Level Of Readiness Of The Surveying Profession In Facing Liberalization

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Commission No. 1

Organization of Presentation

- Introduction
- Motivation
- Methodology
- Findings
- Discussions
- Way Forward

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Introduction

- World Trade Organization (WTO) globalization policy
- Request to liberalize trade barrier
- Malaysia – proposed FULL liberalization by 2015.
- Taking note also that the Trans Pacific Partnership Agreement (TPPA) is almost a done deal soon.

Malaysian Gradual Liberalization Move 1998 - 2013

- Under 1998 initiative- foreign co. can operate locally
- 1998 1st pledge - agreement to liberalize in agri, labour intensive manufacturing & services
- 2010 30% Bumiputra equity/participation/shareholding
- 2012 Healthcare, education & professional services
- 2013 Further liberalization of professional services

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Many Forms Of Trade Barrier

• Laws, regulations, rules
• Policies & procedures
• Tariff & taxes
• Quotas, subsidies
• Protectionism
• Bureaucracy and the likes

Research motivation

In view of the above developments Together with the aggressiveness of foreign companies in trying to penetrate domestic trade of Malaysia or other smaller countries

Focuses on surveying professionals or surveying communities as one of the affected sectors
Points To Ponder

HOW READY IS THE SURVEYING PROFESSION AS ONE OF THE AFFECTED PROFESSIONAL PROFESSIONS IN FACING FULL LIBERALIZATION?

Assess the impact of liberalization on the future of surveying professionals and business sustainability

Research Objectives

1. Investigate the surveying professionals’;
   a. level of readiness in facing liberalization locally
   a. Whether they can competitively compete abroad
   a. Their business sustainability
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   a. Whether they can competitively compete abroad
   a. Their business sustainability

Research Contribution

• Useful insights for business owners, professional bodies, decision makers & policy makers at national level

• In improving current trade policy, if any, Malaysia’s business and economic strategies and action plans
Research Methodology

Research is exploratory in nature → Investigating a new subject matter

Mixed mode method → Qualitative & Quantitative approach

Data are collected using research instrument – survey questionnaire, official & policy documents, literature reviews → Data are analyzed and described in descriptive manner with data and numbers described in percentages or frequency

Respondents/ sample – surveying professions → Using purposive and simple random technique

Literature Reviews

Readiness Is Built Upon

1. Knowledge
2. Willingness
1.2 Ability
Details of RWA

1. Awareness & Understanding = Knowledge

1.2. Prepare = Ability

2. Willing = Ready

Measurement on Level of Readiness

1. Personal Level

2. Organizational level

3. National Level
Survey Questions

Part A: DEMOGRAPHY

Examples of data collected

Status
• Local, foreign, Foreign Company with local shares, Local Companies with Foreign shares

Ownership
• Business owners, employees, independent contractor

Types of business entity
• sole proprietor, partnership, private company, public companies

Nature of employees-employer background
• ethic bias, mixed

Employee –employment
• local, foreign

Examples: Types Of Questions Asked

Diversity of employee
• local, foreign

International exposure
• yes, no

Form of international exposure
• work experience, internship, seminar, / informal

Venue of seminar
• local, abroad

Age group & status of employment
• sets of age group versus their status in employment e.g employee, business owner, partner, senior partner, associate etc

Sources of business capital
• personal pocket/personal loan/family, commercial loan, investment
Measuring the level of knowledge (1) = Look at the awareness

- Awareness of liberalization
- Aware the meaning of liberalization
- Aware the impact of liberalization
- Aware the negative impact of liberalization to business

no idea, unclear, yes, very clear

Measuring the level of knowledge (1) = Look at the understanding

- Meaning of liberalization
- Understand of impact of liberalization
- Understand the negative impact of liberalization to business

no idea, unclear, yes, very clear
Part D: LEVEL OF ABILITY IN FACING LIBERALIZATION

Measuring the level of ability (1.2) = Look at the preparation

- attending short courses,
- Increase of finance capital
- diversity of finance capital
- appointment as partners/senior partners
- Seeking greener pastures elsewhere
- Leave the industry

Part D: LEVEL OF READINESS IN FACING LIBERALIZATION

Measuring the level of readiness (2) = Look at the willingness

- Increase of finance capital
- diversity of finance capital
- Merger & acquisition,
- JV,
- Sale & purchase of business share exercise
- Expansion or reduction of business size
- Appointment as partners/senior partners
- Venture & compete abroad
Survey Findings

1846 eligible surveying professionals
317 responded

17% response rate – a good & valid number by Malaysian standard

Respondents Profession Breakdown

<table>
<thead>
<tr>
<th>Land Surveying (%)</th>
<th>Quantity Surveying (%)</th>
<th>Valuers and Estate Agent (%)</th>
<th>Building Surveying (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>48%</td>
<td>13%</td>
<td>7% &amp; 12%</td>
<td>20%</td>
</tr>
</tbody>
</table>
### Part A: DEMOGRAPHY

#### Status

<table>
<thead>
<tr>
<th>Local (%)</th>
<th>Foreign (%)</th>
<th>Local + 49 Foreign shares (%)</th>
<th>Foreign + 49 Local shares (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>94.4</td>
<td>1</td>
<td>3.2</td>
<td>1.4</td>
</tr>
</tbody>
</table>

#### Ownership

<table>
<thead>
<tr>
<th>Business owners</th>
<th>Employees</th>
<th>Independent contractor</th>
</tr>
</thead>
<tbody>
<tr>
<td>49.9</td>
<td>40.1</td>
<td>11.8</td>
</tr>
</tbody>
</table>

### SOME IMPORTANT FINDINGS

#### LEVEL OF AWARENESS ON LIBERALIZATION

<table>
<thead>
<tr>
<th>Poor</th>
<th>Unclear</th>
</tr>
</thead>
<tbody>
<tr>
<td>78.9</td>
<td>19.4</td>
</tr>
</tbody>
</table>

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Part C: LEVEL OF KNOWLEDGE ON LIBERALIZATION

Understanding

- 12% understand liberalization.
- 76.9% of respondent equate ease of trade barrier with total removal of trade barriers.
- 70% do not believe that Malaysia is allowed to impose certain restriction in the name of national interest.

Contraction

- 70.6% stated that under full liberalization community stands and equal chance of getting business locally and abroad.
- Yet 64% think that opening the domestic market would saturate market thus limit their chance of doing business.

Some General Findings

Not Ready - Level of Readiness is Low

a. At personal level
b. At organizational level
c. At National level

Level of Awareness + Knowledge = Mixed

But still generally low

Considering Liberalization is Coming Fast
Part D: LEVEL OF READINESS IN FACING LIBERALIZATION

**Details = At personal level**

- 75% had attended short courses in last 6 months – more on technical knowledge less on other generic knowledge.
- Only 34% believe that generic, soft and communication skill are integral and important part of business.

**Opportunity**

- 33.7% respondents have considered quitting job completely.
- 33.1% have thought of quitting local company to join foreign company.

**Details = At Organization Level**

- 23.8% have briefed their staffs about liberalization. 63% remains uninformed.
- 23.8% selective in informing professionals only.
- 59.8% does not believe on internship abroad for exposure.
- 25.6% thought of reducing number of employees once profession is fully liberalized.
- 36.9% willing to sell share to existing professionals.

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Part D: LEVEL OF READINESS IN FACING LIBERALIZATION

- Most Ministries, Decision Makers, Policy Makers & Top Management of government have received documents or information on full liberalization
- Less than 25% of them have briefed their staffs about liberalization.
- Less than 10% have selective informed staff
- About 23% are not worried
- Most have positive outlook towards full liberalization

DISCUSSIONS

1. Largely sole proprieties followed by
2. Partnerships and very few
3. Private limited company

- Theoretically 1. and 2. are susceptible to economic crisis or turbulence > 50%.
- Thus uncertain whether they could face onslaught of bigger and better finance foreign entities.

- Data indicates the professionals and business entities are not responding sufficiently and quickly enough for a full blown liberalization.
- Community not geared on formulating policy, strategy, action plans, capacity building and others to equip business organization to face full liberalization.
WAY FORWARD

Some suggestions to improve the existing situations and strengthen the surveying profession:

• cannot adopt “wait and see” attitude.
• continuously equip oneself with knowledge
• need to understand what liberalization means, its implication and to device strategy and action plan to ensure business sustainability.
• need to be technology savvy and up-to-date with the latest technique in surveying sciences.
• must diversify into other fields.
• amalgamation to form bigger company with multi-talented capabilities.
• should re-examine capabilities and weaknesses and focus on capacity building to allay the problems.
• To come up with win-win formula for nation as a whole.

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Thank you for your attention!

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