

EXECUTIVE SUMMARY

My six months industrial training began here at Majlis Bandaraya Alor Setar, the city council which administers the city of Alor Setar in the state of Kedah, Malaysia. I am Ainaa Nadhira binti Mohd Hadzir and I am a final year student of Business and Administration (Hons) Finance in University Teknologi Mara Perlis.

I was assigned to do my internship at Unit Sewaan of Majlis Bandaraya Alor Setar. Unit Sewaan is under Bahagian Pengurusan Harta. I gain a lot of experience during my internship there and I really enjoy my internship journey there.

In this report will stated about the background of the establishment of Majlis Bandaraya Alor Setar, the objectives and goals of the company, their organizational structure and services provided by the company.

This report will show the data about rent collection of Majlis Bandaraya Alor Setar and the data will be use to analyze. Through the discussion, this report will find out and stated about the factors affecting the failure of acieveing rent collection target of the company and the recommendation will be find out in order to overcome all the problem.

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COMPANY'S PROFILE

1. **Company's name:** Majlis Bandaraya Alor Setar



Company's logo

Location

Majlis Bandaraya Alor Setar was stated at Jalan Kolam Air, Bandar Alor Setar, 05200 Alor Setar, Kedah.

Operation hour

Majlis Bandaraya Alor Setar operating on weekdays, from Sunday to Thursday. Time operation for Sunday until Wednesday is at 8 a.m until 5 p.m and for Thursday at 8 a.m until 3.30 p.m.

2. **Vision**

The vision of Majlis Bandaraya Alor Setar is to transforming the city of Alor Setar into a resilient city

Mission

The mission of the company is drive to the excellence of a sustainable Majlis Bandaraya Alor Setar based on a quality organization, innovative, responsive and committed to sustainable development to achieve a resilient city 2035.

Objective

The objective of the company is to Provide and implement municipal services as stipulated in the Local Government Act 1976 (Act 171) with sincerity and integrity. Besides, they want to enforce the Local Government Act 1976 (Act 171) and all By-Laws of Majlis Bandaraya Alor Setar prudently and professionally. Other than that, their objectives is to implement various areas of municipal services, municipal development, security, health, recreation, public facilities, and infrastructure of housing estates and build a planned urban environment with consistent action plans through strategic plans, local plans and viable programs to make the city safe and prosperous. The company also want to achieve 'Wawasan Bandaraya Alor Setar Maju' through the transformation of mindset, human capital, economic activities, sustainable development, and service delivery by meeting customer satisfaction and Improve the quality of services and development planning in all areas. Other than that, creating a conducive environment to promote the growth of industry, trade and tourism and preserve and conserve the environment for the comfort and well-being of the residents are also objectives of the company. Lastly, the company focus to maintenance of the city environment with five star landscaping and comfortable recreation and enhance the council's financial resources by diversifying explore sources of revenue and strengthening best financial management controls.

Goals

There are few goals that has been aim by the company. First, to produce quality, competitive and strive to thrive staff. Next to empowering staff with master skills, technology, management quality and personality. Other than that, to make Majlis Bandaraya Alor Setar as an excellent, leading and five star local authority and empowering Alor Setar city as a developed, sustainable, safe and prosperous city for residents. The company also set goals to strengthen the governance of Majlis Bandaraya Alor Setar.

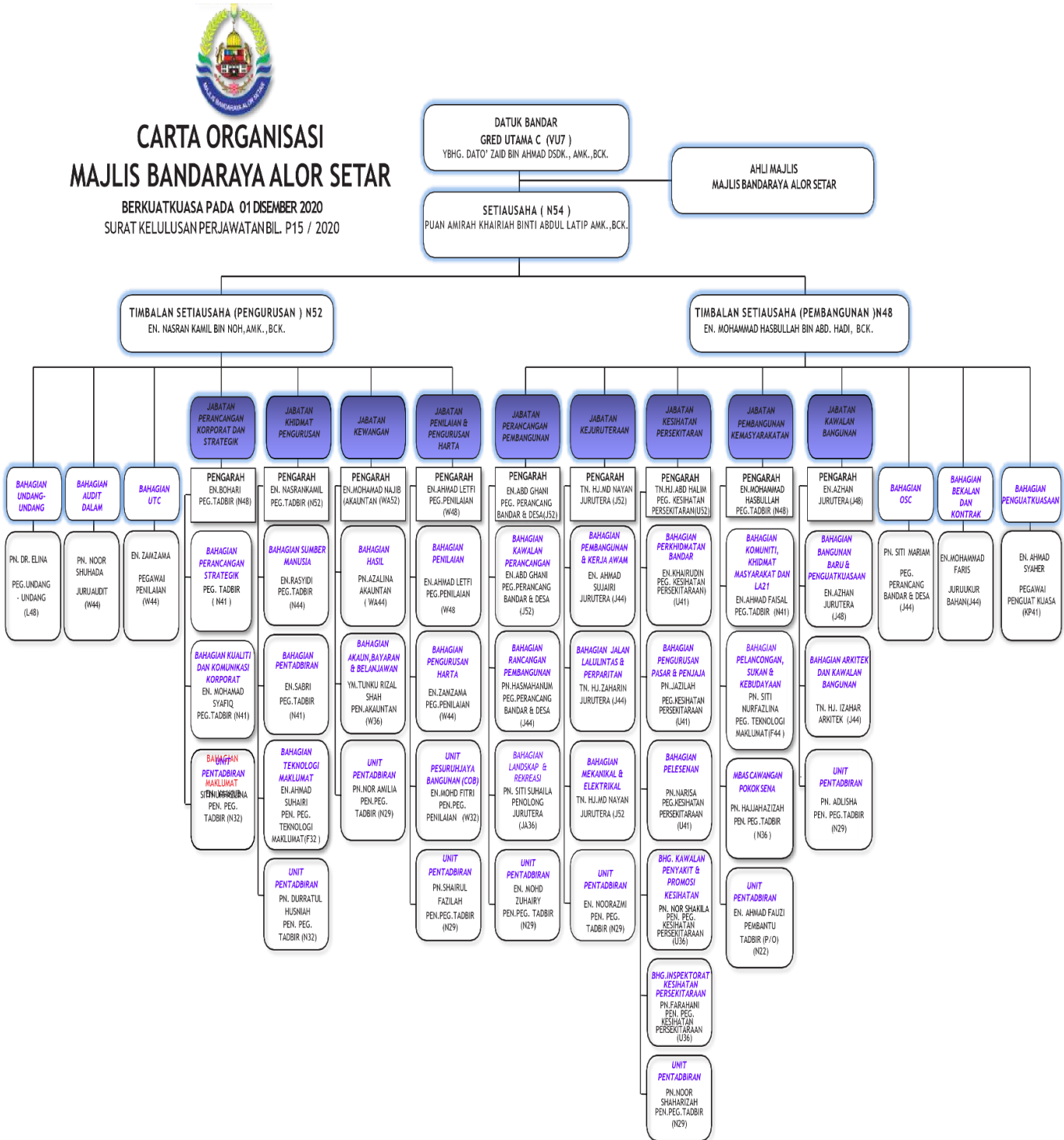
3. Background of establishment

Majlis Bandaraya Alor Setar is the city council which administers the city of Alor Setar in the state of Kedah, Malaysia. After the city was granted city status on December 21, 2003, this council was formed. Their jurisdiction spans 333 square kilometres in Kedah, and they administer the entire Kota Setar and Pokok Sena districts.

In 1905, the Alor Setar Sanitary Board was founded. It was renamed as Alor Setar Municipal Board in 1958, then raised to Kota Setar District Council on March 1, 1976, then to Kota Setar Municipal Council on February 1, 1978, and finally to Majlis Bandaraya Alor Setar on December 21, 2003.

Approaching Alor Setar beginning as a “City” in the month of December 2003, complete its age of 30 years since it was established on 31 December 1973. As a result, Alor Setar has been proven to be one of the oldest towns in Southeast Asia.

4. Organizational structure



5. Services offered

Every company has their own products or services offered or serves to their customers. Every company have their own target market to offer and serves their products or services. Majlis Bandaraya Alor Setar provide services to all the residents that lives within the jurisdiction of Majlis such as developing, managing and maintaining infrastructure and public facilities. Majlis Bandaraya Alor Setar also offer and maintain the amenities offered to the residents within the jurisdiction such as drains, streetlights, halls, communities centres and sports amenities. Majlis Bandaraya Alor Setar do have swimming pools for the use of residents at Alor Setar. Majlis Bandaraya Alor Setar also offer social and recreational amenities and facilities such as children playgrounds and parks and flower garden maintenance. There are lot of recreational park under Majlis Bandaraya Alor Setar, such as Taman Awam Jubli perak, Taman Awam Merdeka, Taman Rekreasi Gunung Keriang and many more. Majlis Bandaraya Alor Setar also provides service of application for business premises license, signboard license and store rent.

TRAINING'S REFLECTION

I do my industrial training at Majlis Bandaraya Alor Setar. The duration for my industrial training is six months, from 1 March 2021 to 13 August 2021. Duty report was done on Monday, March 1, 2021. I have been assigned under Unit Sewaan. Unit Sewaan is under Jabatan Penilaian dan Pengurusan Harta of Majlis Bandaraya Alor Setar. My working hour is from Sunday to Thursday, from 8 a.m until 5.00 p.m.

At Unit Sewaan, I have been assigned and assist to do task force about all store rent for audit purpose. Other than that, I do daily office administration such as handling phone call, do billing for renter to pay store rent and photostat documents. I also have to check files to find for old debtors that did not pay rent even after the agreement have been cancel to submit to Bahagian Undang-undang for civil action. I also joined "OPS SITA" that have been done once a week by the department in order to seized the store that have been hold payment for three months and onwards. The 'OPS SITA' will be joined by enforcement department. The 'OPS SITA' really needed to be done in order to be strict with the renter and to make sure the rent will be pay by the renter.

Other than that, I am able to enhanced the skills of using Microsoft Word and also Microsoft Excel. It is because my work needed me to use both Microsoft Office. I also being able to use and browse ePBT system that have been provided by Majlis Bandaraya Alor Setar in order to check and update about information related to rental, license and revenue. I believe the experiences that I have gained from my internship in the company can be used for my future purpose later. The company attendance system also help and guide me to become a punctual person. The company use thumbprint and it will be shown on i-Hadir website. The i-Hadir website is use to track our attendance. If we are on leave or we are late for work, we have to key in reasons and it will be accepted by the head of department.

There is also some benefits that I received from the company. One of it is I have been given an allowance. Each industrial training student at Majlis Bandaraya Alor Setar will get RM100 allowance per month. Although it is not as much as other company offered, but it is helpful for the student. Other than, instead of receiving the allowance, I gained a lot of experienced along my industrial training at Majlis Bandaraya Alor Setar. I get to learned on how to serves and

communicate with customers by doing billing and joined “OPS SITA”. By doing that activity, I can overcome my nervous and anxiety in facing with public. I also gained my self confidence in facing with the strangers. The officemate also really helpful in guiding and assist all the industrial training student. I also get to know how to handle renter behavior and I can learn real working world of the industry. I do really enjoy my industrial training journey at Majlis Bandaraya Alor Setar.

COMPANY ANALYSIS

Majlis Bandaraya Alor Setar providing municipal services to the community including development control, business control and others. As a city council, there are many challenges faced by them. Majlis Bandaraya Alor Setar do have many units and department and one of it is Unit Sewaan. Majlis Bandaraya Alor Setar do have a lot of food court and store around Alor Setar and Pokok Sena that have been control under Unit Sewaan Majlis Bandaraya Alor Setar to be rented for tenant. There are terms and conditions that should be follow by the tenants if they want to rent food court or store belongs to Majlis Bandaraya Alor Setar. . Each food court and store do have a fix price rent according to size and place.

Table below shown **some** location of store under Majlis Bandaraya Alor Setar and rent per month rate for each place.

Location	Rent rate per month
Medan Langgar	RM220.00/ RM320.00
Medan Bendahara	RM250.00/ RM732.00
Medan Kota Sarang Semut	RM120.00
Medan Raja	RM150.00/ RM543.00
Gerai Tepi Pasar Kuala Kedah	RM60.00
Kisok Gunung Keriang	RM150.00
Medan Selera Simpang Kuala	RM100.00
Gerai batu Kristal Gunung Keriang	RM150.00
Taman Selera Mergong	RM120.00/ RM250.00

Table 1: Majlis Bandaraya Alor Setar's store location

According to the table, we can know that the renter for Majlis Bandaraya Alor Setar's food court and store will have to pay for the rent every month. The rent is as showed in the table. Unit Sewaan Majlis Bandaraya Alor Setar have their own target of rent collection based on the store that been rented and the target supposedly should be achieve.

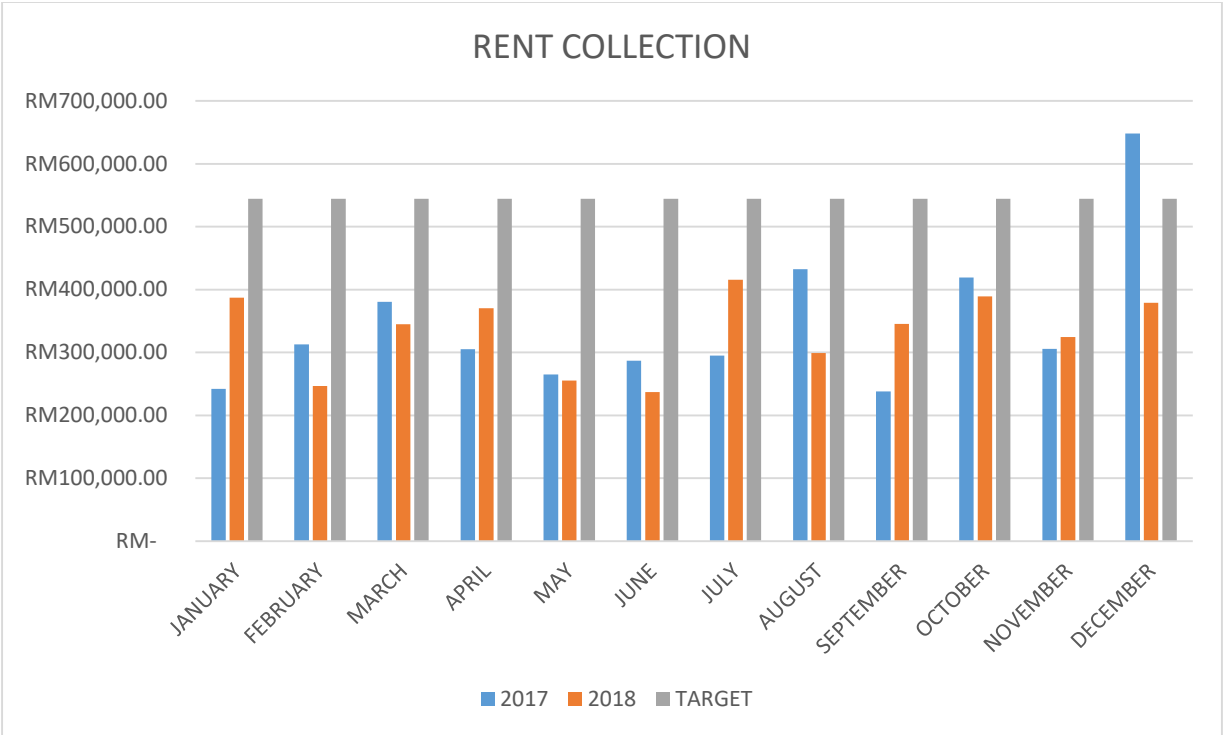


Chart 1: Target of rent collection that should be collected and actual rent collection collected for year 2017 and year 2018

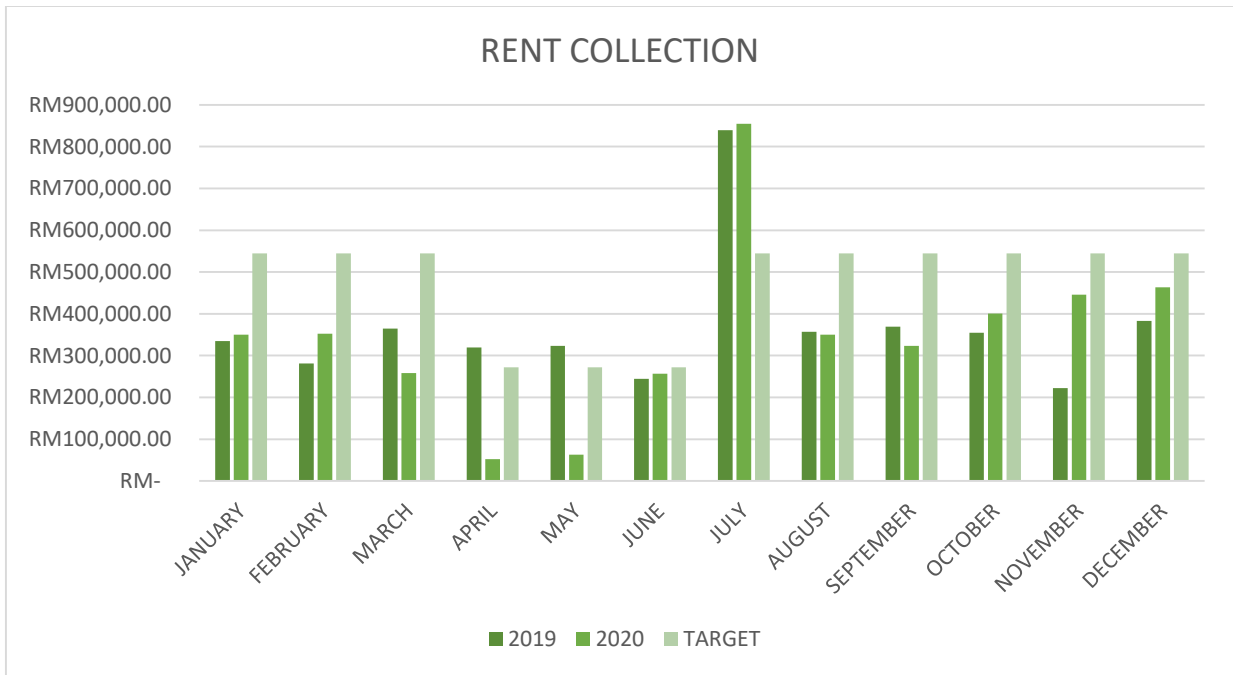


Chart 2: Target of rent collection that should be collected and actual rent collection collected for year 2019 and 2020

The chart shown above is data about target of rent collection of Majlis Bandaraya Alor Setar for year 2017, year 2018, year 2019 and year 2020. Based on the chart, we can see that for year 2017, year 2018, year 2019 and year 2020, Majlis Bandaraya Alor Setar do have the target amount of rental collection to be achieved and collected. The targeted amount of rental collection is the amount that all renter should pay each month for the store that they rent. Each month for the four years have the amount of target. For example, the target amount for all months in 2017 and 2018 are all the same, RM544,361.00 and for the month of April until June 2019 and 2020 the target amount is RM272180.50 and other months in year 2019 and 2020 are RM544,361.00.

The target amount should be collected by Majlis Bandaraya Alor Setar, but as shown in the chart, only few months that reached the target amount of rental collection. For year 2017, only in December the amount of rental collection collected reached the target. The target amount of rent collection for December 2017 is RM544,361.00 and the actual rent collection collected is RM647,900.50. This has shown that the collected amount are above the targeted amount. For year 2018, none of the months in that year reach the amount of target rental collection. For year 2019, there are two months that amount of rental collection reach above the targeted amount which is in May and July. In May 2019, the targeted amount is RM272,180.50 and the collected amount is RM322,927.70 and in July 2019 the targeted amount is RM544,361.00 and the collected amount is RM839,065.90. And for year 2020, only in July reached the targeted amount of rental collection which is the targeted amount is RM544,361.00 and the actual amount is RM854,790.96. This has shown that Unit Sewaan of Majlis Bandaraya Alor Setar is having difficulty in order to collect rent from renters and achieve the rent collection target.

DISCUSSION AND RECOMMENDATION

Discussion

Every year, Unit Sewaan under Bahagian Pengurusan Harta at Majlis Bandaraya Alor Setar do have target for rental collection of the food court and store but the challenge is rental collection could not reach target either monthly or yearly and give impact for Majlis Bandaraya Alor Setar. The rental that reach target is only few months from each year. Based on monthly and yearly data from Unit Sewaan, there is a problem that has been identified. The analysis is needed in order to know the rent targeted and also the rent collected. Based on the analysis, we can find factors that lead to the the failure of reaching rent collection target and this can help the company to find way in order to reach the rental collection target.

Rent collection means revenue for many real estate investors, but it may also mean dealing with the inconveniences of a poorly performed rent collecting procedure for the others. Typically, resource rentals take the form of a payment by a commercial enterprise to the state .This mentioned by (Matthiasson, 2008) , they can either be viewed as a tax on resources rents or a a royalty or fee for the privileged of accessing and utilizing the resource. Rent collection does not have to be a stressful part of real estate business, in fact it should be one of the most streamlined aspects of it. Late paying tenants are one of the biggest headaches for landlord. The rent is known as expense that is due each month and should be budgeted for.

The owner and the renter have a variety of choices for ensuring the rent collection process goes as smoothly as possible and the rent collection can reach target but that should have a cooperation between those two renter and owner. Without rent, landlord cannot afford maintenance or capital improvements necessary to preserve the stores. There are factors that affecting the failure of reaching rent target collection. In order to identify the factor affecting the failure, we need to determine the rental amount and what makes the amount changes over the time. As we can see from the chart, there could be reasons and factors that affecting the failure of reaching rental collection target at Majlis Bandaraya Alor Setar and that should be find out to be solved. The failure of reaching rental collection target will give impact to Majlis Bandaraya Alor Setar.

In this part, we will discuss few factors that affecting the failure of achieving rental collection target. The factors could be from both side, the renters and the landlord itself, which is Majlis Bandaraya Alor Setar.

Factors affecting the failure of achieving rental collection target at Majlis Bandaraya Alor Setar:

i. Renter Behavior

First factor affecting the failure of achieving rental collection target is renter behavior. We know that, income for the renters of Majlis Bandaraya Alor Setar comes from their sales. The renter of Majlis bandaraya Alor Setar are sellers at food court and stores. Their incomes do comes from their sales. The renter maybe cannot pay for the rent if they do not have much income and they also have some other commitments. But they do have to keep their money aside for the rental. This will cause rent arrears. If there is rent arrears, then the targeted amount of rental collection could not achieved. 50% of the renters keep holding their rent payment for three to six months onwards and not following the agreement that they have signed and 35% renters that do not interested to continue rent the stores form Majlis Bandaraya Alor Setar did not inform to cancel the agreement that have been made and the rent and payment are still ongoing and cause rent arrears. But only in 2020, we can know that the reasons sellers could not pay for the rent are due to pandemic Covid-19. We know that a lot of sellers are affected. They cannot run their business normally. So that the renter could not pay for the rent. But based on the chart, we can see that pandemic Covid-19 is not the main problem because the target amount in 2017, 2018 and 2019 also cannot being achieved. This has proved that the main problem is the renter behavior. They do not pay their monthly rent according to the agreement. Because of this factor, Majlis Bandaraya could not achieve their amount of monthly target collection target.

ii. Payment System

Any system that settles financial transactions by transferring monetary value is referred to as a payment system. In both domestic and foreign transactions, payment systems are required instead of cash. When compared to the conventional payment system, modern payments are cash replacement. This includes debit cards, credit cards, electronic funds transfer, direct credits, direct debits, internet banking and e-commerce payments systems.

For Majlis Bandaraya Alor Setar, besides allowing the renters to pay using cash or debit card and cheque at the counter, they also allowing the renter to pay using internet banking and e-commerce funds transfer such as JomPAY to facilitate the renters to make payments and to ease the company to collect rent.

And one of payment system that can be used by renters of Majlis Bandaraya Alor Setar is JomPAY. JomPAY is a payment system introduced by Bank Negara in April 2015 with the primary goal of speeding up e-payments and providing improved efficiency, convenience, and accessibility for the public to make bill payments. JomPAY payment system is managed by Malaysian Electronic Clearing Corporation Sdn Bhd, a wholly-owned subsidiary of Bank Negara, the Central Bank of Malaysia. Majlis Bandaraya Alor Setar allowing the renters to pay using JomPAY but not all the customers prefer to pay using that type of payment system. This is due to the range age of the renters that do not know on how to use the payment system and more prefer to pay using cash at the counter. If they stay far from the Majlis Bandaraya Alor Setar or they have some problems, they cannot do their rent payment on time and this will affecting the failure of rent collection target for Majlis Bandaraya Alor Setar.

Other than JomPAY, the renters can pay the rent through internet banking payment. The renters can transfer the rent payment straight away to Majlis Bandaraya Alor Setar's bank account. With online banking, the renters are not required to visit either the bank or to the Majlis bandaraya Alor Setar to complete their payment but they can do that at their own convenience. But the problem for this payment method is, Majlis bandaraya Alor Setar's system is not good. If the renter pay the rent by transfer payment using online banking, the payment will be late record in ePBT (Pihak Berkuasa Tempatan) system. So that the payment will be hold for some times. This payment method also causing errors sometimes. Because of that, the renters and the staff of Majlis Bandaraya Alor Setar are not prefer using online banking. If the system itself upgrade, then, there will be better to use.

iii. Lack of company vehicle for use in seize the store

Every company do have vehicle specialist for the use of work related with the company. Same goes to Majlis Bandaraya Alor Setar. Majlis Bandaraya Alor Setar do have some vehicles for the use of workers to do work outside the company. The company do have van and cars. The staff will be needed to use the car to do operation or inspection at the store or place under Majlis Bandaraya Alor Setar. Unit Sewaan will be needed to use vehicles to do operation in order to collect rent that not being paid by the customers. The staff of Unit Sewaan and enforcer will need to go out to visits stores under Majlis Bandaraya Alor Setar to distribute notice and give warning for the renters that not paying rent for three months and onwards. If after receiving the notice and warning, the renters still not pay for the rent, the staff will have to go again to the store for seizure. This will be needed a lot of vehicles because other department also have to use vehicles. Lack of vehicles will give effect to rental collection target. Majlis Bandaraya Alor Setar do have lot of stores and food court. In order to make sure the rent collection reach the target, the staff need to hold 'OPS SITA' twice a week but because of the problem lack of vehicles, 'OPS SITA' can only be hold once a week. This will be hard to make sure the renters will pay the rent and will be lead to failure of reaching rent collection target.

Recommendation

As we can see, in the discussion has stated that there are few factors effecting the failure of achieving rent collection target for Majlis Bandaraya Alor Setar. The company might need some recommendations in order to overcome the issue.

In order to overcome the renters with load of rent arrears, Majlis Bandaraya Alor Setar should make the terms and condition in the agreement more strictly. The agreement should only allowed person that have some exact amount in their bank account to be a renter for their store or food court. In the agreement also should state specific date for renters to make rent payment so that the will not have chance to hold the payment. In this case we will know that the renter is capability in renting the store. Capability was found to influence rent payment behavior (Hickman, 2019). Capability is the most important characteristic. In terms of impact being capability, the tenants will have knowledge of how to pay their rent. The tenant will be a good money manager, able to make ends meet in difficult financial situations by adopting a variety of techniques. Perhaps, tenants who could be characterized as being particularly good at money management were more likely to pay their rent on time (Hickman, 2019).

In order to achieve the rental collection target, the information and communications technology unit of Majlis Bandaraya Alor Setar need to improve their payment system and website. The system is really needed to always be available and not having any problem because it will ease the process of collecting rent. The systems need to improve to detect payment made by the renters so that there will be no problems about the status of payment and the process of collecting rent will settle smoothly. The payment will always be paid on time by renters if the system always available and the renter can pay using online payment. Electronic transactions are playing a vital role now in these days to shop, pay bills and money transfer and many more (Yusoff et al., 2019). All range age of renters need to be expose about e-payment so that everyone can do their payment on time. Even now the company already have the system for online payment, it is not always available for the use of renters. The payment available for the company is only for cash, online banking and JOMpay. For example, Majlis Bandaraya Alor Setar can introduce other payment method, such as the use of E-wallet as one of their online payment. E-wallet is one of the famous

payment system. In Malaysia, electronic retail payment are being continually created to change or even bring down paper-based payment (Alih et al., 2018). There has been a positive adoption of E-wallet amongst Malaysian (Hassan et al.,2021). The payment methods used by consumers will have great effects on the future of the financial system and the business model of a country. As E-wallet is getting more famous and broad nowadays, more shops and business is offering rewards to customers of consumers who use E-wallet to complete their payment (Hassan et al.,2021). When the company introduce E-wallet as payment method it will give benefits both for the renters and Majlis Bandaraya Alor Setar. The company will get the rent collection on time, and the renters will do payment on time. The company also can offers reward such as cashback if the renter pay using the method.

Next, the staff of Majlis Bandaraya Alor Setar is having problem lack of company vehicles for the uses work out of the office. In order to overcome this problem, Majlis Bandaraya Alor Setar need to increase their vehicles and the department in charge need to arrange schedule for the use of vehicles appropriately. The existing vehicles also need to service and make sure it is always available to use. The company's vehicle is important because during daily operation, staff may need to travel from place to place. (Vavasour et al., 1999) said that the company's car important as a major motivational tool used by employers when developing their employment policies. It is better idea if the staff rely on company's car because it will be more safe for the staff. The staff's privacy will always be safe.

CONCLUSION

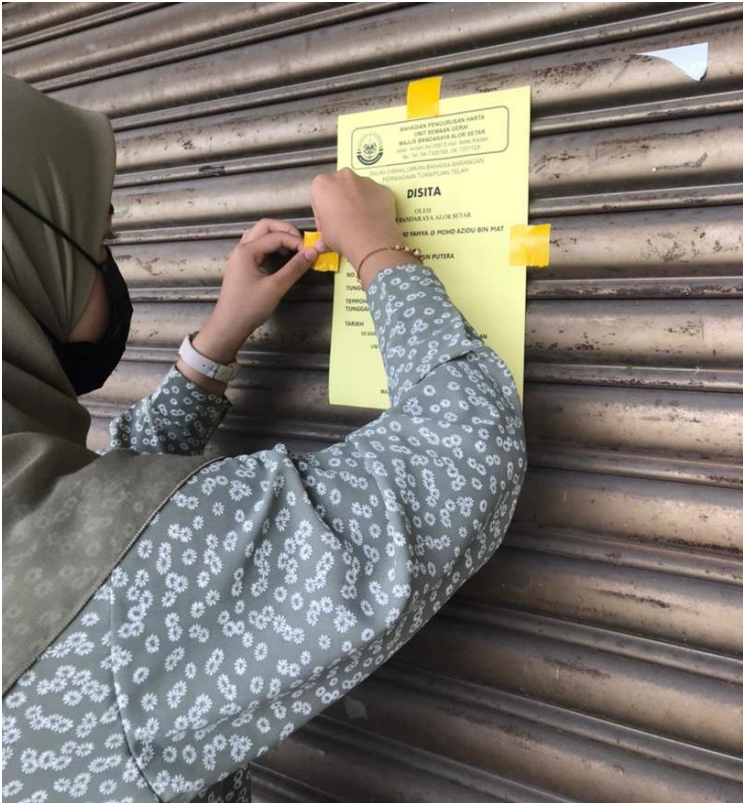
The purpose of this report is to find out the factors affecting the failure of reaching rent collection target of Majlis Bandaraya Alor Setar. Through this study, it can be concluded that the renters and Majlis Bandaraya Alor Setar itself do contribute to the failure. Customer behavior, the system used by Majlis Bandaraya Alor Setar and lacks of company's vehicle do affecting the rent collection target. In order to overcome and to achieve the rent collection targeted by Majlis Bandaraya Alor Setar, some actions should be taken. Strict agreement and actions should be taken to the customers who are not responsible in paying rent. The information and communications technology unit of Majlis Bandaraya should improve the system for the use of payment and Majlis Bandaraya Alor Setar also should increasing their company's car. Therefore, action should be taken and improve by Majlis Bandaraya Alor Setar in order to achieve rent collection as targeted.

Throughout my internship at Majlis Bandaraya Alor Setar has open my eyes to see the real work environment and how the company which is as a city council administers Alor Setar and Pokok Sena district. In general, my internship give me a lot of improvement to myself in terms of emotional, personally, the way how I solve the issue and how to interact with people at the workplace and public who come to pay for rent. My internship give me knowledge, experience and provide me some basic practice for me in working field later.

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APPENDICES



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Internship Report

ORIGINALITY REPORT

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