the expected outcome of the research. Second, the researcher’s financial and time constraints. Accordingly, the researcher adopted a combination of judgment and
quota sampling. Judgment sampling was used as there were only a small number of people who are well suited and available to provide the information required for this research. The use of quota sampling gave the researcher the flexibility to include in the sample, representatives of the target population who were under-represented.

### 3.3.5.3 Sample Size and Composition

Sample sizes, should be larger than 30 and less than 500, for most research (Roscoe 1975). Guided by this, eighty persons were identified from the target population to participate in the Survey. While this could be considered to be small for the findings of the research to be generalised, it was largely due to cost and other constraints.

Through the use of quota sampling, the respondents were categorised into four groups as shown in Figure 3.4.

**Figure 3.4: Composition of the Survey Sample**

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHEIs</td>
<td>Regulatory Bodies Academic Staff of PHEIs</td>
<td>Foreign Students</td>
<td>International Marketing Staff of PHEIs</td>
</tr>
<tr>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>(25%)</td>
<td>(25%)</td>
<td>(25%)</td>
<td>(25%)</td>
</tr>
</tbody>
</table>

= 80

= 100%

Source: Developed for this Research
3.3.5.4 Designing the Questionnaire

A research survey is only as good as the questions it asks (Zikmund 2003). It is therefore important when designing a questionnaire to do it with care and be guided by the objectives of the research (Ticehurst and Veal 2000). A good questionnaire should meet the two basic criteria of relevancy and design (Zikmund 2003). To achieve this, the following factors as listed in Table 3.7 were given due consideration.

Table 3.7: Questionnaire Design Factors

<table>
<thead>
<tr>
<th>i)</th>
<th>What should be asked?</th>
</tr>
</thead>
<tbody>
<tr>
<td>ii)</td>
<td>How should the question be phrased?</td>
</tr>
<tr>
<td>iii)</td>
<td>What should be the maximum length of any question?</td>
</tr>
<tr>
<td>iv)</td>
<td>In what sequence should the questions be arranged?</td>
</tr>
<tr>
<td>v)</td>
<td>What rating system should be used?</td>
</tr>
<tr>
<td>vi)</td>
<td>What should be length of the questionnaire?</td>
</tr>
<tr>
<td>vii)</td>
<td>What questionnaire layout will best serve the research objectives?</td>
</tr>
<tr>
<td>viii)</td>
<td>How should the questionnaire be pre-tested?</td>
</tr>
</tbody>
</table>

Source: Adapted from Singh (2000)

i) Relevancy

A questionnaire would be irrelevant if information collected is unnecessary or unrelated to the research issues. Wrong and irrelevant questions must therefore be excluded. Care was therefore taken that all questions were directly linked to the research questions (Sekaran 2000).

ii) Accuracy

This means that the information is to be obtained from the questionnaire survey must be reliable and valid (Zikmund 2003), the English proficiency levels of the respondents were borne in mind for the phrasing of the questions. To address this, the questions were kept simple and short.
iii) Minimizing Bias
The researcher also had to decide on using open-ended questions or closed questions. The latter was used as it permitted the respondent to choose and provide answers that were closest to his or her own viewpoints (Zikmund 2003). Leading questions that suggest or imply certain answers were avoided. Irritating or ego threatening questions were also avoided to minimize the possibility of bias (Sekaran 2000).

iv) Sequencing the Questions
A good questionnaire forms an integrated whole with questions that flow smoothly. The researcher was guided by a funnel sequence for the design of the questionnaire. A funnel sequence can be defined as “organizing survey questions in a questionnaire from general to specific questions” (Neuman 2006, p. 294).

3.3.5.5 Attitude Measurement
Business research usually uses a rating scale to give numbers to words and to measure the attitudes of participants in a survey. Zikmund (2003, p. 308) defined attitude as an “enduring disposition to consistently respond in a given manner to various aspects of the world, including persons, events and objects”.

The researcher considered it necessary to use a rating scale to measure the responses to the statement in the questionnaire. After consideration of the different rating scales, the Likert Scale was considered most appropriate for this research. For the purpose of the research and as shown in Figure 3.5, respondents indicate their attitude by reacting to six alternatives: strongly agree, agree, neutral, disagree, strongly disagree and don’t know.

Figure 3.5: The Six-Point Likert Scale

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Adapted from Ticehurst and Veal (2000)
3.3.5.6 Pilot testing the Questionnaire

The draft Questionnaires were completed by three knowledgeable persons. The researcher met with each of them individually and was present when the Questionnaires were being filled up. The researcher then interviewed all three knowledgeable persons and posed the questions set out in Table 3.8.

Table 3.8: Pre Test Results

<table>
<thead>
<tr>
<th>Pre-Test Questions</th>
<th>Individual A</th>
<th>Individual B</th>
<th>Individual C</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Were the questions relevant to PHEIs?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Did the questions make sense to you?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>3. Were there any questions that were difficult to understand?</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>4. Were there any ambiguous questions?</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>5. Were there any questions that you were hesitant to answer?</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>6. Was the questionnaire length appropriate?</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Source: Adapted from Singh (2000)

The responses from the knowledgeable persons were positive. Guided by their comments, the questions were refined and re-casted as 'assertive statements' to elicit a range of responses.

3.3.5.7 The Questions/Statements

This finalized Questionnaire, consisted of twelve close-ended questions. They were re-casted as Statements with a rating scale. There were four Statements for each of the three Research Propositions as listed below.
**Research Proposition 1**

The Malaysian Government has an adequate policy framework for promoting the export of private higher education

**Statement 1:**

The Malaysian Government has comprehensive and effective strategies to promote Malaysia as a regional centre of educational excellence.

Strongly Disagree Disagree No Opinion/Neutral Agree Strongly Agree Don't know

**Statement 2:**

The Malaysian Government is fully supportive of the initiatives taken by the Malaysian PHEIs to increase their intakes of foreign students and establish branch campuses abroad.

Strongly Disagree Disagree No Opinion/Neutral Agree Strongly Agree Don't know

**Statement 3:**

The Malaysian Government provides financial support to enable Malaysian PHEIs to upgrade their facilities for internationalising their operations

Strongly Disagree Disagree No Opinion/Neutral Agree Strongly Agree Don't know

**Statement 4:**

The Malaysian Government’s support programmes are discriminatory and do not benefit Malaysian PHEIs

Strongly Disagree Disagree No Opinion/Neutral Agree Strongly Agree Don't know
**Research Proposition 2**

Malaysian PHEIs face several challenges for competing in the global education market.

**Statement 5:**
Malaysian PHEIs have world class programmes and facilities to meet the requirements of international students.

**Statement 6:**
Malaysian PHEIs have regional competitive advantage in terms of education exports as compared to their regional rivals.

**Statement 7:**
Malaysian PHEIs have ready access to public sector financing and grants for upgrading their facilities and conducting research.

**Statement 8:**
Foreign students highly rate the courses offered by the Malaysian PHEIs.
**Research Proposition 3**

Malaysian PHEIs are capitalising on the opportunities created by the internationalisation of higher education?

**Statement 9:**

Malaysian PHEIs have effective international marketing strategies for enrolling foreign students.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>No Opinion/Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ]</td>
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<td>[ ]</td>
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<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>

**Statement 10:**

Malaysian PHEIs have internationalised their curriculum to meet the requirements of foreign students.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>No Opinion/Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
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</tbody>
</table>

**Statement 11:**

Malaysian PHEIs experience difficulties in securing speedy approvals for their new course offering by the Malaysian Qualifications Agency (MQA).

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>No Opinion/Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

**Statement 12:**

Malaysian PHEIs emphasize on partnerships with foreign universities to enhance their image as being providers of world class education.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>No Opinion/Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
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<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>
3.3.5.8 Administration of the Questionnaire

After receiving the approval of Southern Cross Human Research Ethics Committee (HREC) the researcher sent invitation letters, to the identified participants together with an Information Sheet, detailing the purposes of the Survey as well as the measures taken to safeguard the interests of the participants. This was followed up with personal phone calls and e-mails. Upon receipt of their confirmation, the Questionnaires were sent to them by courier with the request that they be completed and returned within a period of two weeks.

3.4 Data Analysis

The data analysis process was governed by the criteria of completeness, consistency and reliability. As stated in Section 3.2.4, the researcher adopted a two stage approach for this research. The first stage, exploratory in nature required qualitative data from the Experience Survey and the Focus Group. The second stage, descriptive in nature required quantifiable data collected through a survey using a structured Questionnaire. The data analysis for each stage:

3.4.1 Analysis of Qualitative Data

Qualitative data, in the form of text, written words, phrases tend to be imprecise, diffused and context based. Guided by Miles and Huberman (1994), Sekaran (2000), Neuman (2006), the researcher adopted a three step approach for the qualitative data analysis activity. These are data reduction, data display and content analysis.

i) Data Reduction

The collected data was reduced through summarising and coding procedures. The researcher took detailed notes on the interviews with the members of Experience Survey and the Focus Group meeting and reduced them to one page summaries. The data then was coded in order to reduce them into small manageable piles. As stated by Miles and Huberman (1994, p. 56):
“Codes are tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study. Codes usually are attached to chunks of varying size – words, phases, sentences or whole paragraphs, connected or unconnected to specific setting.”

Open coding was used for the qualitative data and analysis process using a coding sheet. This made it possible to identify the common themes and concepts that emerged from the summary of the personal interviews and the focus group meetings.

**ii) Data Display**

This involved the display of already reduced data into a manner that helped with identification and display. The coded data was displayed in the form of diagrams and matrix display.

**iii) Content Analysis**

Content analysis is a technique for examining the content of communications medium including interviews (Neuman 2006). The researcher relied on content analysis to locate patterns and to permit the drawing of broad interpretation and findings on each research proposition.

**3.4.2 Analysis of the Quantitative Data**

The Survey responses were coded and transcribed. This is the process of converting responses into a form that a computer can analyze (Malhotra 1999). The data, corresponding to the values in the Likert scale, were entered for each statement in the questionnaire.

The computer program SPSS Windows version 16.0 was used to calculate the mean, standard deviations and the cross tabulation of the results by groups.
3.5 Meeting the Requirements of Rigour, Validity and Reliability

The value of research findings depends on their trustworthiness. This research depended heavily on qualitative data from the Experience Survey and the Focus Group. The researcher acknowledges that the findings could have been influenced by his interviews with the members of the Experience Survey and the Focus Group Meeting since close interaction was required to encourage the participants to give their candid views. Such researcher interference may have created bias which erodes the trustworthiness of the findings.

Quantitative researchers deal with trustworthiness by addressing the four issues of internal validity, external validity, reliability and objectivity. In line with Guba and Lincoln (1994), the researcher endeavored to address the issues of rigor, validity and reliability by providing for:

(1) Credibility. The researchers gave particular attention to this by obtaining the participants’ approval and confirmation to the notes taken during the Experience Survey and the Focus Group meeting.

(2) Transferability. Since the second stage of the research involved the collection of quantifiable data from a relatively large sample, this served to make the research findings applicable in other situations.

(3) Dependability or whether the findings would be repeated if the inquiry was replicated with the same respondents in the same context. This was achieved through the use of triangulation i.e. using personal interviews, focus group and a questionnaire survey as different data sources for this research.

(4) Conformability or to establish the degree to which the research findings are determined by respondent. The careful wording of the questions and their pre-testing by three knowledgeable persons served to deal with the issue of the researcher’s bias.
3.6 Ethical Issues

This research has been approved by the Ethics Committee of Southern Cross University (Approval No: ECN-08-122).

The ethics requirements of Southern Cross University concern the 3 parties involved in the research namely, the researcher, the respondent and Southern Cross University. In line with the requirements, the researcher requested the participants of the Experience Survey and the Focus Group to sign an Informed Consent Form (attached as Appendices 1A and 1B) which clearly stated that:

a. the rights of the participants will fully safeguarded.
b. participation is voluntary and subject to withdrawal at any time.
c. the information provided would be safeguarded.
d. confidentiality and anonymity requirements would be met as requested.
e. the participants could make any complaint directly to Southern Cross University if the conditions set out in the Consent Form had been violated.

All participants in the Experience Survey, the Focus Group and the Questionnaire Survey were also provided with an Information Sheet. This outlined the purposes of the research; the themes for discussions; the procedures to be followed and the respective responsibilities of the researcher and the participant. Copies of the Information Sheets are attached as Appendices 2A, 2B and 3A.

3.7 The Research Schedule

Data collection activity was completed on schedule. This was due to:

(i) the speedy comment from the Supervisor on the draft research design. This enabled timely finalization of the data collection exercise and the early implementation of the data collection process.
(ii) speedy approval given by the HREC of Southern Cross University.
(iii) the full cooperation extended by the participants in the Sample, Survey and Focus Group. The interviews were also held on schedule.

The collected data was edited, coded and tabulated prior to analysis and the testing of research propositions. This was an important phase for deriving conclusions and formulating recommendations related to theory, policy and practice.

The data collection time table as shown in Table 3.9 was met.

It should be noted that the researcher is a senior management staff member of a leading Malaysian PHEI. Over a period of 10 years, he developed a wide range of contacts and networks in the education industry and this facilitated the full cooperation and support of all the concerned parties.

Table 3.9: Data Collection Project

<table>
<thead>
<tr>
<th>Period</th>
<th>Tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td>30th September, 2007 – 30th May, 2008</td>
<td>Literature Review</td>
</tr>
<tr>
<td>June – September, 2008</td>
<td>Preparation of Interview Forms/Ethics Committee Approval</td>
</tr>
<tr>
<td>1st October – 15th November, 2008</td>
<td>Conduct personal interviews, Focus Group meeting and Questionnaire Survey</td>
</tr>
</tbody>
</table>

Source: Developed for this Research
3.8 Conclusion

The research design was premised on a two stage approach. The first stage was exploratory requiring qualitative data. The second stage, descriptive in nature, relied on quantitative data. Qualitative data was gathered through an Experience Survey and a Focus Group. A structured Questionnaire Survey provided useful quantifiable data. Ethical issues were fully adhered to. The Chapter outlined the measures taken for analyzing the collected data. It then confirmed that the research was conducted on schedule. The next Chapter presents the analysis of the collected data.
CHAPTER 4 -

DATA ANALYSIS
CHAPTER 4 DATA ANALYSIS

4.1 Introduction

The earlier Chapter presented the research masterplan. The data collection instruments were an Experience Survey, a Focus Group and a Questionnaire Survey for obtaining quantifiable data in a form for computer analysis (Malhotra 1999).

The eight persons in the Experience Survey comprised two Government officials associated with Malaysian higher education; two senior faculty staff from large PHEIs, two recently graduated foreign students and two undergraduate foreign students enrolled in a PHEI. The Focus Group also comprised eight participants from private universities, branch campuses of foreign universities, academics, civil servants and associations representing foreign students studying in Malaysia. All the eighty invited persons participated in the Questionnaire Survey. As shown in Table 4.1, the Case Processing Summary, they were categorised into four Groups.

Table 4.1: Case Processing Summary

<table>
<thead>
<tr>
<th>SURVEY QUESTIONNAIRE PARTICIPANTS</th>
<th>Cases</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Valid N</td>
<td>Missing N</td>
<td>Total N</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percent</td>
<td>Percent</td>
<td>Percent</td>
</tr>
<tr>
<td>GROUP A: PHEIs</td>
<td></td>
<td>20</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>GROUP B: Foreign Students</td>
<td></td>
<td>20</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>GROUP C: Marketing</td>
<td></td>
<td>20</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>GROUP D: Academia</td>
<td></td>
<td>20</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>TOTAL</td>
<td>80</td>
<td>100.0%</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Developed from the Survey Data

Each of them completed a Questionnaire with three Sections that corresponded with the three Research Propositions. There were four questions presented as Statements in each Section.

The Likert scale was used to measure the attitude responses to the questionnaires. The assigned scores were 0 for “Don’t know”, 1 for “Strongly Disagree”, 2 for “Disagree”,

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3 for “No Opinion/Neutral”, 4 for “Agree” and 5 for “Strongly Agree”. The collected raw data from the Questionnaires were categorised, cross tabulated and analysed by using the Statistical Package for Social Science (SPSS). The outputs, discussed in the body of this Chapter include:

- Frequency Distribution tables
- Cross tabulations by frequency of response
- Comparison of Means and Standard deviation for each proposition

Accordingly, this Chapter presents the analysis of the data collected for this research and has six Sections as shown in Figure 4.1.

**Figure 4.1: Structure of Chapter 4**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>INTRODUCTION</td>
</tr>
<tr>
<td>4.2 - 4.4</td>
<td>PERSONAL INTERVIEWS, FOCUS GROUP AND QUESTIONNAIRE SURVEY</td>
</tr>
<tr>
<td></td>
<td>Data Analysis</td>
</tr>
<tr>
<td></td>
<td>Research Proposition 1</td>
</tr>
<tr>
<td></td>
<td>Research Proposition 2</td>
</tr>
<tr>
<td></td>
<td>Research Proposition 3</td>
</tr>
<tr>
<td>4.5</td>
<td>UNPLANNED DATA</td>
</tr>
<tr>
<td>4.6</td>
<td>CONCLUSION</td>
</tr>
</tbody>
</table>

Source: Developed for the Research
The first Section introduces this Chapter. Sections 4.2-4.4 discuss the views expressed by the Experience Survey and the Focus Group meeting. They also present the statistical analysis of the Questionnaire Survey data in relation to each Research Proposition.

Section 4.5 presents the unplanned data that emerged from the Experience Survey and the Focus Group meeting. The last Section summarises this Chapter.

### 4.2 Research Proposition 1

The *Malaysian Government has an adequate policy framework for promoting the exports of private higher education*

**Statement 1:**
The Malaysian Government has comprehensive and effective strategies to promote Malaysia as a regional centre of educational excellence.

**Statement 2:**
The Malaysian Government is fully supportive of the initiatives taken by the Malaysian PHEIs to increase their intake of foreign students and to establish branch campuses abroad.

**Statement 3:**
The Malaysian Government provides financial support and related fiscal incentives to enable Malaysian PHEIs to upgrade their facilities to internationalise their operations.

**Statement 4:**
The Malaysian Government's support programmes are not discriminatory and benefit all institutions of higher education whether they are public or private.
4.2.1 Analysis of Experience Survey Interviews

All the four Statements related to Proposition 1 were addressed in the personal interviews with each member of the Experience Survey. The diverse membership of the Survey, with representatives from the Malaysian Government, the PHEIs, academia, marketing experts and foreign students, yielded a wide range of perspectives. They however agreed that:

- The Government has appropriate policies for making Malaysia a regional center of educational excellence. The higher education legislation framework, enacted in 1996 and 2003, is useful for the expansion of PHEIs. However, national policies favour the public universities rather than the PHEIs. Accordingly they merit review since the PHEIs are expected to increase their contributions to the development of higher education. Policy changes would also enable the PHEIs to be more competitive in the international market for foreign students and to permit them to offer a broader range of courses.

- Although the PHEIs are increasing their enrolments, the domestic market is too small to sustain their growth. This compels them to increase their reliance on foreign student enrolments. The Government on its part should play a more proactive role in supporting the initiatives taken by the PHEIs to increase their intakes of foreign students.

- The small domestic market also necessitates growth orientated PHEIs to venture abroad by opening branch campuses. Since the costs of doing so are high, additional Governmental support may be justified for PHEIs that are ready for internationalisation but are constrained by the high costs.

- The PHEIs should formulate appropriate strategies for increasing foreign students' enrolment and consult closely with the concerned Government agencies to take advantage of supportive public policies. Such collaboration, on formulating forward looking strategies, would contribute to meeting the twin objectives of making Malaysia a regional center for higher education and increasing foreign student enrolments.
Members of the Experienced Surveys were however divided on some important issues:

I. *Financial support and fiscal incentives.* The PHEIs representatives believed that the Government should support PHEIs with some form of subsidies, and financial incentives to enable them to internationalise their operations. They considered these necessary for participating in overseas road-shows for foreign student recruitment and to forge linkages with foreign educational institutions.

II. *Educational Quality.* A representative of a public university was concerned that some of the smaller PHEIs were more interested in monetary returns rather than in providing quality education and suggested that PHEIs focus on producing high caliber graduates with the employability attributes required in the national and international labour markets.

*Findings:* The Experience Survey expressed general support for the Government policy framework for promoting the exports of PHEIs.

### 4.2.2 Analysis of Focus Group Views on Proposition 1

The Focus Group meeting discussed the Malaysian Government's policy framework for promoting higher education exports. The members specifically addressed the issue of financial support and the Government’s measures to assist the PHEIs to increase foreign student enrollments. Although the diverse nature of the participation resulted in a wide range of viewpoints, the Focus Group members agreed on three significant issues:

i. The National Higher Education Action Plan and the Ninth Malaysian Plan reflected the Malaysian Government’s objective of making the country a regional centre for higher education. Since the PHEIs are expected to play a lead role for achieving this objective, the Government should review the existing policies to provide for this.
ii. It is necessary for the Government to work closely with the PHEIs for overcoming the challenges they face. These include access to capital for upgrading their facilities, enhancing the quality of their teaching staff and their international marketing efforts.

iii. The export success of the PHEIs is dependant on them diversifying their curriculum, recruiting high calibre academics with international experience and offering a range of programmes that meet the needs of international students. They should also emphasize on issues relating to academic governance and graduate attributes. The PHEIs should clearly articulate their governance structure and specify the respective roles of the senior management board and the academic boards. The former should provide leadership on contemporary education issues and establish quality assurance frameworks for learning, teaching and research.

The academic board should contribute to governance and the design of courses which provide effective, high quality learning for students and produce graduates with the required generic skills and the discipline specific attributes required by the workplace. It is equally important that all graduates have a good command of English language, both written and spoken, and be committed to continuous self learning.

iv. PHEIs should develop strategic approaches to international activities by developing and implementing internationalisation policies. These should include effective programme delivery to international students, staff collaboration, student exchanges, research, international curriculum, international languages and cultural perspectives.

The Focus Group members were divided on some issues and these included:

i. The need for the Government to fully consult with the PHEIs and other key players in the industry on changes to national educational policies. While the industry representative favored this, some maintained that the existing policies already took full account of the needs of the PHEIs.
ii. More effective coordination among the Government agencies responsible for promoting educational exports. A cited example was the difficulties that PHEIs face with the Immigration authorities for securing work permits for highly qualified foreign academics.

iii. The National Higher Education Strategic Plan. Although this highlighted the importance of higher education exports, the measures proposed were solely for the benefit of the public universities. There were instances of MQA approved courses not being recognised by the Public Services Department (JPA) although both were Government Agencies.

**Findings:** The members of the Focus Group were divided on the adequacy of the Malaysian Government policy framework to encourage Malaysian PHEIs to export their services.

### 4.2.3 Responses to the Survey Questionnaire: Proposition 1

This Section presents the analysis of the Survey responses for each of the four Statements related to Proposition 1. The analysis is based on the Focus Group Percentage Cross Tabulations for each of the Statements which are set out in Tables 4.2–4.5.

**Statement 1:**

*The Malaysian Government has comprehensive and effective strategies to promote Malaysia as a regional centre of educational excellence.*
As shown in Table 4.2, a total of 56 respondents or 71% supported the Statement that the Malaysian Government has effective policies and strategies for making the country a regional centre for academic excellence. The strongest support was from the Academics in Group D with 90% of them supporting the Statement. Significantly 70% of the Foreign Students in Group B also supported the Statement although a quarter of them adopted a neutral position. Only 11% of the respondents, spread across four Groups, expressed disagreement.

Findings: The analysis indicated support for the Statement.

Statement 2:
The Malaysian Government is fully supportive of the initiatives taken by the Malaysian PHEIs to increase their intake of foreign students and to establish branch campuses abroad.

As shown in Table 4.3, three quarters or 75% of the respondents agreed that the Government is encouraging the Malaysian PHEIs to export higher education by increasing their foreign students’ intakes and establishing branch campuses abroad.
Table 4.3: Group Percentage Cross Tabulations (Statement 2)

<table>
<thead>
<tr>
<th>Responses</th>
<th>Group</th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(A) PHEIs</td>
<td>(B) Student</td>
<td>(C) Marketing</td>
<td>(D) Academia</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
</tr>
<tr>
<td>Don't know (0)</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Strongly Disagree (1)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disagree (2)</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>No Opinion/Neutral (3)</td>
<td>4</td>
<td>20</td>
<td>3</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Agree (4)</td>
<td>13</td>
<td>65</td>
<td>10</td>
<td>50</td>
<td>11</td>
</tr>
<tr>
<td>Strongly Agree (5)</td>
<td>3</td>
<td>15</td>
<td>5</td>
<td>25</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100</td>
<td>20</td>
<td>100</td>
<td>20</td>
</tr>
</tbody>
</table>

Note: Percentage figures rounded off.

The strongest support was from the Academics in Group D with 85% of them agreeing with the Statement. None of the PHEIs disagreed. It is noteworthy however that 20% of them had no opinion on the matter.

Findings: The statistical analysis indicated strong support for the Statement.

Statement 3:
The Malaysian Governments provides financial support and related fiscal incentives to enable Malaysian PHEIs to upgrade their facilities and to internationalise their operations.

As shown in Table 4.4, only 31 respondents, in all four Groups, supported the Statement. Of these, only three strongly agreed that the Malaysian Government provided financial and fiscal support to Malaysian PHEIs. However, 11 of the PHEI’s supported the Statement. Significantly, 40% of the respondents took the position of “Don’t know” or “No opinion/Neutral” and these included seven Academics and seven PHEIs.
### Table 4.4: Group Percentage Cross Tabulations (Statement 3)

<table>
<thead>
<tr>
<th>Responses</th>
<th>(A) PHEs</th>
<th>(B) Student</th>
<th>(C) Marketing</th>
<th>(D) Academia</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
</tr>
<tr>
<td>Don't know (0)</td>
<td>1</td>
<td>5</td>
<td>6</td>
<td>30</td>
<td>1</td>
</tr>
<tr>
<td>Strongly Disagree (1)</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Disagree (2)</td>
<td>2</td>
<td>10</td>
<td>3</td>
<td>15</td>
<td>7</td>
</tr>
<tr>
<td>No Opinion/Neutral (3)</td>
<td>6</td>
<td>30</td>
<td>3</td>
<td>15</td>
<td>6</td>
</tr>
<tr>
<td>Agree (4)</td>
<td>11</td>
<td>55</td>
<td>7</td>
<td>35</td>
<td>3</td>
</tr>
<tr>
<td>Strongly Agree (5)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100</td>
<td>20</td>
<td>100</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Developed from the Survey Data

Note: Percentage figures rounded off.

**Findings:** The results indicated that the Survey participants did not support the Statement.

### Statement 4:

*The Malaysian Governments support programmes are not discriminatory and benefit all institutions of higher education whether they are public or private*

### Table 4.5: Group Percentage Cross Tabulations (Statement 4)

<table>
<thead>
<tr>
<th>Responses</th>
<th>(A) PHEs</th>
<th>(B) Student</th>
<th>(C) Marketing</th>
<th>(D) Academia</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
</tr>
<tr>
<td>Don't know (0)</td>
<td>1</td>
<td>5</td>
<td>6</td>
<td>30</td>
<td>0</td>
</tr>
<tr>
<td>Strongly Disagree (1)</td>
<td>1</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disagree (2)</td>
<td>3</td>
<td>15</td>
<td>4</td>
<td>20</td>
<td>1</td>
</tr>
<tr>
<td>No Opinion/Neutral (3)</td>
<td>7</td>
<td>35</td>
<td>6</td>
<td>30</td>
<td>11</td>
</tr>
<tr>
<td>Agree (4)</td>
<td>7</td>
<td>35</td>
<td>3</td>
<td>15</td>
<td>8</td>
</tr>
<tr>
<td>Strongly Agree (5)</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100</td>
<td>20</td>
<td>100</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Developed from the Survey Data

Note: Percentage figures rounded off.
As shown in Table 4.5, almost half or 49% of the participants did not voice an opinion as to whether the Malaysian Government’s support programmes benefit the PHEIs. Consequently, only 23 participants or 29% of the total supported the Statement. A sizeable number or 23% of the participants disagreed with the Statement.

Findings: There were mixed views on the Statement.

4.2.4 Survey Data Analysis

The standard deviation by groups to Proposition 1 and the mean responses for each Group, as shown in Table 4.6 and Figure 4.2, were the basis for the analysis the Questionnaire Survey. The mean rating for all the four Groups was 3.24, this reflected modest agreement for Proposition 1.

Figure 4.2: Comparison of Mean responses on Proposition 1

However, there was a wide variation among Groups; with a low of 2.98 for Group B comprising the Students and a high of 3.51 for Group A made up of the PHEIs. Significantly, the Academia in Group D and the Students had the highest standard
deviations of 1.08 and 1.38. This indicated disagreement among members in each of these two Groups.

Table 4.6: Standard Deviation by Groups to Proposition 1

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHEIs (A)</td>
<td>3.5125</td>
<td>20</td>
<td>0.8692</td>
</tr>
<tr>
<td>Students (B)</td>
<td>2.9875</td>
<td>20</td>
<td>1.3840</td>
</tr>
<tr>
<td>Marketing (C)</td>
<td>3.1875</td>
<td>20</td>
<td>0.8361</td>
</tr>
<tr>
<td>Academia (D)</td>
<td>3.2750</td>
<td>20</td>
<td>1.0874</td>
</tr>
<tr>
<td>Total</td>
<td>3.2406</td>
<td>80</td>
<td>1.0296</td>
</tr>
</tbody>
</table>

Source: Developed from Survey Data

The responses by the Groups to each of the four Statements comprising Proposition 1 are shown in Table 4.7. Although there was modest overall support for the Proposition, clear patterns emerged from the Group responses and these are summarized below.

Table 4.7: Responses to the Four Statements for Proposition 1 by Groups

<table>
<thead>
<tr>
<th>Statement</th>
<th>Disagree (%)</th>
<th>Agree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Group A</td>
<td>B</td>
</tr>
<tr>
<td>1</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Analysis of Survey Data

Note: Percentages do not add up to 100 due to "No opinion/Neutral" and do not include "Don't Know" responses

- Almost all or 90% of the members in Group D comprising the Academic were of the view that the Malaysian Government has effective strategies to successfully promote Malaysia as a regional centre of educational excellence. Only 55% of the Marketing staff in Group C agreed with this.

- Statement 2 which asserts that the Malaysian Government is fully supportive of the initiatives taken by Malaysian PHEIs to internationalise their operations was supported by 85% of the members of Group D. Strong support for this Statement also emerged from the PHEIs in Group A.
All the Groups, with the exception of Group A, supported the Statement that the Malaysian Government was providing financial support and related fiscal incentives to enable Malaysian PHEIs to upgrade their facilities and to internationalise their operations. Members of Group C expressed the strongest disagreement. Significantly a sizeable number of respondents gave “No Opinion” or “Don’t know” responses to Statement 3.

All the Groups rejected Statement 4 that the Malaysian Government’s support programmes are not discriminatory and benefit all institutions of higher education. The lowest support was from Group D since only 15% of the Academics in this Group supported the Statement with another 45% rejecting it. A large number of the respondents in all four Groups gave “No Opinion” or “Don’t know” responses.

4.2.5 Testing of Proposition 1

The Experience Survey members generally supported the Government’s policy framework for promoting higher education exports. Members of the Focus Group however were unable to achieve consensus on the adequacy of Government’s policies. The findings of the Questionnaire Survey also indicated mixed support for the Proposition. Accordingly, the Proposition that the Government has an adequate policy framework for promoting the export of private higher education is rejected.

4.3 Research Proposition 2

Malaysian PHEIs face several challenges for competing in the global higher education market.

Statement 5:
Malaysian PHEIs have world class programmes and facilities which appeal to international students.
Statement 6:
Malaysian PHEIs have regional competitive advantage in terms of education exports as compared to their competitors in Singapore, Thailand and India.

Statement 7:
Malaysian PHEIs have full and ready access to public sector financing and grants to upgrade their facilities and to conduct research and development.

Statement 8:
Foreign students have a good perception and high regard for the courses offered by the Malaysian PHEIs.

4.3.1 Analysis of the Experience Survey Interviews on Proposition 2

All the four Statements related to Proposition 2 were addressed in the individual personal interviews with each member of the Experience Survey. The diverse membership of the Experience Survey, with representatives from the Malaysian Government, the PHEIs, academia, marketing experts and foreign students, yielded a wide range of perspectives and views. They however agreed that:

- The study programmes of some Malaysian PHEIs, in particular the branch campuses of foreign universities and those that had achieved university college status, were on par with international standards. These programmes were delivered by high caliber academic staff. Furthermore, the larger PHEIs which were subsidiaries of public listed companies had superior physical facilities including auditoriums, lecture rooms, student recreation areas and well stocked libraries.

- The Malaysian Government had introduced some good measures to speed up the issuance of student visas. The quality control measures taken by the MQA and the Ministry of Higher Education also acted as safeguards for ensuring that foreign students benefitted from high quality education. These factors, taken together with the relatively low costs of living in Malaysia, gave Malaysian
PHEIs a competitive advantage over their rivals in Singapore, Thailand and Indonesia.

- Much more could be done by the Malaysian Government to assist PHEIs by way of funding to improve their facilities and to train their local staff. PHEIs also required funding support to undertake research and development.

- International students studying in Malaysian PHEIs generally have a high regard for the courses as evidenced by the sharp increases in sharp foreign student enrolments. However, the courses' content should be reviewed and reorientated towards the requirements of the international job markets rather than solely on the needs of Malaysian employers and students.

Those interviewed were however, divided on some important issues:

I. The growing rivalry among competing PHEIs in the region poses a threat to the Malaysian PHEIs. The smaller PHEIs have to upgrade their premises to meet the expectations of foreign students in terms of infrastructure, facilities and equipments.

II. While the MQA had developed a sound regulatory framework to safeguard international students from “degree mills”, it was incumbent for the Agency to more effectively discharge its enforcement responsibilities. This was necessary as some smaller PHEIs were offering study programmes that had not been approved by MQA.

III. PHEIs have to target new international markets for students as the supply of students from the Middle East and China could be reduced in the medium term due to the expansion of higher education capacity in these countries. However, the PHEIs ability to enter new markets was dependant on more active support from the Malaysian Government. Such support should include financial assistance for the international branding of Malaysian PHEI’s as providers of high quality education.
Findings: Taking full account of all the views expressed by the members of the Experience Survey, the researcher took the position that the Experience Survey supported the Proposition.

4.3.2 Analysis of the Focus Group Views on Proposition 2

The Focus Group meeting discussed the challenges that Malaysian PHEIs face in an increasingly competitive global education market. The Group dealt with issues related to the programmes offered by the PHE, their physical facilities, the quality of the lecturers and the needs of foreign students.

The Group also discussed the key issue of Malaysian PHEIs benefitting from public sector financial assistance to assist with their growth and development. Although, the diverse nature of the participation resulted in a wide range of viewpoints, the Focus Group members agreed on some significant issues:

- The emphasis now accorded by the Government to creating a knowledge society is motivating individuals to acquire globally recognised qualifications to become knowledge workers. This has also led to sharp increases in transnational higher education particularly to countries like Malaysia which use English as a medium of communication. Consequently Malaysian PHEIs were well placed to respond to the growing demands for international education.

- Students from the Middle East and other Muslim countries prefer to study in Malaysia because of cultural and religious similarities. Furthermore, the lower cost of studying and living in Malaysia made it a more attractive destination than Singapore.

- The Malaysian Government’s leadership in international organizations including the Group of 77 and the Organization of Islamic Countries (OIC), has raised Malaysian’s international profile and helped to brand Malaysia as a centre for high quality education.
The members were however, divided on some issues relating to Proposition 2:

i. The programmes offered by the PHEIs were of varying standards. While the courses emerging from 3+0 and twinning programmes were equivalent to those in foreign partner universities, locally developed programmes were generally geared to the localized needs of Malaysian students and as such required the curriculum of courses to be more broad based.

ii. Some members also believed that the low tuition fees of some Malaysian PHEIs are at the expense of educational quality. This shortcoming justified remedial actions by the Government’s enforcement machinery and in quality checks by MOHE. The high quality course offerings for international students also have to be matched with better pastoral care and student support services. These included student counseling, the quick processing of student’s visas at affordable costs, the provision of appropriate student accommodation and transportation to and from PHEIs.

iii. Doubts were expressed on the quality of teaching staff. The absence of public funding support for academic staff development has resulted in some smaller PHEIs engaging under qualified teaching staff and relying heavily on part-time lecturers. This was disputed on the grounds that it is more advantageous to engage people from the industry on a part-time basis as they could share their real-world work experiences with students.

iv. It was also suggested that the smaller PHEIs with limited financial capacity should either exit from the industry or merge. The latter would result in large PHEI’s with abilities for successful internationalising operations.

The Government representatives maintained that PHEIs were now benefiting from public policies which increased their access to public financing, loan and grants. The majority of the members however offered contrary views and argued that the public higher education institutions were the preferred targets for public policy support.
Findings: Taking full account of the views expressed, the majority of the Focus Group members supported the Proposition that Malaysian PHEIs face several challenges in the global education market.

4.3.3 Responses to the Survey Questionnaire: Proposition 2

This Section presents the analysis of the Survey responses for each of the four Statements related to the Proposition 2. The analysis is based on the Group Percentage Cross Tabulations for each of the Statements and these are set out in Tables 4.8 – 4.11.

Statement 5:
Malaysian PHEIs have world class programmes and facilities which appeal to international students.

As shown in Table 4.8, almost 60% or 47 participants expressed support for the Statement that Malaysian PHEIs have world class facilities which appeal to students. The strongest support was from the PHEIs in Group A. However, 20% of them disagreed and another 15% did not take a position. Of the 21% of all respondents who disagreed, the Academics constituted 30% with the Foreign Students and PHEIs each accounting for 20% respectively.

Table 4.8: Group Percentage Cross Tabulations (Statement 5)

<table>
<thead>
<tr>
<th>Responses</th>
<th>Group</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(A) PHEIs</td>
<td>(B) Student</td>
</tr>
<tr>
<td>Don't know (0)</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Strongly Disagree (1)</td>
<td>1</td>
<td>5</td>
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<tr>
<td>Disagree (2)</td>
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<td>15</td>
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<tr>
<td>No Opinion/Neutral (3)</td>
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<td>10</td>
</tr>
<tr>
<td>Agree (4)</td>
<td>9</td>
<td>45</td>
</tr>
<tr>
<td>Strongly Agree (5)</td>
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<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100</td>
</tr>
</tbody>
</table>

Note: Percentage figures rounded off.

Source: Developed from the Survey Data
**Findings:** All the four Groups expressed support for the Statement.

**Statement 6:**
*Malaysian PHEIs have regional competitive advantage in terms of education exports as compared to their competitors in Singapore, Thailand and India.*

**Table 4.9: Group Percentage Cross Tabulations (Statement 6)**

<table>
<thead>
<tr>
<th>Responses</th>
<th>Group</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(A) PHEIs</td>
<td>(B) Student</td>
<td>(C) Marketing</td>
<td>(D) Academia</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
</tr>
<tr>
<td>Don't know (0)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Strongly Disagree (1)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disagree (2)</td>
<td>6</td>
<td>30</td>
<td>2</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>No Opinion/Neutral (3)</td>
<td>5</td>
<td>25</td>
<td>7</td>
<td>35</td>
<td>3</td>
</tr>
<tr>
<td>Agree (4)</td>
<td>8</td>
<td>40</td>
<td>10</td>
<td>50</td>
<td>15</td>
</tr>
<tr>
<td>Strongly Agree (5)</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>20</td>
<td>100</td>
<td>20</td>
<td>100</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Developed from the Survey Data

Note: Percentage figures rounded off.

As shown in Table 4.9, two thirds of all the respondents held the view that Malaysian PHEIs have regional competitive advantage for their higher educational exports as compared to their regional competitors. The strongest support (85%) emerged from the Academics in Group D. However, two of them adopted the position of “Don’t know”. Significantly only 45% of the PHEIs shared the general view that Malaysian PHEIs had competitive advantage as compared to their regional rivals. Furthermore, a sizeable number or 20% of the participants chose to adopt a “Neutral” position.

**Findings:** The Survey respondents were of the view that Malaysian PHEIs have regional competitive advantage as compared to their competitors in Singapore, Thailand and India.
**Statement 7:**

*Malaysian PHEIs have full and ready access to public sector financing and grants to upgrade their facilities and to conduct research and development.*

As shown in Table 4.10: The majority or 63% of the participants expressed support for the Statement that Malaysian PHEIs benefit from public sector financing and grants for upgrading their facilities and conducting research. The highest level of support (70%) emerged from the PHEIs. Significantly, all the other three Groups namely, B, C & D registered identical figures of 60% while expressing their support. Almost one quarter or 19 participants fell into the category of “Don’t know” or “No opinion/Neutral” and less than 14%, disagreed.

<table>
<thead>
<tr>
<th>Responses</th>
<th>(A) PHEIs</th>
<th>(B) Student</th>
<th>(C) Marketing</th>
<th>(D) Academia</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
</tr>
<tr>
<td>Don’t know (0)</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Strongly Disagree (1)</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Disagree (2)</td>
<td>2</td>
<td>10</td>
<td>3</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td>No Opinion/Neutral (3)</td>
<td>4</td>
<td>20</td>
<td>3</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Agree (4)</td>
<td>12</td>
<td>60</td>
<td>8</td>
<td>40</td>
<td>9</td>
</tr>
<tr>
<td>Strongly Agree (5)</td>
<td>2</td>
<td>10</td>
<td>4</td>
<td>20</td>
<td>3</td>
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<tr>
<td>Total</td>
<td>20</td>
<td>100</td>
<td>20</td>
<td>100</td>
<td>20</td>
</tr>
</tbody>
</table>

*Note: Percentage figures rounded off.*

**Findings:** All four Groups supported the Statement.

**Statement 8:**

*Foreign students have a good perception and high regard for the courses offered by the Malaysian PHEIs*
As shown in Table 4.11, only 45% of the participants shared the view that Malaysian PHEIs were held in high regard by foreign students. This implies that it is necessary for Malaysian PHEIs to enhance their image and branding. It is noteworthy that support for the Statement was confined to only Group B comprising the Foreign Students. The PHEIs were divided in their support with a significant number of 32% being in the categories of “Don’t know” or “No opinion/Neutral”.

Findings: Based on the analysis the Survey respondents rejected the Statement.

4.3.4 Survey Data Analysis

The standard deviation by Groups to Proposition 2 and the mean responses of each Group, as shown in Table 4.12 and Figure 4.3, were the basis for the analysis of the Questionnaire Survey data. The mean rating of 3.36 for all four Groups reflected general agreement for Proposition 2.
However, as shown in Table 4.12, there was little variation among the Groups since Group C, comprising Marketing personnel, registered a high of 3.42 as compared to 3.31 for the Students Group B comprising.

Table 4.12: Standard Deviation by Groups to Proposition 2

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHEIs (A)</td>
<td>3.3625</td>
<td>20</td>
<td>0.9595</td>
</tr>
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<td>Students (B)</td>
<td>3.3125</td>
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<td>0.9838</td>
</tr>
<tr>
<td>Marketing (C)</td>
<td>3.4250</td>
<td>20</td>
<td>0.8307</td>
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<tr>
<td>Academia (D)</td>
<td>3.3625</td>
<td>20</td>
<td>1.0981</td>
</tr>
<tr>
<td>Total</td>
<td>3.3656</td>
<td>80</td>
<td>0.9273</td>
</tr>
</tbody>
</table>

The Group responses to the four Statements comprising Proposition 2 are shown in Table 4.13. Although there was only modest overall support for the Proposition, clear patterns emerged from the Group responses and these are summarized below.
• All the four Groups supported the Statement that Malaysian PHEIs have world class programmes and facilities which appeal to international students. Almost two thirds of the members of Group A and Group C supported the Statement. The highest level of disagreement or 30% was the Academia in Group D.

• All the Groups, with the exception of PHEIs, supported the Statement that Malaysian PHEIs have regional competitive advantage in terms of education exports as compared to their rivals in Singapore, Thailand and India. The highest levels of support were from the Academics in Group D, and the Marketing personnel in Group C.

• All the four Groups agreed that Malaysian PHEIs do not have full and ready access to public sector financing and grants to internationalise their operations. The strongest disagreement was expressed by members of Group C.

• There was very limited support for Statement 8 that foreign students have a good perception and high regard for courses offered by the Malaysian PHEIs. Only 25% of the members of Group C supported the Statement. A large number of the respondents in all four Groups gave “No Opinion” or “Don’t know” responses.

Table 4.13: Responses to the Four Statements for Proposition 2 by Groups

<table>
<thead>
<tr>
<th>Statement</th>
<th>Disagree (%)</th>
<th>Agree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Group A</td>
<td>B</td>
</tr>
<tr>
<td>5</td>
<td>20</td>
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<td>6</td>
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<tr>
<td>7</td>
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<td>20</td>
</tr>
<tr>
<td>8</td>
<td>30</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Analysis of Survey Data

Note: Percentages do not add up to 100 due to “No opinion/Neutral” and do not include “Don’t Know” responses

4.3.5 Testing of Proposition 2

The Experience Survey agreed that Malaysian PHEIs were confronted with several challenges for effectively competing in the global higher education market. This view was shared by the Focus Group. The findings of the Questionnaire Survey also
highlighted the difficulties that Malaysian PHEIs face for increasing international student enrollments and opening branch campuses abroad. Accordingly, the researcher accepts this Proposition.

4.4 Research Proposition 3

Malaysian PHEIs are capitalising on the opportunities created by the internationalisation of higher education.

Statement 9:
Malaysian PHEIs have effective marketing strategies and the required overseas marketing presence to promote their courses and to enroll foreign students.

Statement 10:
Malaysian PHEIs give emphasis to internationalising their curriculum in order to meet the requirements of foreign students.

Statement 11:
Malaysian PHEIs experience difficulties in securing speedy approvals for their new course offering by the Malaysian Qualifications Agency (MQA).

Statement 12:
Malaysian PHEIs give emphasis to collaborative arrangements and partnerships with foreign universities to enhance their image as providers of world class education.

4.4.1 Analysis of the Experience Survey Interviews on Proposition 3

All the four Statements related to Proposition 3 were addressed in the interviews with each member of the Experience Survey. The diverse membership of the Experience Survey, with representatives from the Malaysian Government, the PHEIs, Academic, Marketing Experts and Foreign Students, yielded a wide range of perspectives and views. There was, however, a general agreement that:
• The rapid increase in the demand for higher education, both nationally and globally, has motivated several countries to become exporters of higher education. Technological advances and the internet have also created a big market for online distance education. Malaysian PHEIs has to internationalise their operations to take advantage of the growing international demand for higher education.

• All the programmes of the PHEIs should have international and cultural perspectives. The learning should be geared to meeting the needs of diverse student populations and include courses on the impact on globalisation, information technology, business management and health.

• The rapid growth of higher education and increased international student mobility has also led to several malpractices. There are several profit motivated “fly by night” education providers who offer inferior and even bogus degrees due to weak regulatory practices. This situation requires a sound regulatory framework for quality assurance or accreditation to protect students from paying high prices for a dubious foreign education.

• The implementation of GATS will further liberalise global trade in higher education. This could lead to more foreign institutions entering Malaysia and confront Malaysian PHEIs with greater competitive pressures. This reinforces the need for Malaysian PHEIs to provide high quality courses, good learning and research facilities and brand themselves internationally as reputable providers of higher education.

Those interviewed were however, divided on some important issues:

I. *The use of the English language.* Some of the experts considered it important for the PHEIs to emphasise on increasing the English language proficiency of the teaching staff as some of them did not have the language skills to conduct courses in the English language. It was also suggested that the students who are poor in the English language be compelled to enroll in English language support programmes.
II. The Curricula. Malaysian PHEIs should internationalise in the curriculum using teaching content, format and texts that are geared to the global market place. PHEIs should also pay more attention to revising their curriculum on a regular basis to ensure that they remain relevant.

III. Marketing Strategies: Only a few PHEIs are benefitting from the Government’s policy support for the overseas marketing of Malaysian degree programmes. It is necessary to encourage all the PHEIs to take advantage of the Government’s support measures for increasing their higher education experts.

IV. Marketing materials and practices. Some members wanted the MQA to pay more attention to the promotional materials of the Malaysian PHEIs to ensure that they did not provide any misleading information.

V. MQA Approvals. It was important that the MQA review the procedures of new course offerings to make them shorter and less cumbersome. There was also a need for the MQA to review its policy of assessing all new foreign degree programmes regardless of whether the courses had been approved by the home government of the concerned foreign university.

Findings: Taking full account of all the views expressed by the Experience Survey, the researcher took the position that there was mixed support for Proposition 3.

4.4.2 Analysis of the Focus Group Views on Proposition 3

The Focus Group meeting discussed the ongoing process of the internationalisation of higher education and the opportunities for Malaysian PHEIs to enroll more foreign students. The Group considered the effectiveness of the existing marketing strategies and the need to internationalise the curricula of the course offerings. They also discussed the processes for new course approvals and the partnership arrangements with foreign universities. The diverse nature of the participation resulted in a wide range of viewpoints. Notwithstanding the Focus Group members agreed on some significant issues. These were:
i. *The collaborative arrangements with foreign universities*

Members unanimously agreed that PHEIs had successfully developed and managed twinning arrangements with foreign partners. By using the same teaching format, texts and evaluation of methods as their partner universities, Malaysian PHEIs were able to provide students the qualifications of the partner institutions at much lower costs. However, the members strongly believed that PHEIs should undertake due diligence exercises before entering into new partnerships to safeguard students from enrolling in disreputable overseas universities.

ii. *Internationalising the curricular*

The majority of the Malaysian PHEIS had to rely on foreign partners for the delivery of undergraduate and postgraduate courses. This modality required them to adhere closely to the standards set by the foreign partner and to offer courses demanded by foreign students. There was also general agreement that the educational products of Malaysian PHEIs are relevant to other developing countries. However, there were differences of viewpoints on some key issues such as marketing, MQA approval and the core subjects.

iii. *Marketing strategies.*

The Government representatives contended that the country had an appropriate policy framework for making Malaysia a major exporter of higher education. In parallel, the Government was encouraging the Malaysian PHEIs to increase their international visibility and presence by organizing educational fairs and exhibitions to showcase their courses. Some members stated that the smaller PHEIs found it difficult to meet the costs of participating in such overseas marketing exercises. They suggested that the Government agencies, including MATRADE, provide grants to deserving PHEIs for this purpose.

iv. *MQA Approvals*

Although the private higher educational industry benefited from the recent educational reforms, they continue to face several bureaucratic hurdles. The new course approval and accreditation processes remained cumbersome and
expensive since PHEIs had to pay fees ranging from RM10,000 to RM20,000 for such purposes.

v. **Core subjects**

Some members did not support the inclusion of the three compulsory subjects of Malaysian Studies, Islamic or Moral Studies and Malay language in all degree courses on the grounds that these subjects should be delivered at the secondary schools levels. Furthermore, the inclusion of the three additional subjects results in the non-productive use of the limited resources of the PHEIs.

**Findings:**

On balance, the Focus Group members did not support the Proposition that Malaysian PHEIs are capitalising on the opportunities created by the internationalisation of higher education.

### 4.4.3 Responses to the Survey Questionnaire: Proposition 3

This Section presents the analysis of the Survey responses for each Statement related to the Proposition 3. The analysis is based on the Group Percentage Cross Tabulations for each Statement and these are set out in Tables 4.14 – 4.17.

**Statement 9:**

*Malaysian PHEIs have effective marketing strategies and the required overseas marketing presence to promote their courses and to enroll foreign students*

As shown in Table 4.14, almost 67% of the respondents supported the Statement that Malaysian PHEIs have effective marketing strategies to promote their courses and to enroll foreign students. The strongest support was from the Foreign Students of Group B or the Foreign Students. However, 15% of them did not take a position. Only 10% of the total respondents disagreed with the Statement and they were largely from Groups A and D. A quarter of the respondents took the position of “Don’t know” or “No opinion/Neutral”.
Table 4.14: Group Percentage Cross Tabulations (Statement 9)

<table>
<thead>
<tr>
<th>Responses</th>
<th>(A) PHEls</th>
<th>(B) Student</th>
<th>(C) Marketing</th>
<th>(D) Academia</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
</tr>
<tr>
<td>Don't know (0)</td>
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<td>Strongly Disagree (1)</td>
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<tr>
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<td>0</td>
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<tr>
<td>No Opinion/Neutral (3)</td>
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<td>30</td>
<td>2</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Agree (4)</td>
<td>7</td>
<td>35</td>
<td>10</td>
<td>50</td>
<td>10</td>
</tr>
<tr>
<td>Strongly Agree (5)</td>
<td>4</td>
<td>20</td>
<td>7</td>
<td>35</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100</td>
<td>20</td>
<td>100</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Developed from the Survey Data

Note: Percentage figures rounded off.

Findings: Based on the responses from the members of all four Groups, this Statement is accepted.

Statement 10:
Malaysian PHEls give emphasis to internationalising their curriculum in order to meet the requirements of foreign students.

Table 4.15: Group Percentage Cross Tabulations (Statement 10)

<table>
<thead>
<tr>
<th>Responses</th>
<th>(A) PHEls</th>
<th>(B) Student</th>
<th>(C) Marketing</th>
<th>(D) Academia</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
</tr>
<tr>
<td>Don't know (0)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Strongly Disagree (1)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disagree (2)</td>
<td>4</td>
<td>20</td>
<td>4</td>
<td>20</td>
<td>3</td>
</tr>
<tr>
<td>No Opinion/Neutral (3)</td>
<td>5</td>
<td>25</td>
<td>4</td>
<td>20</td>
<td>3</td>
</tr>
<tr>
<td>Agree (4)</td>
<td>10</td>
<td>50</td>
<td>11</td>
<td>55</td>
<td>14</td>
</tr>
<tr>
<td>Strongly Agree (5)</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100</td>
<td>20</td>
<td>100</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Developed from the Survey Data

Note: Percentage figures rounded off.
As shown in Table 4.15, there was general support for the Statement that Malaysian PHEIs are internationalising their curricula to meet the requirements of foreign students. It is noteworthy that only 55% of the PHEIs shared this view. The strongest support was from members of Group C comprising the Marketing professionals. Although 70% of them agreed, another 20% adopted a neutral position. Only 16% of the total respondents disagreed with the Statement and they were largely from the Group A (PHEIs) and Group B (Students).

Findings: The Survey data analysis revealed acceptance of Statement 10.

Statement 11:

Malaysian PHEIs experience difficulties in securing speedy approvals for their new course offering by the Malaysian Qualifications Agency (MQA).

Table 4.16: Group Percentage Cross Tabulations (Statement 11)

<table>
<thead>
<tr>
<th>Responses</th>
<th>Group</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(A) PHEIs</td>
<td>(B) Student</td>
</tr>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
</tr>
<tr>
<td>Don't know (0)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Strongly Disagree (1)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disagree (2)</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td>No Opinion/Neutral (3)</td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>Agree (4)</td>
<td>10</td>
<td>60</td>
</tr>
<tr>
<td>Strongly Agree (5)</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Developed from the Survey Data

Note: Percentage figures rounded off.

As shown in Table 4.16, a total of 52 respondents or 65% supported the Statement that the Malaysian PHEIs experienced difficulties in securing timely approvals for their new course offerings. The strongest support emerged from Group A comprising PHEIs and Group C, the Marketing professionals. More than a third or 35% of the Foreign Students in Group B either "Did not know" or adopted a "Neutral" position.
Significantly only 9% of the respondents, spread across four Groups, expressed disagreement.

**Findings:** The analysis indicated support for the Statement.

**Statement 12:**

*Malaysian PHEIs give emphasis to collaborative arrangements and partnerships with foreign universities to enhance their image as being providers of world class education*

Table 4.17 shows that 87% of the respondents supported the Statement that the Malaysian PHEIs emphasized on partnerships with foreign universities for providing world class education. Significantly, the strongest support was expressed by the Academics since all 20 expressed their agreement. Their views were shared by a large majority (17) in Group C and 17 in Group A.

<table>
<thead>
<tr>
<th>Responses</th>
<th>(A) PHEIs</th>
<th>(B) Student</th>
<th>(C) Marketing</th>
<th>(D) Academia</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
</tr>
<tr>
<td>Don't know (0)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Strongly Disagree (1)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disagree (2)</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>No Opinion/Neutral (3)</td>
<td>3</td>
<td>15</td>
<td>3</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Agree (4)</td>
<td>11</td>
<td>55</td>
<td>10</td>
<td>50</td>
<td>12</td>
</tr>
<tr>
<td>Strongly Agree (5)</td>
<td>6</td>
<td>30</td>
<td>5</td>
<td>25</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100</td>
<td>20</td>
<td>100</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Developed from the Survey Data

**Note:** Percentage figures rounded off.

**Findings:** There was strong support for the Statement.

**4.4.4 Survey Data Analysis**

The standard deviation by Groups to Proposition 3 and the mean responses to each Group, as shown in Table 4.18 and Figure 4.4, form the basis for the analysis of the data.
emerging from the Questionnaire Survey. The mean rating for all the four Groups was 3.70 and this reflected agreement for Proposition 3.

**Figure 4.4: Comparison of Mean responses to Proposition 3**

As shown in Table 4.18, there was little variation among the Groups. All of them supported the Proposition; led by the Academics in Group D who registered a high of 3.76 as compared to 3.67 registered by Groups B and C.

**Table 4.18: Standard Deviation by Groups to Proposition 3**

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHEIs (A)</td>
<td>3.7000</td>
<td>20</td>
<td>0.7777</td>
</tr>
<tr>
<td>Students (B)</td>
<td>3.6750</td>
<td>20</td>
<td>0.8832</td>
</tr>
<tr>
<td>Marketing (C)</td>
<td>3.6750</td>
<td>20</td>
<td>0.7953</td>
</tr>
<tr>
<td>Academia (D)</td>
<td>3.7625</td>
<td>20</td>
<td>0.8842</td>
</tr>
<tr>
<td>Total</td>
<td>3.7031</td>
<td>80</td>
<td>0.8094</td>
</tr>
</tbody>
</table>

Source: Developed from the Survey Data
The responses by the Groups to each of the four Statements comprising Proposition 3 are shown in Table 4.18. Although all the Groups expressed support for each Statement it is noteworthy that:

- The Foreign Students in Group B registered the highest level of support (85%) for Statement 9. Only 55% of the respondents in Groups A and C agreed that Malaysian PHEIs have effective marketing strategies and the required overseas marketing presence to promote their courses and to enroll their students.

- There was less support for Statement 10 that the Malaysian PHEIs emphasise on internationalising their curricula to meet the requirements of foreign students. Only 60% of the Foreign Students in Group B supported the Statement compared to 70% of the Marketing personnel in Group B.

- There were broadly similar levels of support for Statement 11 that Malaysian PHEIs experience difficulties in securing speedy approvals for new course approvals by the MQA. Only 60% of the Academics in Group D concurred with the Statement.

- All members of Group D agreed with Statement 12 that Malaysian PHEIs emphasize on collaborative arrangements and partnerships with foreign universities to enhance their image as providers of world class education. High levels of support were also expressed by all the other three Groups.

<table>
<thead>
<tr>
<th>Table 4.19: Responses to the Four Statements for Proposition 3 by Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>9</td>
</tr>
<tr>
<td>10</td>
</tr>
<tr>
<td>11</td>
</tr>
<tr>
<td>12</td>
</tr>
</tbody>
</table>

Source: Analysis of Survey Data

Note: Percentages do not add up to 100 due to "No opinion/Neutral" and do not include "Don’t Know" responses
4.4.5 Testing of Proposition 3

The Experience Survey had mixed views on the Proposition. A similar situation emerged from the discussions in the Focus Group. Since, the Questionnaire Survey participants expressed relatively strong support for the Proposition that Malaysian PHEIs are capitalising on the opportunities created by the internationalisation of higher education, the researcher accepts this Proposition.

4.5 Unplanned Data

The literature review was aimed at identifying the key issues for investigation by the research. The researcher on his part endeavored to include them in the Survey Questionnaire and in the discussion guides for the Experience Survey and the Focus Group. During the course of the personal interviews with the members of the Experience Survey and the Focus Group meeting, three new salient issues emerged and they were treated as unplanned data.

First, the need for the Government to allow PHEIs to determine the tuition fees for their courses. This was on the grounds that PHEIs are private business enterprises and as such, are subject to the laws of supply and demand. Furthermore, PHEIs that invest in staff development and their facilities in order to upgrade the quality of their courses should be rewarded for their efforts by charging higher tuition fees.

Second, PHEIs should be more selective regarding the admission of students. This is necessary as the admission of students without the requisite entry qualifications, including English proficiency levels, would result in lower passing rates and erode the image of the PHEIs.

Finally, the Government should move away from the practice of using courses offered by the public universities as the benchmarks for the assessment of the courses submitted by the PHEIs for approvals. Furthermore, the MQA panels should include more representatives from PHEIs, members of professional bodies and rely less on faculty members from the public universities.
4.6 Conclusion

This Chapter presented and analysed the views expressed by the members of the Experience Survey and the Focus Group. Through the use of the SPSS, it also analysed the responses to the Questionnaire Survey for the testing of three Research Propositions. The Chapter presented the unplanned data that merged from the Experience Survey interviews and the Focus Group.

The next and final Chapter presents the conclusions and the impact of the research in relation to the objectives set for it.
CHAPTER 5 -
CONCLUSION
CHAPTER 5 – CONCLUSION

5.1 Introduction

This Chapter presents the findings of this research. It commences with an overview of each preceding Section.

Chapter 1 presented the research problem stated as ‘What are the measures required for the successful Internationalisation of Malaysian Private Higher Educational Institutions to increase higher education exports?’ It outlined the Malaysian social and economic setting, the Government’s emphasis on higher education exports and the challenges that Malaysian PHEIs face for venturing into new overseas markets. It also introduced the research methodology, the data collection instruments and the targeted research outcomes. These included new theory development, follow up research opportunities and the impact on public and corporate policies. Finally, the Chapter outlined the definitions adopted for this research, the structure of the thesis and the limitations to this research.

The second Chapter reviewed the literature on the background and focus theories (Philips and Pugh 1987) for developing the theoretical foundations for this research, identifying the key research issues and the research gaps which were the basis for the crafting and testing of three Research Propositions. These were:

(i) The Malaysian Government has an adequate policy framework for promoting the exports of private higher education.

(ii) Malaysian PHEIs face several challenges for competing in the global higher education market.

(iii) Malaysian PHEIs are capitalising on the opportunities created by the internationalisation of higher education.

The review outlined the national setting for the discussions on the parent and immediate disciplines to establish the theoretical framework for the study. Particularly
relevant to this research was the model developed by Morey (2000) shown in Figure 2.5. The Chapter concluded with the identification of the research gaps which served as the basis for the crafting of the three Research Propositions that were tested by this research.

Chapter 3 discussed the research paradigm and the research design for the research. It justified the use of inductive and deductive approaches, detailed the data collection instruments and addressed the issues relating to reliability and validity. The data analysis processes and the ethical issues pertinent to this research were also presented.

Chapter 4 analysed and presented the findings of the Experience Survey, the Focus Group meeting and the Questionnaire Survey by way of a case processing summary, frequency distribution tables, cross tabulations by frequency of responses, comparison of means and standard deviations for each Proposition.

This final Chapter details the conclusions, implications and the impact of the research. It presents a comparative analysis of the findings emerging from the analysis of the primary data with the findings of the literature reviewed in Chapter 2 and offers recommendations for the successful internationalisation of the PHEIs. It then discusses new theory development and provides a synopsis of the opportunities for further research.

Accordingly, this Chapter has eight Sections as depicted in Figure 5.1.

Section 5.2 presents the conclusions for each of the three Propositions developed in Chapter 2. These are based on the findings of the literature review in Chapter 2 and the primary data analysis process detailed in Chapter 4. Section 5.3 sets out the conclusions on the research problem. The contributions to new theory development are presented in Section 5.4 and the implications for policy in Section 5.5. It includes recommendations for consideration by the Government authorities responsible for private higher education and the senior management of PHEIs.
The limitations that emerged during the course of the research process are presented in Section 5.6. The opportunities for further research are discussed in Section 5.7 and the final Section concludes the Chapter and the thesis.

Figure 5.1: Structure of Chapter 5

5.1 INTRODUCTION

5.2 CONCLUSIONS ABOUT EACH RESEARCH PROPOSITION

5.3 CONCLUSIONS ABOUT THE RESEARCH PROBLEM

5.4 NEW THEORY DEVELOPMENT

5.5 IMPLICATIONS FOR POLICY AND PRACTICE

5.6 LIMITATIONS

5.7 FURTHER RESEARCH

5.8 CONCLUSION

Source: Developed for the Research
5.2 Conclusions about each Research Proposition

This Section summarises the findings of this research pertaining to each of the three Research Propositions. The discussions taken into account the findings of the literature review in Chapter 2 and the analysed primary data presented in Chapter 4.

Research Proposition 1: The Malaysian Government has an adequate policy framework for promoting the export of private higher education

The literature review revealed that the National Higher Educational Action Plan 2007 was appropriate to transform the national education system for meeting the needs of a knowledge era. The Acts passed by the Parliament in 1996 and 2003 provided the necessary regulatory framework for the liberalization and privatization of higher education to make the country a regional education hub (Morshidi 2006a). However, The National Higher Education Action Plan is directed at the public institutions and not the private institutions of higher education (Lee 2006).

The review also noted that the private education industry faces challenges in areas such as teaching staff, facilities, course approvals, research capabilities and marketing. Furthermore, since PHEIs are fundamentally business enterprises, the education for profit motive may override teaching quality and students' welfare (Sivalingam 2007).

Another challenge is the rivalry posed by Malaysia's neighbours; in particular Singapore and Vietnam which are positioning themselves as regional educational hubs. The Singapore Government is targeting world class universities to establish branch campuses (Morshidi 2008a). In Vietnam, the internationalisation of higher education has resulted in several foreign universities, including those from Australia and the USA, establishing branch campuses with tuition fees being lower than those in Malaysia (Ngo 2006).

As presented in Section 4.2.1, the Experience Survey considered it necessary for Malaysian PHEIs to internationalise their operations as the domestic market is too small to sustain their growth. The situation compels them to venture abroad by opening
branch campuses or entering into partnership arrangements with foreign education providers to deliver programme offshore. For this purpose the PHEIs have to formulate proper strategies to complement those of the Government for internationalising their operations.

The Focus Group members highlighted the need for the Government to assist the PHEIs in addressing their challenges. Additional supportive measures are required, including financial assistance, to meet their educational developmental costs.

The Questionnaire Survey respondents were generally uncertain on the justification for PHEIs to benefit from public financial support to internationalise their operations. They however agreed that the Government’s support programmes largely favoured the public higher education institutions.

Taking full account of the findings of the literature review, the views of the Experience Survey, the Focus Group meeting and the Questionnaire Survey, as shown in Table 5.1, the following conclusions can be drawn in respect of Proposition 1.

Table 5.1: Response Patterns to Proposition 1

<table>
<thead>
<tr>
<th>Issues</th>
<th>Literature Review</th>
<th>Experience Survey</th>
<th>Focus Group</th>
<th>Questionnaire Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective strategies to promote Malaysia as a regional centre of educational excellence.</td>
<td>Mixed</td>
<td>Yes</td>
<td>Mixed</td>
<td>Yes</td>
</tr>
<tr>
<td>The Malaysian Government supports PHEIs initiatives to increase foreign students’ intakes and establish branch campuses abroad.</td>
<td>Mixed</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>The Malaysian Government provides financial support to Malaysian PHEIs for development and operations</td>
<td>Rejected</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>The National Higher Education Action Plan benefits all institutions of higher education</td>
<td>Mixed</td>
<td>No</td>
<td>No</td>
<td>Mixed</td>
</tr>
</tbody>
</table>

Source: Developed for this Research
• The Malaysian Government is promoting Malaysia as a regional centre of educational excellence. However, the measures proposed in the National Higher Education Action Plan for increasing higher education exports should also be extended to PHEIs and not limited to the public universities.

• It is necessary for the Malaysian Government to introduce policies for PHEIs to gain access to capital to meet their development and operational costs. These include the upgrading of facilities with world class computer labs, lecture halls, libraries, hostel accommodation as well as financial incentives for PHEIs to recruit high caliber teaching staff and to reduce the high student-staff ratios.

• The intense regional competition among PHEIs requires the Government to support Malaysian PHEIs with their efforts to brand themselves internationally as high quality educational providers in order to withstand the competition from their regional rivals.

• The Government should also encourage PHEIs to adopt strategic approaches to expand their international activities and markets by developing and implementing appropriate internationalisation policies. These should include marking, staff exchange schemes, internationalised curriculum and research.

Research Proposition 2: Malaysian PHEIs face several challenges for competing in the global higher education market.

The literature review revealed that Malaysian PHEIs experience difficulties in raising capital to meet their developmental and operational costs. Consequently, the PHEIs are compelled to be cost conscious and this has been at the expense of teaching quality, poor infrastructure, facilities and equipment. In 2000, the student-staff ratio in the PHEIs was twice as large of the ratio in public institutions. This has obvious implications for the quality of teaching and supervision. Furthermore, the qualifications of the academic staff of PHEIs are generally much lower on average when compared to the public universities (Sivalingam 2007).
The purchasing decision of international students is influenced by the quality and standards of physical infrastructure facilities and equipment. They tend to give weightage to the location of the campus and the available facilities. These include computer labs, lecture halls, libraries, hostel accommodation and students' recreational facilities. Due to their financial limitations, the smaller PHEIs have college premises and facilities that fall short of the standards and expectations of foreign students (Hasan and Sherrif 2006). Additionally, PHEIs have to meet the costs of MQA operations in respect of the approval and accreditation of courses and these costs further weakens them (Sukumaran 2002).

Members of the Experience Survey maintained that the study programmes of the branch campuses of foreign universities and the PHEIs with university college status met international standards. These programmes were also delivered by high caliber academic staff. These strengths together with the low cost of living in Malaysia gave the PHEIs a competitive advantage over their rivals in Singapore, Thailand and Indonesia. However this was not the case with the smaller PHEIs as the quality of the premises and their courses often did not meet the requirements of foreign students. Furthermore, institutional size and enrollment were significant factors for securing the required financial resources for upgrading facilities and delivering high quality courses by well qualified staff.

The Focus Group meeting provided useful insights on the competitive positioning of the Malaysian PHEIs in the international student market. They agreed that the lower costs of studying and living in Malaysia made the country a more attractive destination than Singapore. There were concerns that the low tuition fees would not generate the resources that the PHEIs require for raising educational quality and teaching standards. For these reasons, they believed that the smaller Malaysian PHEIs merit public sector financing and support.

The Focus Group suggested that the PHEIs emphasize on academic governance, and graduate feedback for increasing the quality of their programmes and developing a reputational advantage in the international private higher education arena. The governance structure should be geared to quality management systems, curriculum development, design and review, learning and teaching development. The structure
should also incorporate an academic board for academic leadership and oversight of a quality assurance framework for learning, teaching and research.

The Questionnaire Survey participants agreed that the larger Malaysian PHEIs were achieving regional competitive advantage in exporting private higher education because of their world class programmes and facilities. Unlike the Experience Survey and the Focus Group members, the survey respondents believed that Malaysian PHEIs are already benefitting from adequate public sector support. However, they were unable to agree that foreign students have good perceptions about the courses offered by the smaller PHEIs.

Taking full account of the findings of the literature review, the Experience Survey the Focus Group meeting and the Questionnaire Survey, as shown in Table 5.2, the following conclusions can be drawn in respect of Proposition 2.

Table 5.2: Response Patterns to Proposition 2

<table>
<thead>
<tr>
<th>Issues</th>
<th>Literature Review</th>
<th>Experience Survey</th>
<th>Focus Group</th>
<th>Questionnaire Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysian PHEIs have world class programmes and facilities</td>
<td>Unknown</td>
<td>Yes</td>
<td>Mixed</td>
<td>Yes</td>
</tr>
<tr>
<td>Malaysian PHEIs have regional competitive advantage.</td>
<td>Unknown</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Malaysian PHEIs public sector financing and grants to upgrade their facilities and for research and development</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Foreign students have high regard for the courses offered by the Malaysian PHEIs</td>
<td>Unknown</td>
<td>Mixed</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Source: Developed for this Research
• The Malaysian Government through the MQA and MOHE, has to ensure that foreign students benefit from high quality education. For this purpose, it has to encourage PHEIs to create appropriate governance structures with responsibilities for quality management and curriculum development that are aligned to the requirements of the international job markets.

• The teaching staff of the Malaysian PHEIs should have high levels of English language proficiencies. These are necessary as courses conducted in this global medium of communication are in high demand by the international students.

• Student and graduate feedback would contribute to improving curriculum design and delivery, teaching and assessment tasks. A Course Experience Questionnaire and a Graduate Destination Survey are appropriate for this purpose.

Research Proposition 3: Malaysian PHEIs are capitalising on the opportunities created by the internationalisation of higher education

The literature review highlighted the rapid growth in the demand for internationally acceptable and negotiable global qualifications. Consequently there are substantial increases in the investment worldwide for higher education and advanced training (Bennell and Pearce 2003). Malaysian PHEIs are benefiting from the increased international student mobility as evidenced by the sharp increases in international student enrollments. The Malaysian Government is supporting Malaysian PHEIs with their overseas marketing strategies through the MATRADE which organizes educational fairs and exhibitions to showcase Malaysian PHEIs and their courses.

The passing of the Educational Act in 1996 led to a proliferation of partnerships between Malaysian educational institutions and overseas higher educational institutions. In 1999, more than 70 UK higher educational institutions had either franchise or articulation arrangements with private Malaysian institutions (QAA 1999). Another 23 Australian universities had twinning programs with Malaysian institutions and the progress offered appealed to international students (Denman 2002).
The Experience Survey suggested that Malaysian PHEIs emphasize on internationalising their operations to benefit from the growing international demand for higher education. This requires them to internationalise their curriculum with the learning process being appropriate for diverse student populations. The implementation of GATS could result in Malaysian in PHEIs facing intense competitive pressures as more foreign institutions could enter Malaysia. This reinforces the need for Malaysian PHEIs to provide high quality courses, good learning and research facilities and brand themselves internationally as reputable providers of higher education.

The Focus Group noted that only a few PHEIs are taking advantage of the Government's policy support for the international marketing of their programmes. Members also highlighted the need for the MQA to pay more attention to the promotional materials of the Malaysian PHEIs to ensure that prospective students are not misled. They unanimously agreed that PHEIs were successful in developing and managing twinning arrangements with foreign partners. However, they believed that PHEIs should undertake due diligence exercises before entering into new partnerships as some overseas universities were ‘degree mills’ offering dubious qualifications.

The findings of the Questionnaire Survey showed that Malaysian PHEIs have effective marketing strategies to promote their courses for enrolling foreign students. Furthermore, the larger Malaysian PHEIs, in particular the universities, are internationalising their curricular to meet the requirements of foreign students. They also agreed that the PHEIs collaborative arrangements and partnerships with foreign universities are contributing to the national effort to make the country a regional centre of higher education.

Taking full account of the findings of the Literature Review, the Experience Survey, the Focus Group meeting and the Questionnaire Survey, as shown in Table 5.3, the following conclusions can be drawn in respect of Proposition 3.

- PHEIs should formulate appropriate marketing strategies to increase their share of the rapidly growing global market for higher education. However, their marketing and promotional materials should provide correct and factual information of the
study courses offered, the facilities available and support services. The name of the course of study and the academic qualifications awarded should also be consistent with the accepted norms of the academic world. All students should be given the opportunity to withdraw from their study programmes, without financial penalty, in cases of discrepancies in the advertisements and promotional materials.

Table 5.3: Response Patterns to Proposition 3

<table>
<thead>
<tr>
<th>Issues</th>
<th>Literature Review</th>
<th>Experience Survey</th>
<th>Focus Group</th>
<th>Questionnaire Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysian PHEIs have effective international marketing strategies to enroll foreign students</td>
<td>Unknown</td>
<td>Mixed</td>
<td>Mixed</td>
<td>Yes</td>
</tr>
<tr>
<td>Malaysian PHEIs are internationalising their curriculum.</td>
<td>Unknown</td>
<td>Mixed</td>
<td>Mixed</td>
<td>Yes</td>
</tr>
<tr>
<td>Malaysian PHEIs experience difficulties in securing speedy approvals.</td>
<td>Unknown</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Malaysian PHEIs give emphasis to partnerships with foreign universities to provide world class education</td>
<td>Unknown</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Developed for this Research

- The overseas Malaysian missions and MATRADE, the Malaysian export agency, should create special units to promote the Malaysian PHEIs and their study programmes.

- Malaysia was a preferred destination for foreign students due to the low costs of living and the low tuition fees offered by some PHEIs makes. However, the low tuition fees should not erode educational quality. The enforcement unit of the MQA
should ensure that PHEIs have effective governance and management structures which are directed at providing globally recognised qualifications in line with the country's intention to become a regional centre of educational excellence.

- International and Malaysian students should be protected from PHEIs which offer courses of dubious quality. For this purpose, effective quality assurance and accreditation processes as well as an appropriate Government regulatory framework should be in place.

- PHEIs face bureaucratic hurdles for new course approvals and the approval processes requires review. They also face a 'duplication of accreditation' situation since the MQA requires all new course offerings from reputable international universities to be accredited even if they have been approved by the home governments of the concerned universities.

5.3 Conclusions about the Research Problem

The research problem, developed in Chapter 2, was stated as "How can Malaysian PHEIs adopt effective internationalisation strategies and practices for increasing their exports of higher education?" Taking full account of the findings of the literature review, the Focus Group and the Questionnaire Survey, this Section presents the conclusions on the research problem.

The literature review revealed several theories on the internationalisation of higher education (Whitehead 1992, Winsted and Patterson 1998, Scott 1998, Knight 2003). Internationalisation activities occur by way of incremental steps of international involvements (Whitehead 1992). Furthermore, intense domestic competition is an important motivator for firms to expand (Winsted and Patterson 1998).

The forces of globalisation and the emergence of the knowledge society have created massive demands for internationally acceptable global qualifications. This evolving situation is motivating Governments to encourage the growth and development of PHEIs. In parallel there is a dramatic expansion of the transnational higher education.
Franchised programmes, branch campuses, distance education and twinning arrangements are expanding. Several regional governments including Singapore, Thailand, Vietnam and Malaysia are aggressively exporting higher education by establishing world class universities and becoming regional educational hubs (Altbach and Knight 2007).

The literature highlighted the Malaysian Government’s policies to make the country a regional centre of educational excellence for boosting educational exports. The scholarship provided useful insights on Malaysian PHEIs and their international competitiveness in the higher education export market. However, the available literature was silent on some key factors that impact on the successful internationalisation of Malaysian PHEIs. These research gaps, related to:

i) The adequacy of the Government’s policies to support PHEIs with their internationalisation efforts.

ii) The constraints that PHEIs face for internationalising their operations. These include their access to capital to upgrade premises, purchasing new equipment, enhancing teacher quality and staff development.

iii) The export strategies of PHEIs and the measures to improve their branding, opening branch campuses overseas, and formulating marketing strategies to increase foreign student enrollments.

The combined findings of the literature review, the Focus Group meeting and the Questionnaire Survey served to bridge the research gaps, as shown in Table 5.4, and reaffirm the relevance of the research problem.
Table 5.4: Investigation of the Research Issues: Outcomes

<table>
<thead>
<tr>
<th>Research Issues</th>
<th>Literature Review Findings</th>
<th>Research Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Context</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Theories on Internationalisation</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Global Higher Education Market and Trends</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Dimensions of Transnational Education</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Evolution of the Malaysian higher education systems</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Malaysian Higher Educational Reforms</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Adequacy of Government Policies to Internationalise Higher Education Export</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Situational Analysis of Malaysia as an Higher Educational Exporter</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Constraints faced by PHEIs</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Appropriate export strategies for PHEIs</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Developed for this Research

5.3.1 Summary

This Section summarized the findings of this research to bridge the research gaps and reaffirm the relevance of the research problem stated as “The Internationalisation of Malaysian private higher education institutions for increasing the exports of higher education.” The next Section discusses the implications of this research on theory development.

5.4 Theory Development

This research is largely exploratory and fits into the interpretative paradigm. Being qualitative it is useful to develop theory (Creswell 1998) and the literature review
identified theories pertinent to the internationalisation of PHEIs. As discussed in Section 2.3.3, these were the stage theories of internationalisation (Johanson and Vahlne 1977, Whitehead 1992, Buckley and Ghauri 1993) and the network theories (Johanson and Vahlne 1990, Ellis 2000, Ruzzier, Hisrich and Antoncic 2006).

The stage theories, collectively referred to as the Uppsala School, suggest that internationalisation activities occur in incremental steps with each new step benefiting from the accumulated knowledge gained from international operations. The theory suggests that internationalising is triggered by two important factors. The first is intense domestic competition leading to market saturation (Winsted and Patterson 1998). The second, is during an economic downturn, when PHEIs, face the problem of reduced domestic demand and are therefore compelled to explore new external opportunities for continued survival (Rao, Kreighbaum and Hawes 1983).

Firm size also impacts on decisions to move into export markets (Chetty and Hamilton 1993). Very small firms, with limited human, managerial and financial resources are unlikely to internationalise since international expansion requires a greater resource commitment (Turnbull 1987).

The U-Model has it strengths as it emphasizes on the incremental steps required for international involvement, the perceptions of managers, the push factors for internationalisation and the influence of firm size (Peng 2001, Chetty 1999). It also has its critics as the model focuses on the process of internationalisation but not the dimensions or the different approaches that firms can adopt due to differences in market opportunities, managerial capabilities and resource availabilities (Reid 1983, Andersson 2000). Furthermore, the stage models may not being appropriate for knowledge-intensive and business service industries which include higher education (Buckley, Pass and Prescott 1992).

The network theory views the market as a system of social business and industrial relationships among all the internal and external state holders of the firm. They are namely the suppliers, customers, competitors, consultants and the regulatory bodies (Johanson and Vahlne 1990). The theory contends that it is necessary for a firm to develop new network relationships with its foreign counterparts in order to
internationalise. Certain industries are better suited for the networking approach and are therefore better positioned to become internationalised (Anderson 2002). It also means that in order to internationalise, firms must establish and develop business relationships through networks in other countries to overcome problems of knowledge and technology and share knowledge on international markets (Ruzzier, Hisrich and Antoncic 2006). Network theories are pertinent to this research as networks, through twinning arrangements and franchise programs, play a big part in the export of higher education.

Morey's (2000) framework, discussed in Section 2.3.4 and shown in Figure 2.5, depicted the key variables for the internationalisation of higher education. These are a diverse and international faculty with a range of expertise and cultural competence to increase knowledge through research, scholarship and the international curriculum and linkages with other national and international universities.

The research findings reinforce the relevancy of Morey's (2000) framework for internationalising PHEIs. However, the research also identified four additional factors and these are reflected in a modified framework as shown in Figure 5.2, and outlined below:

i) Taking advantage of the rapid growth of transnational education, some PHEIs are emphasizing on profits at the expense of education quality. This situation requires an effective regulatory framework to strengthen the quality assurance and accreditation processes for study programmes to ensure that they meet international standards.

ii) The intense rivalry in the higher education international market requires PHEIs to improve the quality of their course offering, internationalise their curriculum, upgrade their premises and enhance teaching quality. These initiatives require greater access to capital and this warrants the inclusion of funding support in the modified framework.

iii) As discussed in Section 2.6.2, several governments are engaged in the quest for creating world class universities. PHEIs should strive to become world...
class higher education institutions with international standards of excellence in terms of academic reputation, student selectivity, faculty resources, research, campuses, laboratories, equipment and financial resources. In view of the important of these, they are reflected as a factor in the modified framework.

iv) The knowledge era require graduates who understand different value systems, cultural and language differences (Morey 2000). They must also have the skills to adapt to the new economy which is changing the way of doing business (Porter 2001). Accordingly, the objective of the modified framework is for universities to produce graduates who can meet the needs of the new economy.

Figure 5.2: Modified Framework for Internationalising Higher Education Institutions

![Diagram](image)

Source: Modified from Morey (2000)

5.5 Impact of the Research

This research had several objectives as stated in Section 1.6 and among them are the contributions to public policies and PHEIs practices for improving their internationalisation prospects. The empirical findings of this research have implications for both as discussed in the subsequent Sections.
5.5.1 Impact on Public Policies

As discussed in Chapter 2, the Malaysian Government aims to make the country a regional educational hub for becoming a major exporter of educational programmes. For this purpose and as discussed in Section 2.7, the Government introduced new legislation in 1996 and 2003 for the liberalization and the privatization of higher education. The National Higher Education Strategic Plan 2007 was also directed at improving the quality of higher education.

However, the research findings pointed to the need for the Government to provide additional assistance to the PHEIs to internationalise their operations as the domestic market is too small to sustain their growth. Furthermore, the smaller PHEIs have limited access to the capital required for upgrading their physical infrastructures, facilities, equipment and hiring qualified academic staff that meet the expectations of foreign students. They are subjected to intense competitive pressures in the national and the regional markets. Domestically, they have to compete with the foreign universities that have opened branch campuses and it is likely that more will be opened with the implementation of GATS. In the region, they face growing competition from higher education institutions in Singapore and in Vietnam and this require them to compete on the basis of providing high quality education in all fields at lower costs.

Viewed in this context, five policy issues merit consideration:

i) The implementation the General Agreement on Trade and Services (GATS).

ii) Reviewing the new course approvals and accreditation processes.

iii) Supporting the efforts of PHEIs engaging in international operations.

iv) Reviewing the MQA compulsory subjects.

v) A Masterplan for the long term development of the PHEIs.
i) *The Implementation the General Agreement on Trade and Services.*

The General Agreements on Trade and Services (GATS), now under negotiation, focuses on liberalizing the regulatory conditions governing trade, including higher education. They prohibit limitations on the entry of foreign providers and discriminatory treatment between foreign and national providers. As discussed in Section 2.6.1, “commercial presence”, one of the four modes of supply of trade, would relax the conditions for the establishment of campuses by foreign universities. Furthermore, a country making a commitment to liberalise cannot discriminate between a foreign provider according to the country of origin.

The implementation of GATS is likely to have major implications for Malaysian PHEIs. Foremost, it would subject them to greater competitive pressures as more foreign universities would be inclined to establish branch campuses. International students may also prefer to enroll directly in the branch campuses of overseas universities for securing internationally recognised qualifications.

*Policy Recommendation 1*

The Government should formulate a Master plan to better position the PHEIs for withstanding the challenges emerging from the implementation of GATS. The Plan should incorporate measures for the PHEIs to provide the best possible education to meet the demands of international students at the lowest possible cost.

*Policy Recommendation 2*

Encourage Malaysian PHEIs to work in a cohesive manner for branding the entire higher education industry as high quality education providers for reputational advantage.

*Policy Recommendation 3*

In the ongoing negotiations of GATS, The Malaysian Government should impose condition on the number of international universities that could establish branch campuses in Malaysia. It could be guided by the approach taken by the Indonesia Government which has limited “commercial presence” to only five foreign accredited universities.
ii) The Course Approval and Accreditation Processes

All new courses conducted by PHEIs require approvals and accreditations by the MQA. The processes are lengthy and expensive as they involve visits by expert panels. The PHEIs have to bear the costs involved which range from RM15,000 for a full accreditation of certificate and diploma programmes to RM20,000 for degree programmes. MQA also treats differences of 20% or more in any curriculum as a new programme requiring a fresh application for approval. This stipulation requires review as it discourages the PHEIs from curriculum innovation and restrict their ability to provide more options at the diploma and degree level because of the high cost of approvals.

Another issue requiring attention is the duplication of accreditation. The MQA requires all programmes offered by the PHEIs to be accredited. These include franchise programmes or twinning programmes which have already benefited from stringent quality control measures by the home governments of the foreign partner universities.

Policy Recommendation 4
The MQA should review the fees charged for the approval and accreditation processes as the current costs which have to be borne by the PHEIs are prohibitive.

Policy Recommendation 5
The MQA should encourage PHEIs to internationalise their curriculum and offer a wider range of courses at the certificate, diploma and degree levels that appeal to international students. As a supportive measure the MQA should review the current ruling that a 20% variation of the curriculum content constitutes a new programme.

Policy Recommendation 6
The MQA should review the approval processes for the approval and the accreditation requirements for franchised programmes proposed by the PHEIs. Overseas franchised programmes from profitable universities that have already been approved by the home governments of the concerned universities should be exempted from the approval process.
iii) Financial Support for the Internationalisation of PHEIs.

International students expect to be taught in world class campuses with credible professors who can effectively deliver courses that are pertinent to their employability and career progression. The smaller Malaysian PHEIs generally experience difficulties in securing capital to meet their developmental costs, including establish overseas operations. This difficulty negatively impacts on student-staff ratios teaching quality, facilities and equipment. Due to their financial constraints, the smaller PHEIs are generally not in the position to hire highly qualified academic staff with doctoral level qualifications for delivering postgraduate degree programmes and undertaking research.

Furthermore, the domestic higher education market is not large enough to foster the growth of Malaysian PHEIs. They also face the problem of underutilized capacity in an economic slowdown and this is another push factor for venturing abroad. However, this requires large capital expenditure and the smaller institutions with limited human, managerial and financial resources, are not in the position to internationalise their operations. Since existing policies do not provide financial incentives for establishing overseas campuses or establishing foreign linkages with overseas higher education institutions, this issue merits consideration by the Government.

Policy Recommendation 7

The Government should consider fresh proactive measures to strengthen the PHEIs by increasing their access to capital for recruiting high quality teaching staff, reducing student-staff ratios, improving the quality of delivery and upgrading their computer labs, lecture halls, library, hostel accommodation and students' recreational facilities.

Policy Recommendation 8

The Government should provide incentives to export ready Malaysian PHEIs which are well positioned to offer their courses abroad through strategic partnerships or overseas campuses.
Policy Recommendation 9
The Government should provide financial support to the PHEIs for meeting their branding costs and for venturing into new overseas markets.

Policy Recommendation 10
The Government should encourage the smaller PHEIs with limited human management and financial capacity to merge to make them better positioned to successfully internationalise their operations.

iv) Removal of the compulsory subjects

The MQA requires the PHEIs to offer three compulsory subjects namely Malaysian studies, Islamic or Moral Studies and the Malay Language in all their courses including overseas franchised courses. Questions have been raised on the relevance of these subjects to international students. Furthermore, the PHEIs have to meet the costs of the three additional subjects which under existing regulations require three credit hours per subject.

Policy Recommendation 11
The MOHE should review its policies on the three compulsory subjects with a view to making them optional. Another alternative is to include them in the curriculum at the secondary school level rather than at the tertiary education level.

vi) A Masterplan for the Long Term Development of the PHEIs.

The National Higher Education Action Plan, announced in 2007, has seven strategic thrusts with ‘intensifying internationalising’ being an important one. The demand for private higher education is growing and international enrollments in Malaysian PHEIs are three times as large as compared to international enrollments in the public universities. Furthermore, in 2007, there were 32 Malaysian universities and universities colleges, five branches of foreign universities, 21 polytechnics, 37 community colleges and 485 private colleges (Morshidi 2007). Although the private higher education industry now plays the pivotal role in providing higher education and for making the country a regional educational hub,
it has not benefitted from a long term master plan for its long term growth and development. The National Higher Education Action Plan specifically states that it is directed at public higher education institutions and not PHEIs this situation merits attention.

_Policy Recommendation 12_

The Government should review its thinking on PHEIs and formulate a Masterplan for their orderly growth and development in the medium and long term. The proposed Plan should incorporate measures to address the challenges faced by the PHEIs.

5.5.2 Implications for Practice by the PHEIs

The research findings suggest that the PHEIs take measures to augment public policies for their upward progression in the global higher education industry and these largely relate to:

i) Internationalisation policies
ii) Quality assurance frameworks
iii) Recruitment and selection of international students

_i) Internationalisation policies_

The growth of Malaysian PHEIs is dependant on their ability to benefit from global knowledge and expertise through strategic partnerships with reputable overseas high education providers. They also have to increase their access to international students; both domestically and offshore. Since the perceived quality of education significantly influences the student’s choice of institution, Malaysian PHEIs they have to develop reputational advantage through good governance and campuses that meet international standards. They also have to recruit academic staff with competencies to deliver high quality courses which are recognised in both their home countries and internationally.
It is also necessary for the PHEIs to target new markets for international students as the supply from the Middle East and China could deduct in the medium term due to capacity expansion in these major source countries. In view of the relatively small domestic market, PHEIs have to venture abroad by establishing branch campuses. Since the costs of doing so are high, a more viable option is for Malaysian PHEIs to offer their programmes abroad through programme partnerships and twinning arrangements with education partners in selected countries. However, the PHEIs should undertake due diligence exercises before finalizing agreements for the delivery of programmes.

Recommendation 1
PHEIs should increase their scope of delivery by entering into economically viable partnerships with suitable providers in targeted developing countries for delivering franchised programmes through twinning arrangements. The partner providers should have the capacity to offer facilities and deliver programmes to a standard equivalent to the course offerings in Malaysia.

Recommendation 2
PHEIs should establish a framework for the development and integration of their internationalisation policies in their long term strategic plan, organization and governance.

Recommendation 3
PHEIs delivering offshore programmes with foreign partners should ensure that the partner institutions fully comply with quality standards including admission requirements for successful programme delivery.

Recommendation 4
PHEIs should encourage and develop all academic staff to deliver teaching at international standards for preparing graduates who can perform capably in the domestic and international work arenas.
ii) Quality Assurance Framework

A high quality learning environment is necessary to produce graduates who are capable and employable in the global market place. This requires PHEIs to emphasise on curriculum design and delivery supported by adequate premises, equipment, computer labs, well stocked libraries and recreational facilities. The courses should also be reviewed regularly based on feedback from students and other relevant data. Equally important is good academic quality which is also depended on strong academic boards with the required academic culture and integrity to steer all academic programmes, discourage plagiarism and cheating. PHEIs have to reduce their staff-student ratios, offer a range of programmes that meet the needs of international students and invest in staff development through fellowships and opportunities for sabbatical leave.

Recommendation 5
PHEIs should reduce their student-staff ratios and have a diverse and international faculty with a strong academic culture and international competency. Academic staff should be encouraged to increase their knowledge base through international staff exchange programmes and research.

Recommendation 6
PHEIs should develop strategies to articulate, encourage and implement internationalised curricula. This should be matched with teaching content, formats and texts that are geared to global requirements. They have to foster a culture of continuous improvement by reviewing the curricula on a regular basis to ensure that they are current and relevant for both domestic and international students.

Recommendation 7
PHEIs should emphasize academic governance by establishing an appropriate governance structure with an oversight of all academic programmes and courses.

Recommendation 8
PHEIs should conduct their programmes in premises that meet international standards and invest in the state of the art computer laboratories and libraries.
Recommendation 9

PHEIs should introduce plagiarism policies and take measures to support compliance with the policies relating to plagiarism and cheating.

Recommendation 10

The PHEIs develop strategies for establishing benchmarking relationships with appropriate regional and institutional higher education providers for the purpose of adopting the best practices for quality education and delivery.

iii) Recruitment and Selection of International students

Malaysian PHEIs have to intensify their marketing strategies to benefit from the rapidly growing global market for higher education. This requires them to review marketing materials and practices to ensure that they contain comprehensive details about the programmes offered and entry requirements; in particular English language requirements. PHEIs who recruit students through education agents should also insist that they have an appropriate knowledge and understanding of the study programmes and provide correct and factual information about the institution and the available facilities.

Recommendation 11

PHEIs should produce international course guides which provide comprehensive information about programmes, entry requirements, English language requirements, fees, refund terms and the application processes. The guides should also provide information on student support services, accommodation, pastoral care and recreational facilities.

Recommendation 12

PHEIs should introduce mechanisms to verify the qualifications of international students and conduct placement tests to ensure the students have the required English language proficiency levels to successfully follow their enrolled programmes.
**Recommendation 13**

PHEIs using education agents for international student enrollment should subject them to a thorough recruitment processes including reference checks. They should terminate the services of agents who engage in unethical practices and provide misleading information.

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**5.6 Limitations**

Section 1.10 set the broad boundaries for this research. Three other limitations became apparent during the course of the research. The first, relates to the unplanned data that emerged during the Experience Survey and the Focus Group meeting and which were not taken into account in the Survey Questionnaire. This could be considered as a limitation.

Additionally, no attempt was made to compare or contrast the branch campuses of the overseas universities with the Malaysian owned PHEIs and this is regarded as another limitation.

The third limitation relates to the likely impact of the current global economic slowdown on international student mobility and consequentially, international students enrollments in Malaysian PHEIs. The researcher was unable to give full weightage to this as the final draft was completed in July 2009.

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**5.7 Issues for Further Research**

This study was primarily aimed at identifying the critical success factors for the internationalisation for Malaysian PHEIs. The findings provided added insights to gaps in the existing body of knowledge and served to clarify the research problems. As to be expected with a new field of enquiry, several other issues emerged and these create opportunities for further research.

As discussed in Section 3.2.2, this research was largely inductive in nature. It would therefore be appropriate to undertake a positivist study with a larger sampling population, to generalise the findings. The new study could also verify or refute the
Modified Framework for Internationalising Higher Education Institutions which was developed in Section 5.4.

The findings of this research point to a further investigation of the geo-political factors and cultural orientations that affect the performance of Malaysian PHEIs that are internationalising their operations. This would serve to broaden the literature on the Malaysian PHEIs and provide lessons on how they can improve their international performance.

5.8 Conclusion

This Chapter detailed the conclusions, implications and the impact of the research. It presented a comparative analysis of the findings emerging from the analysis of the primary data with the findings of the literature reviewed in Chapter two and offered recommendations on the appropriate strategies for the successful internationalisation of their PHEIS. It discussed new theory development and provided a synopsis of the opportunities for further research.
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BIBLIOGRAPHY


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______, 29th August, 2009


Yomiuri Shimbun, 1 Million Students by 2025, April 19, 2007.


APPENDICES
Appendix 1A

3 Pages

Southern Cross UNIVERSITY
A new way to think

Informed Consent to Participate in an Experience Survey for a Doctor of Business Administration Research Thesis

This consent form is based on Guidelines from the National Statement on Ethical Conduct Involving Human Participants as issued by the NHMRC.


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(Supervisor/Person Responsible)
Tel +6012-2231664
Email: selvanathan@unity.edu.my

☐ I have been provided with information at my level of comprehension about the purpose, methods, demands, risks, inconveniences, and possible outcomes of this research (including any likelihood and form of publication of results).

☐ I agree to participate in an Experience Survey which will serve as a data collection technique for the above research thesis. I have read and understand the details contained in the Information Sheet. I have had the opportunity to ask questions about the study and I am satisfied with the answers received.

☐ My participation in the Experience Survey is on the condition that the proceedings will not be recorded on audiotape and that the researchers only take handwritten notes during the proceedings.

☐ I understand that if I withdraw from participation in this research, all the handwritten notes about my contribution will be destroyed.
I understand that participation in this research will be kept strictly confidential.

I understand that any personal information which may identify me will be de-identified at the time of analysis of any data. Therefore, I, or the information I have provided, cannot be linked to my person/or company. *(Privacy Act 1988 (Cth))*

I understand that neither my name nor any identifying information will be disclosed or published, except with my permission.

I understand that all information gathered in this research is confidential. It is kept securely and confidentially for 5 years, at the University.

I understand that I am free to discontinue participation at any time. I have been informed that prior to data analysis, any data that has been gathered before withdrawal of this consent will be destroyed.

I understand that should I request for a copy of the research results, it would be sent to me via my email address (please provide email address)

I am aware that I can contact the Supervisor or other researchers at any time with further inquiries, if necessary.

The ethical aspects of this study have been approved by the Southern Cross University Human Research Ethics Committee (HREC). The Approval Number is (ECN-08-122)

*If you have any complaints or reservations about any ethical aspect of your participation in this research, you may contact the Committee through the Ethics Complaints Officer:*

Ms Sue Kelly  
Ethics Complaints Officer and Secretary  
HREC  
Southern Cross University  
PO Box 157  
Lismore, NSW, 2480  
Telephone (02) 6626-9139 or fax (02) 6626-9145  
Email: sue.kelly@scu.edu.au

*All complaints, in the first instance, should be in writing to the above address. All complaints are investigated fully and according to due process under the National Statement on Ethical Conduct in Research Involving Humans and this University. Any complaint you make will be treated in confidence and you will be informed of the outcome.*
I understand that I will be given a copy of this consent form for my records. The researcher will also keep a copy in safe storage at the University.

I have read the information above and agree to participate in this study. I am over the age of 18 years.

Name of Participant: ..................................................................................................

Signature of Participant: ....................................................................................... 

Date: ....................................................................................................................

I certify that the terms of the Consent Form have been verbally explained to the participant and that the participant appears to understand the terms prior to signing the form. Proper arrangements have been made for an interpreter where English is not the participant’s first language.

Name & Contact Detail of Witness: ............................................................................

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Signature of Witness: ............................................................................................... 

Date: .................................. 

NOTE: 
The witness should be independent of the research, where possible. If this is not possible at the place of consent, please inform the researcher and state a reason below.

Reason: .................................................................................................................. 

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Name and signature of the researcher: ....................................................................

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Date: .....................................................................................................................
Appendix 1B

3 Pages

Southern Cross
UNIVERSITY
A new way to think

Informed Consent to Participate in a Focus Group for a Doctor of Business Administration Research Thesis

This consent form is based on Guidelines from the National Statement on Ethical Conduct Involving Human Participants as issued by the NHMRC.


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Email: selvanathan@unity.edu.my

☐ I have been provided with information at my level of comprehension about the purpose, methods, demands, risks, inconveniences, and possible outcomes of this research (including any likelihood and form of publication of results).

☐ I agree to participate in a Focus Group meeting which will serve as a data collection technique for the above research thesis. I have read and understand the details contained in the Information Sheet. I have had the opportunity to ask questions about the study and I am satisfied with the answers received.

☐ My participation in the Focus Group is on the condition that the proceedings will not be recorded on audiotape and that the researchers only take handwritten notes during the proceedings.

☐ I understand that if I withdraw from participation in this research, all the handwritten notes about my contribution will be destroyed.
- I understand that participation in this research will be kept strictly confidential.
- I understand that any personal information which may identify me will be de-identified at the time of analysis of any data. Therefore, I, or the information I have provided, cannot be linked to my person/or company. (Privacy Act 1988 (Cth))

- I understand that neither my name nor any identifying information will be disclosed or published, except with my permission.

- I understand that all information gathered in this research is confidential. It is kept securely and confidentially for 5 years, at the University.

- I understand that I am free to discontinue participation at any time. I have been informed that prior to data analysis, any data that has been gathered before withdrawal of this consent will be destroyed.

- I understand that should I request for a copy of the research results, it would be sent to me via my email address ____________________________

- I am aware that I can contact the Supervisor or other researchers at any time with further inquiries, if necessary.

- The ethical aspects of this study have been approved by the Southern Cross University Human Research Ethics Committee (HREC). The Approval Number is (ECN-08-122)

If you have any complaints or reservations about any ethical aspect of your participation in this research, you may contact the Committee through the Ethics Complaints Officer:

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- I understand that I will be given a copy of this consent form for my records. The researcher will also keep a copy in safe storage at the University.
I have read the information above and agree to participate in this study. I am over the age of 18 years.

Name of Participant: ..................................................................................................................

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Date: ......................................................................................................................................

I certify that the terms of the Consent Form have been verbally explained to the participant and that the participant appears to understand the terms prior to signing the form. Proper arrangements have been made for an interpreter where English is not the participant’s first language.

Name & Contact Detail of Witness: ......................................................................................

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Signature of Witness: ...........................................................................................................

Date: .................................................................................................................................

NOTE:
The witness should be independent of the research, where possible. If this is not possible at the place of consent, please inform the researcher and state a reason below.

Reason: ................................................................................................................................

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Name and signature of the researcher: ..............................................................................

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Date: ................................................................................................................................

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Appendix 2A

2 Pages

Southern Cross UNIVERSITY
A new way to think

SOUTHERN CROSS UNIVERSITY
INFORMATION SHEET ON AN EXPERIENCE SURVEY
FOR A DOCTOR OF BUSINESS ADMINISTRATION
RESEARCH THESIS

TITLE OF THESIS
The Internationalisation of Malaysian Private Higher Education Institutions for Increasing Higher Education Exports.

My name is James Chin Lik Nga and I am conducting research on the Internationalisation of Malaysian Private Higher Education Institutions (PHEIs) for Increasing the Export of Higher Education through Southern Cross University.

You are invited to participate in an Experience Survey that seeks to investigate the critical factors for the successful internationalisation of Malaysian PHEIs. This research, conducted by me, forms part of a Doctor of Business Administration (DBA) programme of Southern Cross University. My supervisor, Dr. A. Selvanathan, will be guiding me through the research.

The Malaysian Government is heavily committed to higher education. This is manifested by its investment in 27 public universities and the large allocations for funding Malaysians undertaking studies in overseas universities. The Government's large expenditure on higher education makes it necessary for drawing on the strengths of Malaysian PHEIs and to use them as sources of export earnings by way of increasing the enrolment of foreign students. The stated policy target is 100,000 foreign students by 2012.

However, the Malaysian PHEIs face a number of challenges in their endeavors to internationalise and become major exporters of higher education. This research aims to investigate these challenges in the context of the Government's supportive framework and to offer recommendations which could make the educational programmes offered by the Malaysian PHEIs more export worthy.
Participation is purely voluntary and no financial remuneration or incentive will be offered for taking part in this research. There are no travel expenses, nor are there any costs associated with participation in this research. There is no cost to you apart from your time.

Possible Discomforts and Risks

There are no foreseeable risks or discomforts above those associated with the time taken to complete the questionnaire.

Responsibilities of the Researcher

It is our duty to make sure that any information given by you is protected. Your name and other identifying information will not be attached to data collected. Any identifying information will be destroyed after your participation in the study.

The information will be presented as overall data. The research findings may be submitted for publication.

Responsibilities of the Participant

If there is anything that might unduly affect your participation in the Experience Survey interviews you are asked not to participate. You may leave the Experience Survey voluntarily without any explanation.

Freedom of Consent

If you decide to participate, you are free to withdraw your consent and to discontinue participation at any time. However, we would appreciate you letting us know your decision.

Inquiries

This form is yours to keep for future reference. If you have any questions, we expect you to ask us. If you have any additional questions at any time please ask:

**Researcher**
James Nga  
Tel +6019-359 2368  
Email: jamesnga@hotmail.com

**Supervisor**
Dr. A. Selvanathan  
Tel +6012-2231664  
Email: selvanathan@unity.edu.my

The ethical aspects of this study have been approved by the Southern Cross University Human Research Ethics Committee. The Approval Number is ECN-08-122. If you have any complaints or reservations about any ethical aspect of your participation in this research, you may contact the Committee through the Ethics Complaints Officer, Ms Sue Kelly, (telephone (02) 6626-9139, or fax (02) 6626-9145, email: sue.kelly@scu.edu.au)

Any complaint you make will be treated in confidence and you will be informed of the outcome.
Appendix 2B

3 Pages

** Southern Cross UNIVERSITY
* A new way to think *

SOUTHERN CROSS UNIVERSITY
INFORMATION SHEET ON A FOCUS GROUP MEETING
FOR A DOCTOR OF BUSINESS ADMINISTRATION
RESEARCH THESIS

TITLE OF THESIS
The Internationalisation of Malaysian Private Higher Education Institutions for Increasing Higher Education Exports.

My name is James Chin Lik Nga and I am conducting research on the Internationalisation of Malaysian Private Higher Education Institutions (PHEIs) for Increasing the Exports of Higher Education through Southern Cross University.

You are invited to participate in a Focus Group meeting that seeks to investigate the critical factors for the successful internationalisation of Malaysian PHEIs. This research, conducted by me, forms part of a Doctor of Business Administration (DBA) programme of Southern Cross University. My supervisor, Dr. A. Selvanathan, will be guiding me through the research.

The Focus Group would comprise eight participants with in-depth knowledge of issues related to the research topic. They would be drawn from the concerned Government agencies, the Malaysian Association of Private Colleges and Universities (MAPCU) as well as academia and representatives of foreign students.

The Malaysian Government is heavily committed to higher education. This is manifested by its investment in 27 public universities and the large allocations for funding Malaysians undertaking studies in overseas universities. The Government’s large expenditure on higher education makes it necessary to draw on the strengths of Malaysian PHEIs and to use them as sources of export earnings by way of increasing the enrolment of foreign students. The stated policy target is 100,000 foreign students by 2012.

However, the Malaysian PHEIs face a number of challenges in their endeavors to become major exporters of higher education. This research aims to investigate these challenges in the context of the Government’s supportive framework and to offer recommendations which could make the educational programmes offered by the Malaysian PHEIs more export worthy.
Themes for discussion

In line with the objectives of the research the 3 key themes for discussion are as follows:

i) ............................................................................................................................. .
   The adequacy of National policies to internationalise Malaysian PHEIs

ii) ........................................................................................................................... .
   The constraints faced by PHEIs to enhance their capabilities to export world class higher education.

iii) .......................................................................................................................... .
   The opportunities for Malaysian PHEIs emerging from the internationalisation of higher education.

Procedures to be followed

I will serve as the facilitator cum moderator of the 75 minutes Focus Group meeting which will be held on _____ at _____ in the _____ hotel, in Kuala Lumpur. All participants would be encouraged to speak candidly on the discussion topics which relate to the issues that Malaysian PHEIs must address in order to become global in their operations. I look forward to all participants expressing their in-depth views. As the facilitator, I will be more of a listener, re-focus discussion on topics when necessary, summarize the views expressed and take notes.

Please note that participation is purely voluntary and no financial remuneration or incentive will be offered for taking part in this research. There are no travel expenses, nor are there any costs associated with participation in this research. There is no cost to you apart from your time.

Possible Discomforts and Risks

There are no foreseeable risks or discomforts above those associated with the time taken to participate in the Focus Group meeting.

Responsibilities of the Researcher

It is our duty to make sure that any information given by you is protected. Your name and other identifying information will not be attached to data collected. Your name will only be used to facilitate an appointment for the Focus Group meeting. Any identifying information will be destroyed after your participation in the study.

It is essential that you sign a consent form before you participate in the Focus Group meeting. Due to this necessity, a procedure has been set in place to ensure that your personal details can at no time be matched, identified or tracked back to the data collected on your performance in this research exercise.

All signed consent forms will be held in safe storage at the University for a period of five years before being destroyed. The information will be presented as overall data. The research findings may be submitted for publication.
Responsibilities of the Participant

If there is anything that might impact upon your participation in this study, you may wish not to do so. Please note that you could also discontinue participation without explanation of such factors. If you feel there are any safety concerns, also let us know.

Freedom of Consent

If you decide to participate, you are free to withdraw your consent and to discontinue participation at any time. However, we would appreciate you letting us know your decision.

Inquiries

This form is yours to keep for future reference. If you have any questions, we expect you to ask us. If you have any additional questions at any time please ask:

Researchers:  
James Chin Lik Nga  
Tel +6019-359 2368  
Email: jamesnga@hotmail.com

Supervisor:  
Dr. A. Selvanathan  
Tel +6012-2231664  
Email: selvanathan@unity.edu.my

The ethical aspects of this study have been approved by the Southern Cross University Human Research Ethics Committee. The Approval Number is ECN-08-122. If you have any complaints or reservations about any ethical aspect of your participation in this research, you may contact the Committee through the Ethics Complaints Officer:

Ms Sue Kelly  
Ethics Complaints Officer and Secretary  
HREC  
Southern Cross University  
PO Box 157  
Lismore, NSW, 2480  
Telephone (02) 6626-9139 or fax (02) 6626-9145  
Email: sue.kelly@scu.edu.au

All complaints, in the first instance, should be in writing to the above address. All complaints are investigated fully and according to due process under the National Statement and this University. Any complaint you make will be treated in confidence and you will be informed of the outcome.
Appendix 3A
5 Pages

Southern Cross UNIVERSITY
A new way to think

SOUTHERN CROSS UNIVERSITY
INFORMATION SHEET ON A QUESTIONNAIRE SURVEY
FOR A DOCTOR OF BUSINESS ADMINISTRATION
RESEARCH THESIS

TITLE OF THESIS
The Internationalisation of Malaysian Private Higher Education Institutions for Increasing Higher Education Exports.

My name is James Chin Lik Nga and I am conducting research on the Internationalisation of Malaysian Private Higher Education Institutions (PHEIs) for Increasing the Export of Higher Education through Southern Cross University.

You are invited to participate in a Questionnaire Survey that seeks to investigate the critical factors for the successful internationalisation of Malaysian PHEIs. This research, conducted by me, forms part of a Doctor of Business Administration (DBA) programme of Southern Cross University. My supervisor, Dr. A. Selvanathan, will be guiding me through the research.

The Malaysian Government is heavily committed to higher education. This is manifested by its investment in 27 public universities and the large allocations for funding Malaysians undertaking studies in overseas universities. The Government’s large expenditure on higher education makes it necessary for drawing on the strengths of Malaysian PHEIs and to use them as sources of export earnings by way of increasing the enrolment of foreign students. The stated policy target is 100,000 foreign students by 2012.

However, the Malaysian PHEIs face a number of challenges in their endeavors to internationalise and become major exporters of higher education. This research aims to investigate these challenges in the context of the Government’s supportive framework and to offer recommendations which could make the educational programmes offered by the Malaysian PHEIs more export worthy.

Procedures to be followed

The Questionnaire comprises 12 questions which have been cast as Statements. Each Statement relates to an issue which is pertinent to the research. In order to measure your responses, a Six-point Likert scale, is being used. There are, therefore, six boxes ranging from ‘Strongly Disagree’ to ‘Strongly Agree’ for each Statement. Please tick the appropriate box.
Based on an earlier pre-testing of the questionnaire, it is estimated that you would require no more than 20 minutes in total to complete all the questions. After you have completed the questionnaire, please telephone me and I will arrange for it to be collected.

Participation is purely voluntary and no financial remuneration or incentive will be offered for taking part in this research. There are no travel expenses, nor are there any costs associated with participation in this research. There is no cost to you apart from your time.

Possible Discomforts and Risks

There are no foreseeable risks or discomforts above those associated with the time taken to complete the questionnaire.

Responsibilities of the Researcher

It is our duty to make sure that any information given by you is protected. Your name and other identifying information will not be attached to data collected. Any identifying information will be destroyed after your participation in the study.

The information will be presented as overall data. The research findings may be submitted for publication.

Responsibilities of the Participant

If there is anything that might unduly affect your response to the Statements in the questionnaire, you are asked not to participate. You may leave the survey voluntarily without any explanation.

Freedom of Consent

If you decide to participate, you are free to withdraw your consent and to discontinue participation at any time. However, we would appreciate you letting us know your decision.

Inquiries

This form is yours to keep for future reference. If you have any questions, we expect you to ask us. If you have any additional questions at any time please ask:

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Research Proposition 1
The Malaysian Government has an adequate policy framework for promoting the export of private higher education

Statement 1:
The Malaysian Government has comprehensive and effective strategies to promote Malaysia as a regional centre of educational excellence.

Statement 2:
The Malaysian Government is fully supportive of the initiatives taken by the Malaysian PHEIs to increase their intakes of foreign students and establish branch campuses abroad.

Statement 3:
The Malaysian Government provides financial support to enable Malaysian PHEIs to upgrade their facilities for internationalising their operations

Statement 4:
The Malaysian Government’s support programmes are discriminatory and do not benefit Malaysian PHEIs
Research Proposition 2

Malaysian PHEIs face several challenges for competing in the global education market.

Statement 5:
Malaysian PHEIs have world class programmes and facilities to meet the requirements of international students.

Strongly Disagree Disagree No Opinion/Neutral Agree Strongly Agree Don't know

Statement 6:
Malaysian PHEIs have regional competitive advantage in terms of education exports as compared to their regional rivals.

Strongly Disagree Disagree No Opinion/Neutral Agree Strongly Agree Don't know

Statement 7:
Malaysian PHEIs have ready access to public sector financing and grants for upgrading their facilities and conducting research.

Strongly Disagree Disagree No Opinion/Neutral Agree Strongly Agree Don't know

Statement 8:
Foreign students highly rate the courses offered by the Malaysian PHEIs

Strongly Disagree Disagree No Opinion/Neutral Agree Strongly Agree Don't know
Research Proposition 3
Malaysian PHEIs are capitalising on the opportunities created by the internationalisation of higher education?

Statement 9:
Malaysian PHEIs have effective international marketing strategies for enrolling foreign students

Strongly Disagree Disagree No Opinion/Neutral Agree Strongly Agree Don’t know

Statement 10:
Malaysian PHEIs have internationalised their curriculum to meet the requirements of foreign students.

Strongly Disagree Disagree No Opinion/Neutral Agree Strongly Agree Don’t know

Statement 11:
Malaysian PHEIs experience difficulties in securing speedy approvals for their new course offering by the Malaysian Qualifications Agency (MQA).

Strongly Disagree Disagree No Opinion/Neutral Agree Strongly Agree Don’t know

Statement 12:
Malaysian PHEIs emphasize on partnerships with foreign universities to enhance their image as being providers of world class education

Strongly Disagree Disagree No Opinion/Neutral Agree Strongly Agree Don’t know
# Appendix 3B

## Surveys Questionnaire Responses

### Group: Marketing

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