

**A STUDY
ON THE PROGRESS OF
THE DIPLOMA IN BANKING STUDIES (DIB) GRADUATES
OF
MARA UNIVERSITY OF TECHNOLOGY
SARAWAK BRANCH**



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ABSTRACT

The Government realized the need to invest in higher education as it contributes towards a well-trained labour force that has the potential and capability to efficiently utilize the capital resources of the nation. Under the Eighth Malaysia Plan, the government has allocated 21 per cent of the total allocation during the plan period. In Sarawak, more institutions of higher learning are expected to be set up to churn out an increasing number of graduates each year.

The mismatch between educational training and workforce requirement may result in wastage and oversupply of manpower in certain skills. Hence, a study to assess the marketability of the graduates is relevant to re-examine the training and investment that the institutions of higher learning have made.

In this study, a questionnaire survey was conducted and it received responses from 240 graduates of Diploma in Banking Studies, *Universiti Teknologi Mara Cawangan Sarawak* (UiTMCS). The study managed to trace among other things, the socio-economic status of the graduates, which included their demographic profile, employment and income patterns. In addition, the study also obtained feedback from the graduates on many aspects of training provided in *Universiti Teknologi Mara* (UiTM) as well as suggestions on the future direction that UiTMCS should take.

The study highlighted a young group of graduates who were mostly below 30 years of age and single. All these graduates graduated in the 1990s through April 2001. Many were also found to be currently furthering their studies.

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Governments in many countries recognize the importance of education for economic and social development. A well-trained labour force has the potential and capability to optimize the use of capital and infrastructure. Malaysia is on the road to achieving the status of a fully developed nation by the year 2020, and realizing that the global environment today is highly competitive and ever changing, it is imperative that we develop high-quality manpower especially to move from a production-based to a knowledge-based economy. To meet this demand, Malaysia has invested substantially in education and its training system in order to enhance its international competitiveness. Under the Eighth Malaysia Plan, the government has allocated RM22.7 billion on education. This constituted 21.0 per cent of the total allocation during the plan period.

The increase in the public and private institutions of higher learning provides the opportunity for students to have more choices in pursuing their tertiary education. In Sarawak, for example, the setting up of *Universiti Teknologi MARA (UiTM)*, *Universiti Malaysia Sarawak (UNIMAS)*, INTI College, *Universiti Tun Abdul Razak (UNITAR)* and Chermai College provides alternatives for students to pursue their Diploma or Degree courses. Besides the professional Diploma in Banking (DIB) course offered by the Malaysian Institute of Bankers (IBBM), UiTM is the only local institution of higher learning that offers this program. This monopoly, however,

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Education has been considered by many as an investment in human capital (Simson S. Kuznets 1955; Michael Todaro 1977; Nafziger E.W 1997; H.A Patrinos 2000). Though there are varied definitions on the term 'human capital', generally it is the acquired skills or abilities of a person that has a marketable value. For example, Theodore W. Schultz (1964) related human capital to the acquired abilities of people that are useful in their economic endeavour and regarded it as produced means of production. In addition, Joop Hartog (2000) regarded human capital as a valuation of a person's skill. He specified it as the value of people's productive and marketable skills.

This chapter reviews empirical studies on higher education in four main areas; the importance of investment in education, the impact of higher education on DIB graduates' returns, employment and work, as well as, their market orientation.

2.2 Importance of Investment in Education

A lot of literature has touched on the importance of such investments to a country's economic and social development (Simson S. Kuznets 1955; Michael Todaro 1977; Nafziger E.W 1997; H.A Patrinos 2000).