

VOLUME 8

FACULTY OF BUSINESS AND MANAGEMENT

BULLETIN



FBM

Insights



eISSN 2716-599X



772716 599000

e-ISSN 2716-599X

FBM INSIGHTS

Faculty of Business and Management

Universiti Teknologi MARA Cawangan Kedah

e-ISSN 2716-599X

The editorial board would like to express their heartfelt appreciation for the contributions made by the authors, co-authors and all who were involved in the publication of this bulletin.

Published by : Faculty of Business and Management,
Universiti Teknologi MARA Cawangan Kedah

Published date : 20 October 2023

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RECTOR'S MESSAGE



I would like to extend my gratitude for your visit to FBM Insights Volume 8, a publication brought forth by the esteemed Faculty of Business and Management, UiTM Kedah Branch. This bulletin endeavours to present a concise and beneficial collection of important insights and research findings derived from the domain of social sciences.

FBM Insights aims to simplify complex social science concepts into easily digestible bullet points, making valuable knowledge more accessible to a wider audience. In this bulletin, each article provides a glimpse into the diverse and dynamic world of social sciences, including psychology, sociology, economics, finance, and other pertinent fields. Through concise and informative summaries, the intention is to promote a deeper understanding of human behaviour, societal trends and the multifarious factors that shape our world.

My heartfelt appreciation is proffered to the dedicated researchers and scholars whose works form the foundation of this bulletin, contributing significantly to the ever-changing landscape of knowledge in social sciences. In navigating the modern era's challenges and opportunities, the intrinsic value of social science research in guiding policy decisions and fostering social cohesion cannot be overstated.

I sincerely hope that this bulletin will spark readers' curiosity and inspire them to delve deeper into the myriad facets of human society and behaviour. Irrespective of whether you are a student, educator, or policymaker, I firmly believe that this publication will serve as an invaluable resource in your quest for knowledge.

Once again, thank you for embarking on this journey of discovery with us. Together, let us explore the captivating world of social sciences and its profound impact on our lives.

Thank you.

Prof. Dr. Roshima Haji Said

Rector
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TABLE OF CONTENTS

	Rector’s Message.....	iii
	Editorial Board.....	iv
1.	STUDENTS AS TARGETED PROSPECTS FOR MONEY MULE SYNDICATE <i>Mohd Shafiz Saharan, Mohd Fazil Jamaludin & Khairul Azfar Adzahar</i>	1
2.	THE VALUE OF COACHING ON THE EMPLOYEE AND THE ORGANIZATION <i>Roziyana Jafri, Kardina Kamaruddin & Syahida Abd Aziz</i>	4
3.	BOOK REVIEW – ESSENTIALS OF ECONOMICS <i>Muhammad Hanif Othman</i>	7
4.	UNLOCKING POTENTIAL: ARTIFICIAL INTELLIGENCE AND ORGANISATION PERFORMANCE <i>Norhidayah Ali, Azni Syafena Andin Salamat & Suhaida Abu Bakar</i>	9
5.	GENERATION Y EMPLOYEES: UNDERSTANDING THEIR WORKPLACE DESIRES <i>Rosliza Md Zani, Syukriah Ali & Anita Abu Hassan</i>	12
6.	ENHANCING STOCK INVESTMENT: WHY KNOWING INVESTOR TYPES MATTERS? <i>Syukriah Ali, Najah Mokhtar & Rosliza Md Zani</i>	14
7.	JOB LOSS IN THE AGE OF ARTIFICIAL INTELLIGENCE (AI) <i>Jamilah Laidin, Nor Azira Ismail & Shahiszan Ismail</i>	17
8.	ISLAMIC NANOCREDIT SCHEME: BREAKING FREE FROM DEBT TRAPS OF MONEYLENDER <i>Zuraidah Mohamed Isa, Dahlia Ibrahim & Zaiful Affendi Ahmad Zabib</i>	19
9.	STUDENT DEPRESSION: SHEDDING LIGHT ON A SIGNIFICANT ISSUE <i>Norafiza Mohd Hardi & Nor Hakimah Mohd Hardi</i>	21
10.	UNRAVELING THE EFFECTS OF CELEBRITY ENDORSEMENT ON CONSUMER PURCHASE INTENTION <i>Nurul Hayani Abd Rahman, Nani Ilyana Shafie & Rabitah Harun</i>	24
11.	CRYPTOCURRENCY: A NEW FINANCIAL PARADIGM <i>Dahlia Ibrahim & Zuraidah Mohamed Isa</i>	27
12.	STUDENT LOAN: A MALAYSIAN STORY <i>Anita Abu Hassan & Mohd Syazrul Hafizi Husin</i>	29
13.	ISLAMIC SOCIAL FINANCE INTEGRATION: THE ITEKAD CASE IN MALAYSIA <i>Muhammad Hanif Abu Hassan, Wahidah Shari & Muhammad Zarunnaim Haji Wahab</i>	31

STUDENT LOAN: A MALAYSIAN STORY

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An education loan is a type of debt that is used to pay for learning, especially in the tertiary education level. The student or the parents can apply for the loan. Government agencies or private lenders, such as commercial banks provide education loans as well. The education loan provided by the commercial bank is required to be asset-backed. The borrower must provide collateral in a form of valuable asset worth more than the loan amount. The loan amount ranges from RM10,000 to RM150,000, an amount range obtained from the Maybank2u (2023) website to illustrate as an example. Due to the collateral requirement, only several students or parents can afford to apply it. On the other hand, scholarships may only be available to some because they are limited to a selected few.

Funding is essential to continue one's education to the tertiary level. Students require funds to cover their educational expenditures, which include tuition, textbooks and other study materials, transportation, accommodation, and other day-to-day expenses that have risen in recent years. Students from low-income families need external assistance to manage the high costs of attending university to further their studies. Alternative financial sources, such as personal savings or family support, may be unavailable to some students. When a private education loan and a scholarship are unavailable, the only practical option for financing their education is a student loan from Perbadanan Tabung Pengajian Tinggi Nasional (PTPTN). However, taking on a debt will result in future financial commitments for the students' households.

The Malaysian government established the Perbadanan Tabung Pengajian Tinggi Nasional (PTPTN) in 1997 to provide financial help to tertiary students. All students, whether attending public or private universities, are eligible for the PTPTN loan. The loan amount they receive will be determined by their courses, parents and family background, or household income. In Malaysia, tertiary education begins at the age of 18. As a result, the student may become a student loan borrower as early as 18. This is likely the first loan taken out by Malaysians as they begin their university studies. The borrower receives these student loans on a clean or unsecured basis. It is not an asset-backed loan. The repayment is purely reliant on the borrower's uncertain future income. As a result, the payback risk for PTPTN loans is extremely high. Non-payment of the loan would jeopardise the PTPTN's capacity to lend to more students in future. After graduation, most student loans have a grace period during which debtors are not required to make payments. Borrowers must repay the loan in instalments over a certain term after this period expires.

As they enter the workforce, they remain saddled with tens of thousands of Ringgit in student loans, which have already neutralised their future salary, resulting in an impairment in income. They frequently confront the strain of managing their living expenditures, rent payments and other personal commitments in addition to repaying debts. As a result, some borrowers fail to repay their student loans. Wan Jan (2020) listed that among the reasons why the borrower fails the PTPTN loan payment are due to no regular income, regular but insufficient income, other commitments that are too large, weak enforcement by PTPTN, political protest and other factors.

The PTPTN uses a variety of incentives to induce borrowers to pay, including discounts, no administration fees during deferred payments, payment by salary deduction or auto debit. The Central Credit Reference Information System (CCRIS) listing of PTPTN loans is one of the tactics PTPTN uses to boost collection. The CCRIS report summarises a borrower's financing and repayment history over the previous 12 months, as participating financial institutions and government agencies provided. It is just one of several sources banks and other financial institutions use to evaluate funding applications. Failure to repay the PTPTN loan will reflect negatively on the borrower's credit history.

An unfavourable credit history may jeopardise the ability to get consumer products, such as credit cards, home loans, hire purchase facilities and many others. The banks prefer a borrower with a solid paymaster track record; thus the PTPTN loan borrower must ensure that their payments are prompt and up to date. The commercial banks consider PTPTN loans when determining an individual's loan repayment risk. Lenders view high-indebted borrowers as a risk; hence they limit the overall amount of consumer debt available to them (Mezza et al., 2021). As a result, student loan holders are less likely to incur additional consumer debt than those who do not have a student loan.

The burden of student loan debt can follow individuals long after graduation, influencing their financial decisions and overall economic well-being. In Japan, there is some indication that prospective students from low-income families intend to dismiss university education in order to avoid student loan debt. To address this scenario, the Japanese government has implemented measures, such as grants and a partly income-contingent loan (ICL) plan (Armstrong et al., 2019). We do not want young Malaysians to miss out tertiary education due to student debt. Study loans are important in allowing students to pursue higher education. However, they also contribute to the accumulation of future household debt.

As a result, the borrower must carefully control his or her spending and student loan repayment. Every stakeholder, particularly the borrower, must participate in making an affordable PTPTN loan available to everybody. They must repay the loan as per the agreement they signed to continue the sustainability of PTPTN, which is an indirect way of ensuring that future generations have the same tertiary education opportunities as we do.

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