

THE EFFECTS OF THE PRESENCE OF UiTM NEGERI SEMBILAN BRANCH CAMPUSES ON BUSINESSES IN KUALA PILAH, SEREMBAN AND REMBAU

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Abstract

UiTM Negeri Sembilan Branch started off as a temporary campus and began operating on 1 June 1999. Today after more than 20 years, this branch has expanded and currently operates with three permanent campuses in Kuala Pilah, Seremban and Rembau. The current study on the 20-year-Impact of UiTM Negeri Sembilan Branch focusses on identifying the impact of the existence of UiTM Negeri Sembilan Branch on the development and progress it has brought upon the people and surrounding areas of the three campuses. The impact of the establishment of UiTM Negeri Sembilan Branch can be seen not only through the growth it has brought to the human resources, academic and physical sectors, but can also be seen via the impact it has brought to the economic, political, social as well as the environment sectors on the communities of Kuala Pilah, Seremban, and Rembau. This paper aims to show the impact by focusing on the industry or businesses that exist around UiTM Negeri Sembilan Branch. Data for the study was collected through questionnaires and interviews with respondents. The feedbacks were received from 63 respondents (industry/business) operating around Kuala Pilah, Seremban, and Rembau. Through the analysis of this study, detailed and in-depth information on industries/businesses around the campus is collected and used as a reference for the planned follow-up study. This study can be used as a reference source for UiTM to formulate various strategies, programs, and value-added activities that could improve the quality of life and well-being.

Keywords: impact, industry, UiTM Negeri Sembilan

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Introduction

Institutions of Higher Education (IHE) serve as the primary means for society to obtain higher education and enhance oneself for a better standard of living. Society also benefits from the IHE through research activities and community services provided by staff and students. However, nowadays, the position and relevance of the existence of an IHE have become issues and topics of discussion among various parties and are being challenged to prove their ability to have a more significant impact on the development of local areas and contribute to urban or regional development. This is because, in developing an IPT, the government has to allocate a substantial amount of money, involving taxpayer funds. Therefore, the impact generated by IHE is expected to be much greater and not merely as a place that produces graduates and new theories alone.

The impact of the existence of IHE is quite difficult to measure and studies on them are scarce. The same goes for UiTM Negeri Sembilan branch, which started off with its first campus in Kuala Pilah, and later expanded to Seremban and Rembau. Studies carried out by Ruhaida Rusmin et al. (2009),

Nurulhuda Ismail et al. (2009), and Jannah et al. (2011) based on UiTM 10 Years Establishment carried out in 2006 with the collaboration with the Strategic Planning Center, have all reported favourably on the impact of the presence of UiTM Negeri Sembilan branch to its surroundings. Other key studies that looked into the impact of the existence of institutions of higher learning are “Economic Impact of Tarleton State University, Stephenville, Texas, US, 2004” (Ali Jafri et al., 2004) and “Estimating the Impact of a College or University on the Local Economy” (John & Issacs, 1971), “Economic and Social Impacts of Eastern Michigan University, 2002” (Gosnell & Abrams, 2002). Most previous studies on the existence of an institution of higher learning have been measured in terms of short-term impact on the economy and society (Madeira et al., 2011). The impact of the existence of UiTM Negeri Sembilan Branch with its expanding enrolment is expected to have a significant impact on the surrounding areas (del Rocío Bonilla et al, 2020; Ćudić et al, 2022). Therefore, the scope of this study is to look into the impact of the presence of UiTM Negeri Sembilan campuses on business opportunities that came about as a result of activities carried out by its staff and students and its impact on local communities (Vien & Galik, 2024; Fletcher & NoghaniBehambari, 2024). The findings of this study are based on the feedback obtained from the industry/business demographics gathered from a survey distributed to participants who have business dealings directly or indirectly with UiTM Negeri Sembilan campuses.

Methods

In general, this study was conducted both quantitatively and qualitatively, examining the effects of the establishment of UiTM in terms of economic, political, and social aspects on the surrounding community. Specifically, only a small portion of quantitative data was recorded and discussed in this research paper due to the abundance of information requiring separate recording by each researcher. The data collected also adhered to what was accountable by each involved researcher to avoid information overlap as well as conflicts of interest. The study sample comprised 63 companies from various backgrounds located around UiTM Negeri Sembilan Branch. They were randomly selected from the three campuses, namely Kuala Pilah, Seremban, and Rembau.

Results and Discussion

Respondents by their Demographics

Table 1 shows the distribution of respondents (companies/industries) based on location. This study involved a total of 63 respondents. Of these, 21 (33.3%) are from around Kuala Pilah. The same amount and percentage (21, 33.3%) are from around Seremban and Rembau respectively.

Table 1. Demographic distribution based on location.

Location	Number	Percentage (%)
Kuala Pilah	21	33.3
Seremban	21	33.3
Rembau	21	33.3

Table 2 shows the distribution of respondents by type of business ownership. A total of 45 companies (71.4%) are *Bumiputera* and 18 companies (28.6%) are *non-bumiputera*. Of the total 63 companies, 2 (3.17%) are multinational companies.

Table 2. Distribution of respondents by type of business ownership.

Type of ownership	Number	Percentage (%)
Bumiputera	45	71.4
Non-bumiputera	18	28.6

Table 3 shows the distribution of respondents based on type of industry that were operating around UiTM Negeri Sembilan Branch in Kuala Pilah, Seremban and Rembau. A total of 54 respondents, which

is 85.7% are small industries and the remaining 9 (14.3%) are medium industries.

Table 3. Distribution of respondents based on type of industry

Industry Category	Number	Percentage (%)
Small Industry	54	85.7
Medium Industry	9	14.3

Figure 1 shows the findings of the study for the distribution of industrial sectors around UiTM Negeri Sembilan Branch in Kuala Pilah, Seremban, and Rembau. The result shows, the largest percentage of 71% (45) are industries that offer services, 5% of 13 companies are from the manufacturing sector, and 24% are others. Industry sectors in other categories are such as vehicle rental business, catering, retail, food and beverage as well as agriculture.

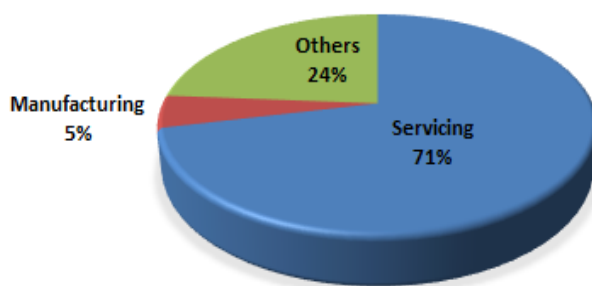


Figure 1. Industry sector

Based on Figure 2 (histogram), the findings of the study for the highest industrial / business main products are food business (21), restaurants (9), and also grocery business (8). Followed by 8 printing businesses, 2 respondents opened their respective clinics, clothing, and salon businesses. Other business opportunities are the rental of tents, running grocery stores, workshops, barbershops, traditional massage services, and car rental.

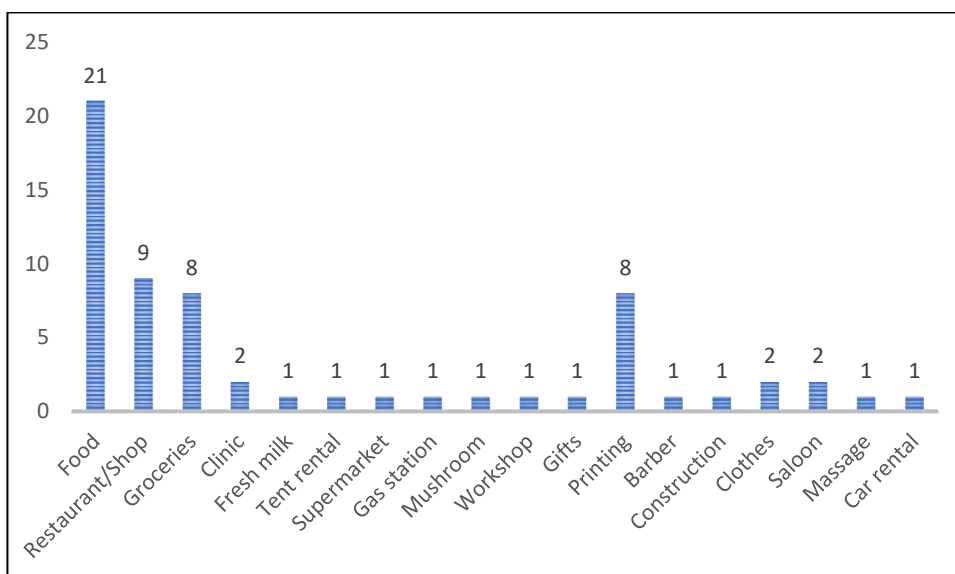


Figure 2. The main product of the industry / business

Figure 3 shows that out of a total of 63 businesses, 52 or 83% of the businesses have registered and obtained a legitimate local counsel license from *Pihak Berkuasa Tempatan* (PBT) and the remaining 11 (17%) are unregistered small businesses. The unregistered business could be the ones that are carried out on part-time business or run as small-scale business from homes only such as traditional massage or serving food from homes. Figure 4 shows that 56 business premises (89%) are operating from permanent premises, while 11% or 7 businesses are run from non-permanent status.

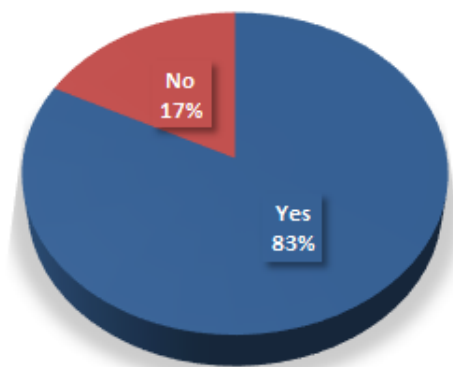


Figure 3. Registered business with *Pihak Berkuasa Tempatan*-PBT)

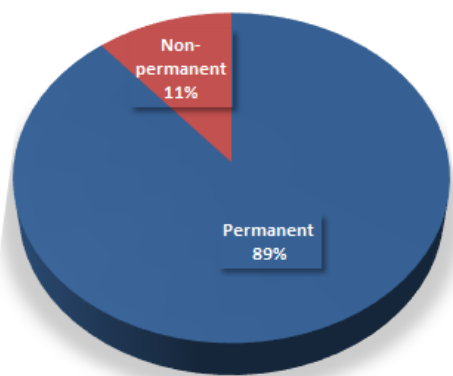


Figure 4. Status of a business premise

Figure 5 shows the industry ownership level. Data revealed that the highest number of business are run by sole proprietorship which accounts for 49 businesses (79%), followed by 6 (10%) that are run as partnership business operation. This is followed by 5 (8%) which are run as private limited companies, and finally 2 (3%) are public listed companies.

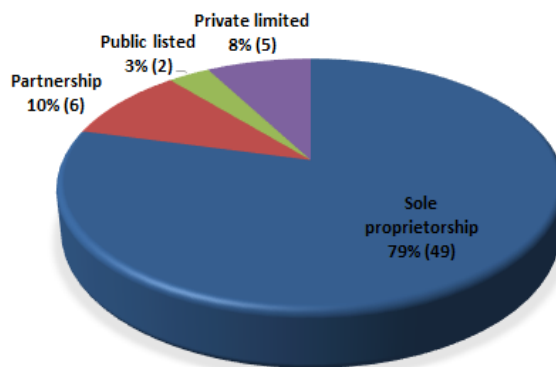


Figure 5. Industry ownership

The data also revealed that, the majority of respondents were business owners (34, 54%), while 20 (32%) were employees in the company and a total of 8 respondents (13%) are company managers. There was one respondent who chose not to reveal his/her position within the business operated. This data is shown in Figure 6.

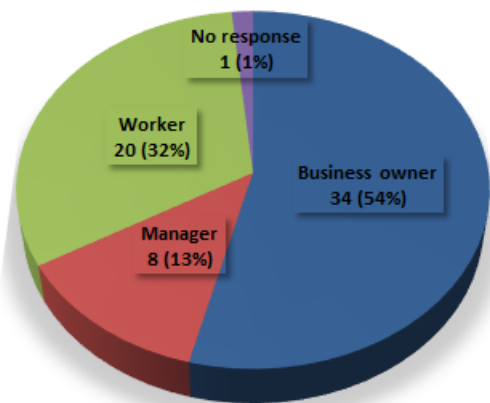


Figure 6. Positions within the company

Figure 7 shows the estimated annual gross income (RM) of the businesses operating around UiTM Negeri Sembilan Branch. The highest number was 7 (11.1%) out of the 63 businesses earned more than RM 70,000 annually. This is followed by 6 businesses that generated more than RM50 thousand annually, and another five businesses also stated that their gross income was more than RM150 thousand a year. Figure 7 shows that the highest gross revenue was more than 3 million and only 1 business company recorded that amount. There are 3 companies that earned a gross income more than RM 2.5 million, another three earned more than RM 300 thousand, any yet another three business reported they earned more than RM 350 thousand annually. Most of these companies are from the medium industry category. There are 16 businesses with a gross income of between RM 10 thousand to RM 50 thousand, and 5 businesses in the small industry category with a gross income below RM 10 thousand. There was 1 respondent who did not provide any feedback.

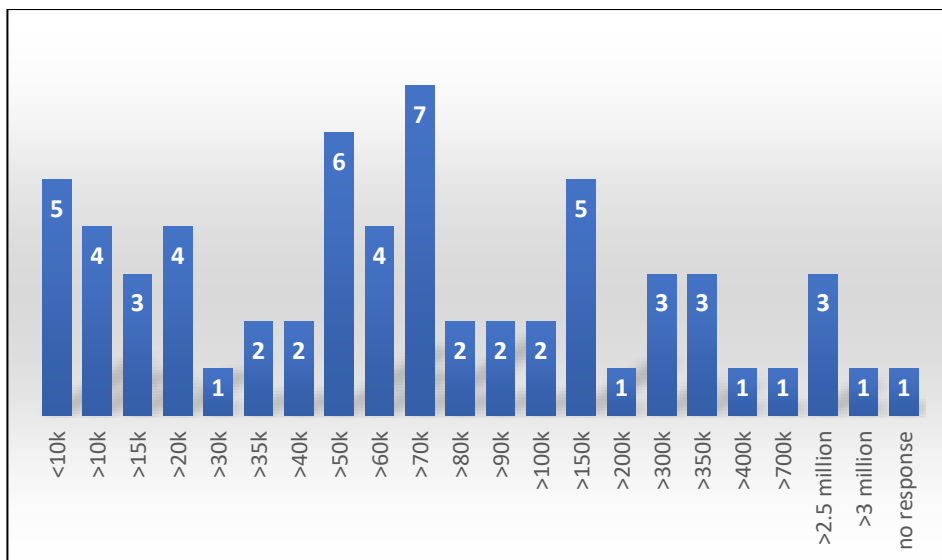


Figure 7. Annual gross revenue (RM)

Figure 8 shows the proportions of the said annual gross income by the companies that was generated from UiTM Negeri Sembilan branches. Interestingly, it is found that 34 out of 63 companies earn 50% or more of their income from staff and students of UiTM Negeri Sembilan campuses that was located close to their business. 2 of the companies earn 100% income from UiTM. Only 2 companies do not get any income from UiTM, most likely, the main product of this company / business is not directly related to the needs of UiTM staff and students. This finding shows the economic influence and impact of the existence of UiTM on the population living around UiTM Negeri Sembilan branch.

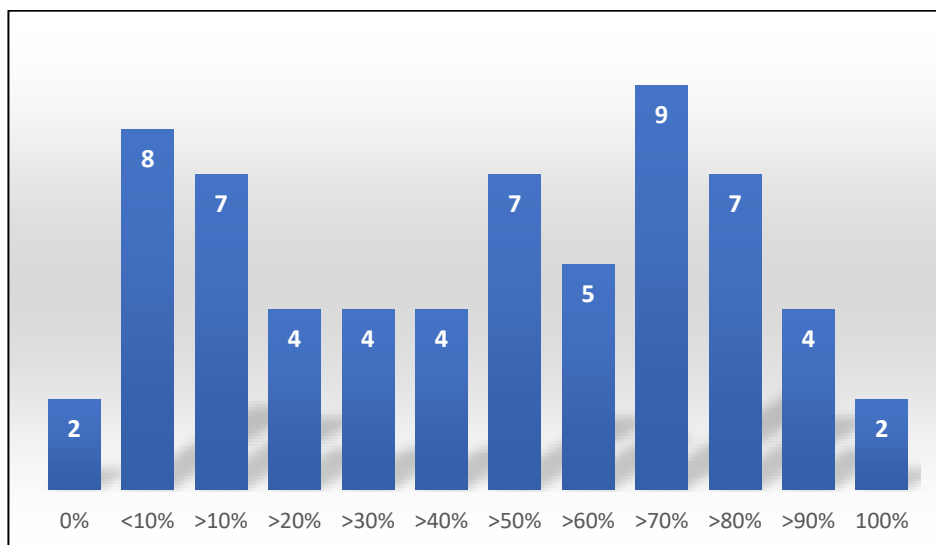


Figure 8. Estimated percentage of gross income of companies earned from UiTM

The data also revealed that 3 (5%) of the business owners are former UiTM graduates, namely 2 alumni from Rembau campus and one alumni from Dungun campus (Figure 9).

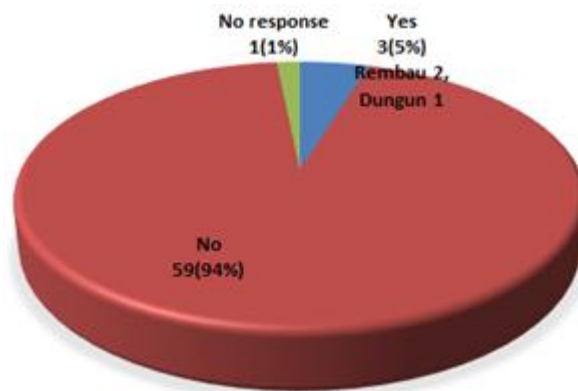


Figure 9. Businesses owners by former UiTM graduates

The number of employees in each company is shown in Figure 10. It is found that the majority of companies 36 (57%) have employees 1 to 5 people. Followed by 17 companies (27%) with 6 to 10 employees. One company stated that it employs between 30 to 40 employees, while another one stated that it has between 40 to 50 people working under it. Both these companies that has more than 30 employees were from the medium-scale industries.

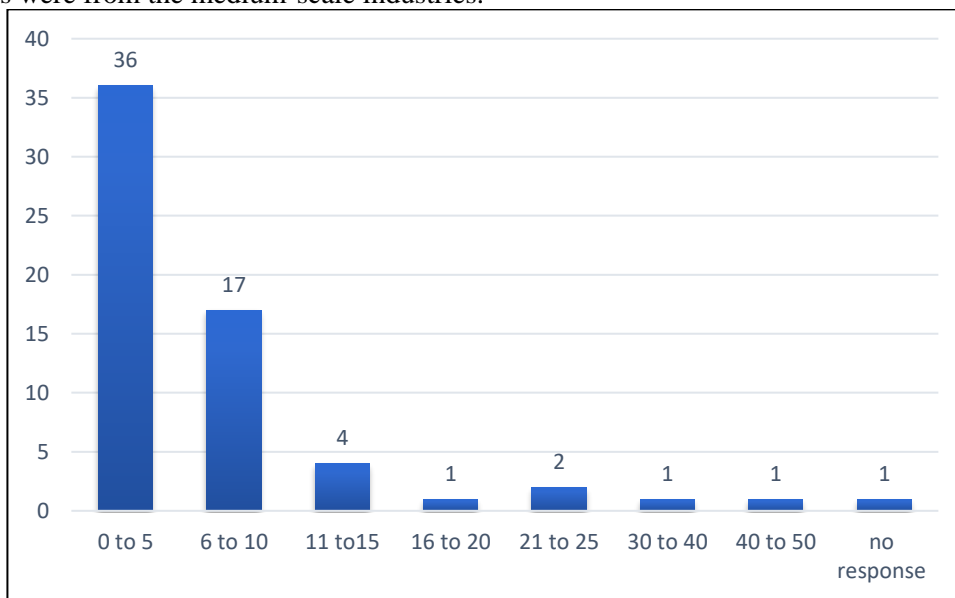


Figure 10. Number of employees in the company

The impact that the three campuses of UiTM Negeri Sembilan Branch had on the business is shown in Figures 11, 12 and 13. It was found that 57 companies (91%) admitted that the presence of the branch campuses to some extent has contributed to the growth of their business. 4 respondents felt UiTM branch campuses had not impacted the business and 2 had no response.

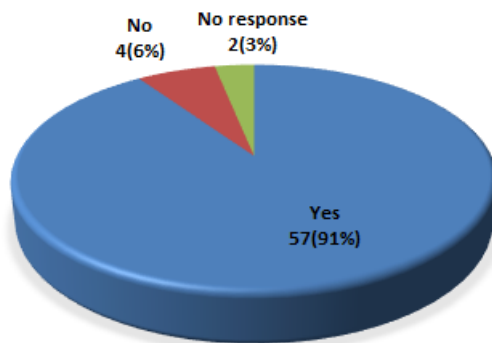


Figure 11. The impact of the presence of UiTM Negeri Sembilan branch on the growth of local business

The data further revealed that 58 respondents reported that their business would be affected if UiTM Negeri Sembilan Branch did not exist. Of that 58 respondents, 29 reported that the impact felt by their business would be at ‘minimal level’, 20 at ‘moderate level’ and 9 at ‘high level’.

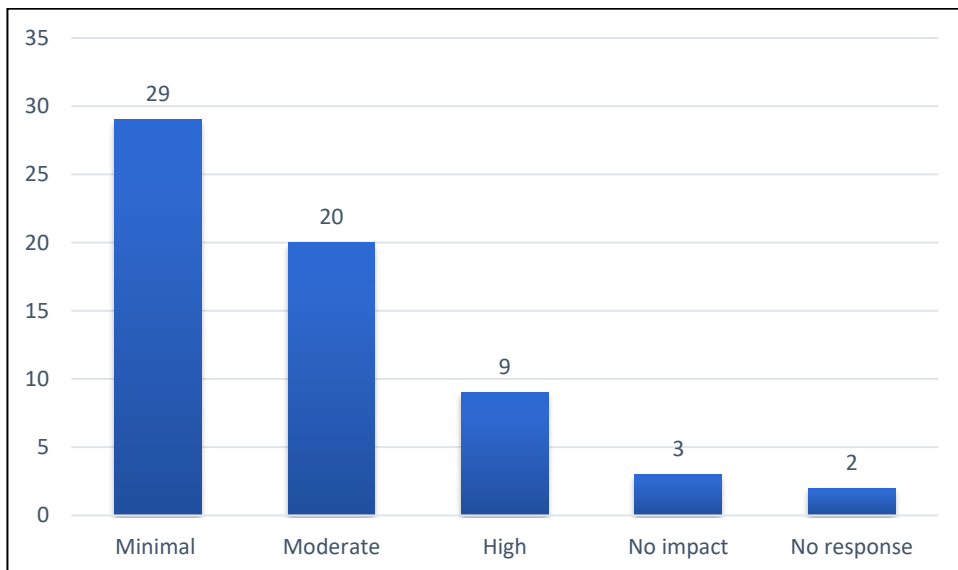


Figure 12. Significant impact on your industry/business if UiTM does not exist

Next, the questionnaire seeks to find how the staff and students of UiTM Negeri Sembilan branch affected the business community in terms of market opportunities, consultations, energy resources and training. Respondents were asked to sort this form of contribution according to priority from 1 to 4, where the value of 4 is the most important. The results are observed and displayed in Figure 13.

In terms of significance, it was found that 51 companies felt that UiTM's biggest contribution to their business was on market opportunities. The second largest contribution is in terms of energy resources with 30 respondents selecting it. Followed by consultation and training. However, these contributions are seen differently in each company depending on the type of business as well as their needs.

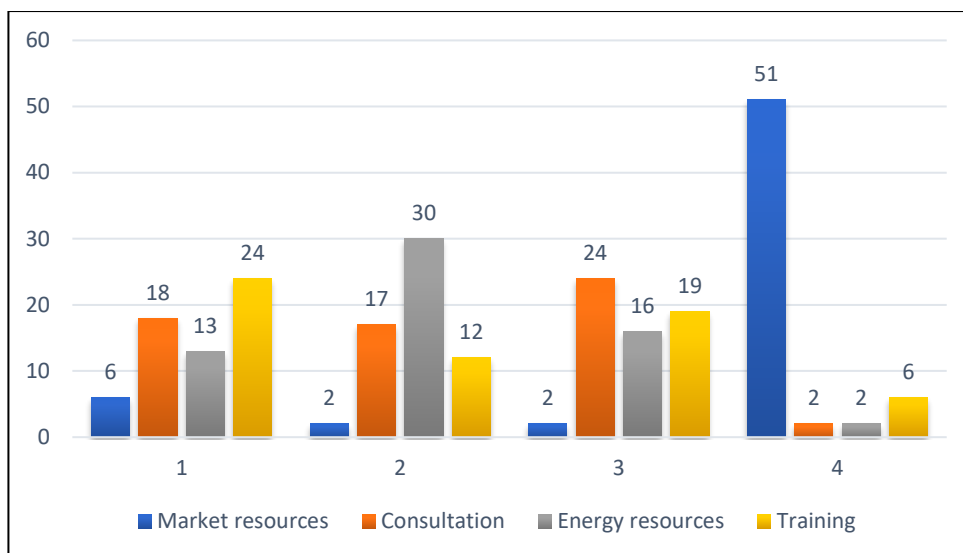


Figure 13. The contributions of UiTM Negeri Sembilan branch and its members to the business (sorted by priority)

This article demonstrates how the existence of an institution of higher learning in a particular area has significantly impacted the economic growth of the local region through the spending generated by students and staff of the institution. Based on the empirical evidence presented above, it is clear that the expenditure incurred by students and staff of UiTM Negeri Sembilan Branch in acquiring goods and services in the town or area surrounding the campus has led to the growth of various types of business premises in this area (Zamri, 2023; Guerrero et al, 2015; Parker et al, 2023). The positive impact of UiTM on the economic growth of the local area, as shown in this study, provides a true picture to all parties that the substantial allocation made by the government in developing an institution of higher learning in a particular area not only serves as a place to provide higher education opportunities to the community but also brings about a very significant impact on local economic growth (Mohamad et al., 2021; Rozelia Aznie et al., 2014).

Conclusion

The findings of the present study revealed that UiTM Negeri Sembilan Branch has impacted favourably the economic sector of the community living around the locality of the UiTM Negeri Sembilan branch campuses in general and has contributed to better growth in revenue for the local businesses. This finding is very encouraging and has led to a positive impact on the growth of local businesses. The findings further found that 57 companies (91%) admitted that the presence of UiTM Negeri Sembilan Branch has been a driving force to propel businesses in their locality and has led to the growth in their business by offering marketing and consultation opportunities, services, as well as offering training and skills opportunities. Whether the business is small or medium industries, all have reported favourably that the presence of UiTM Negeri Sembilan branch has contributed to the growth of their business. Although there are businesses that do not offer products and services needed by the population of the branch campuses, but they are aware that the development brought about by the existence of UiTM Negeri Sembilan branch campuses have one way or another has brought in a positive impact on the surrounding areas in general. For example, more small and medium businesses that offer different type of business and services have flourished, level of public services have been upgraded, a variety of residential areas have come up such as apartments, terrace houses, shopping malls and etc., improved public facilities, an increase in the local population, and an increase in the job opportunity and employability. The results of this study can be analysed with other findings to see the relationship with the three forms of economic impact, namely primary, secondary, and tertiary impact. Studies should be continued in the future to implement improvements to obtain a very beneficial impact to the locals

where they also feel the benefits with the existence of UiTM near where they live. UiTM can also empower more creative and innovative mechanisms in social development and aim at the well-being of the people.

Ethics Statement

The research was completed on 30 May 2021 under Prof Dr Roziah Mohd Janor (Project leader) - 600-RMC/DANA 5/3/BESTARI (TD) (003/2019).

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Author Contribution

A S. Kasawi wrote the problem statement and literature review. N. J. Azman performed the data collection, data analysis and structure of the paper.

Conflict of Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this article.

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