

## **A PRELIMINARY ANALYSIS ON THE PERFORMANCE OF BUSINESS AND ECONOMICS STUDENTS IN RELATION TO THE UNIVERSITY SELECTION METHOD.**

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*Abstract:* In line with the education ministries effort to create a world class education system, the selection method used to select students to enter the public universities were converted from the quota system to the meritocracy system in 2002. The meritocracy system will enable students with better academic merits to be selected to pursue their education in the public universities irrelevant to their ethnicity. This will enhance the quality of students entering the public universities and fulfill the goal of the nation to create a knowledge society. The meritocracy system of selection currently used have received criticism from academicians, practitioners and the politicians since the new system did not take into consideration the social, cultural and economic background of the students. Thus a study was conducted to identify whether the students whom we have selected according to the meritocracy system are able to perform well in universities in comparison with the students selected using the quota system. This is done by comparing the educational performance of the students using the quota system with the educational performance of the students selected using the meritocracy system in the field of business and economics. The study revealed that overall the mean cumulative grade point average of students had significantly decreased from the quota system to the merit system. In addition, there is also an indication of a fall in the classification where the majority of the students classified under the cumulative grade point average of 3.00 and above in the quota system had fallen to a cumulative grade point average of 2.00 to 3.00 in the merit system.

### **INTRODUCTION**

Education has long been recognized as the cornerstone of development. As the society moves from the physical economy to the knowledge economy, increased productivity, intellectual flexibility and adaptability of the labour force will largely determine how well a country can compete in world markets characterized by changing technologies and production method. Through increased value and efficiency of labour, education helps to emancipate the poor from the pangs of poverty - it is education that provides hope and reality of escape from the lower tiered, less favored social and economic strata to those above. As such the social discontent can be minimized where children from various social and ethnic groups can be integrated at the early stages of their life. Here education plays a vital role as a contributor to nation building and tolerance. Education also allows people to govern themselves intelligently- it's a way to defeat the evil forces of ignorance and repeated errors and not cower to the cannon of authoritarianism (Maxwell, 1999) [4]. Democracy is a natural consequence of education and economic development. For an individual, in addition to some (if not all) of the above benefits that can be appropriated, education helps to build self esteem and self discipline needed to survive the social and economic pressures of the world. It also opens the windows on the pleasure of knowledge – language, bio-diversity, cosmic wonders, art, music, and the appreciation of the diversities and idiosyncrasies of our world. Given the role played and opportunities offered by education as summarily indicated above, it is imperative that a responsible society ensures that every child must have access to and be required to receive good university education

The Education Blueprint 2001-2010 aims to create a world class system of education in order to meet the goals of national integration as well as to create a competitive generation of Malaysians capable of meeting the challenges of globalization, liberalization and information and communication technology. But over the years, the education system that was once believed in creating world-class education system is now accused of being a disappointment to the nation. This is because it is said to have created a society whose performance are less than dynamic (Baker, 2002) [1]. Practitioners and academicians complain that the graduates currently produced are not capable of competing at international level or making themselves marketable. This can be proven by the statistical confirmation that the 44,000 unemployed and unemployable graduates, most of whom are Malays and other bumiputeras (Ghani, 2002) [6]. Ministers say that the unemployed graduates could not find gainful employment because

they took up courses not suitable for the job market. Moreover, a poor command of English has been cited as another possible reason why they have failed to find work. Some professors with 40 years of teaching experience declare that they don't think that they can teach anymore since the students they obtain these days are not the same as in the past. Their quality is believed to be far below par.

One of the possible reasons believed to have been the cause of such poor quality educated society is the university selection system used by the Malaysian education system. For the last ten years the Malaysian government was using the quota system in making the selection where 55 percent were allocated to the bumiputra students while 45 percent was allocated to the non-bumiputra student (Lee,2000) [2]. The quota system is a system that enables a maximum number of individuals who can come into the university in different categories. The system was introduced to address the economic disparity across the various economic groups especially among the bumiputeras. In the Malaysian education system the quota system was based on ethnicity, Bumiputera (55 percent), Chinese (35 percent), India and others (10 percent). Unlike in Tanzania the quota system in providing education facilities are based on gender. Since the introduction of the quota system in 1975, the following are the figures from the first and second National Economic Consultative Council (NECC) report.

Table 1: First Degree Enrolment in Local Universities

Year	Bumiputra	Non-Bumiputra	Total
1980	62 percent	38 percent	100 percent
1985	63 percent	37 percent	100 percent
1988	60.4 percent	39.6 percent	100 percent
1990	65.9 percent	34.1 percent	100 percent
1999	69.9 percent	30.1 percent	100 percent

(Source: NECC1 &NECC11 Reports)

In line with the nations aim to create a world-class economy, the education system should be able to produce world-class graduates that are competitive. Thus the education ministry introduced a method for selecting the students to enroll in the local universities implemented selection method. The new selection method called the meritocracy system was based purely on merits and quotas based on race were ignored. All the names of the qualified candidates are entered into a computer, and the selection is based purely on merit and the races of the candidates are not entered. The candidate's co-curricular activities are not taken into account unless in the event of a tie. As such students who work hard would be able to get places in the local university. According to the Higher Education Department Director, Dr. Hassan Said (2002), meritocracy is defined as a system or policy where by people are promoted or rewarded on the basis of ability and achievement rather than because of seniority, quotas, patronage or the like. He claims that the overall intake under the new meritocracy system proved critics of the system wrong. The higher overall percentage of bumiputra students who qualified for entry into public universities increased. Suhaimi Ibrahim (2002) confirms that now the bumiputra students have realized that they have to earn their places in the universities and not because they have a quota to fill.

But there are some who fear that the meritocracy system may not satisfy all the races in the country. This is because as a multiethnic society, each ethnic group has a diversified social, cultural and the other might not obtain economic background where certain privileges obtained by certain groups such as high income, high literacy or education-focused families. Wang (1988) [5] claims that the meritocracy system is believed to cause diversity between ethnic groups, social standards and economic standards in obtaining tertiary education. The theory of diversity is grounded on the principle of academic freedom. In the case of admission it collides with the believe that the brightest students are entitled to be favored over those who are less gifted.

According to Randall (1996), meritocracy is premised on an assumption that merit can be accurately measured through a combination of grades and standardized test scores. An inordinate faith in test scores is embraced by almost all except those who design and administer standardized examinations. Standardized test scores are notorious for their ability to accurately predict a student's performance. Not only do the designers of standardized test lack the ability to see in the future, they also have the benefit of years of studies that prove beyond doubt that they lack that ability. The strongest claim that

can be made for standardized tests is a correlation between performance and scores at the very highest and the lowest levels. In the vast middle range, where the majority of the students fall, the predictive value is no more reliable than the flip of a coin. The uses of standardized tests and grades have long been known to have a disparate impact on minority applicants. In short, the question of who should be admitted to a particular college or university is inherently subjective.

The debate between the use of the merit system or the quota system in the university selection method emerged as a national debate in Malaysia (2002). This paper is intended to further examine the effectiveness of the new merit system in their ability to predict student's success in the university. This paper will examine the relationship between the recent changes in the admission patterns (merit system vs. quota system) with the educational attainment of the students. The result of this study would promote some awareness concerning the effectiveness of the selection system in predicting academic success in the university.

## **MATERIALS AND METHOD**

A descriptive study was conducted on the first year student recruited in 1999 (quota system) and the first year student recruited in 2002 (merit system). A comparison was made using the educational attainment in their first year of the undergraduate studies. The comparison was feasible due to controllable variables such as the type of subject mastered and the lecturers who taught them were the same in both the years. The scope of the study was only limited to students who majored in the field of business and economics.

## **RESULTS AND FINDINGS**

The overall performance of the students shows that the mean of the cumulative grade point average for student recruited using the quota system was relatively higher compared to the performance of the students recruited using the merit system for programs like Entrepreneurship, Development and Planning Economics, Banking and Finance, Monetary Economics, Hotel Management, International Business and Marketing at 1 percent significant level (T-statistics: 6.713). Among these programs the Development and Planning program showed the highest decrease that amounted to 12.9 percent. The only programs that showed an advantage of using the merit system of recruitment were the Labor Economics and the Accounting program. The Labor Economics program showed an increase of 2.8 percent while the Accounting program showed an increase of 14.35 percent from 1.95 to 2.23. In addition, the decrease in the average cumulative grade point average was significant on programs like Development and Planning Economics, the Banking and Finance, the International Business, the Monetary Economics and the Marketing programs at 1 percent significance level except for the Entrepreneurship and the Hotel Management program. Similarly, the increase in the cumulative grade point average was also found to be significant only for the Labor Economics program while it was insignificant for the increase in the cumulative grade point average for the Accounting program. (Refer to Table 2).

Table 2: The table below shows the cumulative grade point average of first year students selected using the quota system and the merit system

Program	Quota System	Merit System	T-statistics
Entrepreneurship	2.7	2.53	0.907
Development and Planning Economics	2.94	2.56	5.493
Banking and Finance	2.94	2.60	3.525
Monetary Economics	2.92	2.55	5.486
Hotel Management	2.73	2.70	1.934
International Business	2.64	2.51	2.035
Marketing	2.79	2.63	2.399
Labor Economics	2.50	2.57	3.299
Accounting	1.95	2.23	0.994

In the Entrepreneurship program there is an improvement in the number of student who obtained a cumulative grade point average greater than 3.00 where using the quota system of recruitment, the percentage that obtained greater than 3.00 is only 16.7 percent compared to the merit system that shows 18.39 percent. Both the system showed that more than 70 percent of the students have a cumulative grade point average around 2.00 to 3.00. In addition the merit system also shows that 7.89 percent of the students falls in the category of cumulative grade point average of less than 2.00 compared to the quota system that has only 4.1 percent. (Refer to Table 3)

Table 3: Classification based on educational attainment in the Entrepreneurship program where a comparison is made on the selection using the Quota System and the Merit System

Classification	Quota System	Merit System	Quota System (%)	Merit System (%)
Greater than 3.67	0	1	0	2.6
3.00 to 3.66	4	6	16.7	15.79
2.00 to 3.00	19	28	79.2	73.68
Less than 2.00	1	3	4.1	7.89

Table 4 shows that the students in the Banking and Finance program declined in their performance because student selected in the quota system showed an educational attainment of 40 percent in the category of cumulative grade point average of 3.00 and above while in the merit system only 18 percent was in the category of cumulative grade point average of 3.00 and above. A majority of the students are also found to be in the category of 2.00 to 3.00 cumulative grade point average where the percentage was 60 percent (quota system) and 76 percent (merit system) respectively. Similar to the Entrepreneurship program the merit system shows a 6 percent of the students in the category of cumulative grade point average of less than 2.00 compared to a figure of 0 percent using the quota system.

Table 4 : Classification based on educational attainment in the Banking and Finance Program where a comparison is made on the selection using the Quota System and the Merit System

Classification	Quota System	Merit System	Quota System (%)	Merit System (%)
Greater than 3.67	1	0	2.2	0
3.00 to 3.66	17	9	37.8	18
2.00 to 3.00	27	38	60	76
Less than 2.00	0	3	0	6

Table 5 also shows a similar result as Table 4 where the quota system revealed that 35.14 percent of the students received a cumulative grade point average of 3.00 and above compared to only 23.08 percent using the merit system. In this program, most of the students are within the cumulative grade point average of 2.00 to 3.00 where the quota system shows 64.86 percent while the merit system shows 73.08 percent. There is also 11.54 percent of the students selected using the merit system in the category of cumulative grade point average of less than 2.00 while in the quota system there is none.

Table 5 : Classification based on educational attainment in the Development and Planning Economics Program where a comparison is made on the selection using the Quota System and the Merit System

Classification	Quota System	Merit System	Quota System (%)	Merit System (%)
Greater than 3.67	0	0	0	0
3.00 to 3.66	13	12	35.14	23.08
2.00 to 3.00	24	34	64.86	73.08
Less than 2.00	0	6	0	11.54

The Monetary Economics program also shows a fall in the percentage of students in the category of cumulative grade point average of 3.00 and above from the quota system to the merit system. The quota system has 38.11 percent of the total students selected recruited while the merit system only has 10.26 percent. Similar to the other programs the majority of the selection falls in the cumulative grade point average of 2.00 to 3.00. Only the merit system shows 5.13 percent of the cumulative grade point average of 2.00 and below. (Refer to Table 6)

Table 6 : Classification based on educational attainment in the Monetary Economics Program where a comparison is made on the selection using the Quota System and the Merit System

Classification	Quota System	Merit System	Quota System (%)	Merit System (%)
Greater than 3.67	1	1	2.4	2.56
3.00 to 3.66	15	3	35.71	7.7
2.00 to 3.00	26	33	61.9	84.61
Less than 2.00	0	2	0	5.13

The Quota system also shows that the students' cumulative grade point average of 3.00 and above is greater (37.14) compared to the merit system of only 22.22 percent. Each system respectively has a large portion of students in the category of 2.00 to 3.00. The students whose performance shown by the cumulative grade point average of less than 2.00 reveals the merit system of recruitment has 12.96 percent of the student in this category while the quota system has only 2.86 percent. (Refer to Table 7)

Table 7: Classification based on educational attainment in the Hotel Management Program where a comparison is made on the selection using the Quota System and the Merit System

Classification	Quota System	Merit System	Quota System (%)	Merit System (%)
Greater than 3.67	0	0	0	0
3.00 to 3.66	13	12	37.14	22.22
2.00 to 3.00	21	35	60	64.81
Less than 2.00	1	7	2.86	12.96

In comparison with the other programs the International Business students who obtained a cumulative grade point average greater than 3.00 has dropped from 26.32 percent to 10.42 percent respective from the quota system to the merit system. Similar with the quota system (65.79), the merit system (83.33) also has a high percentage of the student population in the category of cumulative grade point average between 2.00 to 3.00. Finally, the only program that shows a decline in the number of students under the cumulative grade point average of 2.00 and below, a 6.25 percent in the merit system compared to a 7.89 percent in the quota system. (Refer to Table 8)

Table 8 : Classification based on educational attainment in the International Business Program where a comparison is made on the selection using the Quota System and the Merit System

Classification	Quota System	Merit System	Quota System (%)	Merit System (%)
Greater than 3.67	0	0	0	0
3.00 to 3.66	10	5	26.32	10.42
2.00 to 3.00	25	40	65.79	83.33
Less than 2.00	3	3	7.89	6.25

The Marketing program also shows a similar trend where 35.9 percent was initially in the category of a cumulative grade point average of 3.00 and above, but now with the merit system the percentage of students in this category dropped to only 24.95 percent. Both the system has a similar percentage of students accumulated between the cumulative grade point average of 2.00 to 3.00 (around 60 percent). Only the merit system has a percentage of 9.61 percent whose cumulative grade point average is less than 2.00 (Refer to Table 9)

Table 9 : Classification based on educational attainment in the Marketing Program where a comparison is made on the selection using the Quota System and the Merit System

Classification	Quota System	Merit System	Quota System (%)	Merit System (%)
Greater than 3.67	0	2	0	3.8
3.00 to 3.66	14	11	35.9	21.15
2.00 to 3.00	25	34	64.1	65.38
Less than 2.00	0	5	0	9.61

Table 10 shows a drastic drop from 36.67 percent (quota system) to 9.43 percent (merit system). The highest accumulation of students still remains at a cumulative grade point average within 2.00 to 3.00. But in this program there is a drop in the students' achievement of cumulative grade point average that is less than 2 from 3.3 percent (quota system) to 1.89 percent (merit system).

Table 10 : Classification based on educational attainment in the Labor Economics Program where a comparison is made on the selection using the Quota System and the Merit System

Classification	Quota System	Merit System	Quota System (%)	Merit System (%)
Greater than 3.67	0	0	0	0
3.00 to 3.66	11	5	36.67	9.43
2.00 to 3.00	18	47	60	88.68
Less than 2.00	1	1	3.3	1.89

The Accounting program is the only program that shows a different trend because the merit system of recruitment provides a slightly better educational attainment (43.21 percent) compared to the quota system of only 40.42 percent. Both the system has a similar percentage of around 55 percent of the students accumulated in category of between 2.00 to 3.00 cumulative grade point average. The number of student that falls in the category of less than 2.00 cumulative grade point average has dropped from 4.25 percent (quota system) to 1.23 percent (merit system).

Table 11: Classification based on educational attainment in the Accounting Program where a comparison is made on the selection using the Quota System and the Merit System

Classification	Quota System	Merit System	Quota System (%)	Merit System (%)
Greater than 3.67	0	2	0	2.47
3.00 to 3.66	19	33	40.42	40.74
2.00 to 3.00	26	45	55.32	55.55
Less than 2.00	2	1	4.25	1.23

## CONCLUSION

The selection of students using the merit system compared to the quota system in order to fulfill the nation's goal of forming a Knowledge based Economy might be questioned at this stage of implementation. The study compared the educational attainment of the first year students selected using the quota system with the students' selected using the meritocracy system. The sample comprised of only first year students from the discipline of Business and Economics from the School of Business and Economics, University Malaysia Sabah. The findings of this study pose certain questions among the effectiveness of the new merit system employed. The result revealed that the overall performance using the mean cumulative grade point average of the students in all the programs decreased except the Labor Economics and the Accounting Program. This can be seen by the movement of the students from the cumulative grade point average of greater than 3 in the quota system to the cumulative grade point average of within 2.00 to 3.00 in the merit system. Moreover, the percentage of student in the cumulative grade point average of less than 2.00 is greater in the merit system compared to the quota system. Thus the finding supports the result obtained by researchers like Baker (2002) [1], Oteng (1999) [4], Lee (2000) [2] and Neng (2000) [3]. The findings reveal that meritocracy system need not necessarily provide quality students. This can be seen from their academic performance at the first year of their university education. This clearly indicates that the meritocracy system used should not only take into consideration the test scores of their pre-university education. Although the findings do pose certain questions concerning the superiority of the meritocracy system, further research need to be done before a conclusion can be made on this issue. In addition students performance in the university is determined by many factors and this study have not considered all of them. A more thorough analysis of the major factors determining academic performance will need to be conducted in future research.

This study was done with a few limitations. The student's academic achievement at the pre-university level was not attainable. If the pre-universities academic attainment was attainable than a comparison could be made to have a clear view about the progress of the students according to the selection method. In addition, similar analysis should also be made on the students from the science programs. This will help to determine whether the findings from this study is consistent with the science students.

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