

Leadership Empowerment: Financial Management Autonomy of Student Activities under Student Union

(Pemeriksaan Kepimpinan: Autonomi Pengurusan Kewangan Aktiviti Pelajar di bawah Kesatuan Pelajar)

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ABSTRACT

The student empowerment agenda is a primary essence at the National University of Malaysia (UKM) to achieve one of the main goals of T.E.R.A.S. UKM (Talent, Ethics, Revitalize, Agile, Soul), which graduates marketability. To achieve this goal, UKM students are given autonomous authority to plan and execute impactful programs or activities beyond the classroom, whether domestically or abroad. There are ten critical domains of student empowerment at UKM, and students are encouraged to engage in these domains to develop valuable soft skills actively. Interestingly, autonomous power has been expanded, and the Student Union of the National University of Malaysia (KMUKM) has been given full authority to distribute student activity funds as of February 2023. Over the initial six months of this financial autonomy, KMUKM received 403 applications, amounting to MYR1,438,027.01. However, only 42.7% of these applications were certified and approved by KMUKM. Various student clubs and organizations have benefited from this fund. The KMUKM President directly assesses applications under MYR3,000, while those exceeding MYR3,000 require a pitching session. This autonomy has empowered KMUKM leadership, encouraged student-driven initiatives, streamlined bureaucratic processes, and facilitated quicker handling of student applications. Overall, it enables students to have more excellent financial governance.

Keywords - leadership empowerment, autonomy, financial management, student activities, KMUKM.

ABSTRAK

Agenda pemerikasaan pelajar merupakan intipati utama di Universiti Kebangsaan Malaysia (UKM) untuk mencapai salah satu matlamat utama T.E.R.A.S. UKM (Talent, Ethics, Revitalize, Agile, Soul), yang menamatkan kebolehpasaran. Untuk mencapai matlamat ini, pelajar UKM diberi kuasa autonomi untuk merancang dan melaksanakan program atau aktiviti yang memberi impak di luar bilik darjah, sama ada di dalam atau luar negara. Terdapat sepuluh domain kritikal pemerikasaan pelajar di UKM, dan pelajar digalakkan untuk melibatkan diri dalam domain ini untuk membangunkan kemahiran insaniah yang berharga secara aktif. Menariknya, kuasa autonomi telah diperluaskan, dan Kesatuan Pelajar Universiti Kebangsaan Malaysia (KMUKM) telah diberi kuasa penuh untuk mengagihkan dana aktiviti pelajar setakat Februari 2023. Sepanjang enam bulan awal autonomi kewangan ini, KMUKM menerima 403 permohonan, berjumlah MYR1,438,027.01. Walau bagaimanapun, hanya 42.7% daripada permohonan ini telah diperakui dan diluluskan oleh KMUKM. Pelbagai kelab dan organisasi pelajar telah mendapat manfaat daripada tabung ini. Presiden KMUKM secara langsung menilai permohonan di bawah MYR3,000, manakala yang melebihi MYR3,000 memerlukan sesi pitching. Autonomi ini telah memperkasakan kepimpinan KMUKM, menggalakkan inisiatif yang dipacu pelajar, memperkemas proses birokrasi, dan memudahkan pengendalian permohonan pelajar dengan lebih pantas. Secara keseluruhannya, ia membolehkan pelajar mempunyai tadbir urus kewangan yang lebih cemerlang.

Kata kunci - pemerikasaan kepimpinan, autonomi, pengurusan kewangan, aktiviti pelajar, KMUKM.

BACKGROUND OF THE PROGRAM

Student Leadership Bodies, especially the Student Representative Council (MPP) and Student Union (SU), are often assumed to have only two primary responsibilities. First, it serves as the voice of the students, advocating for concerns, needs, and interests at the university's highest level, and second, it organizes activities or programs that enhance the student experience (Ismie Roha Mohamed Jais et al., 2020). This is because the process of appointing MPP or SU members often involves an election in which students vote for them to be representative of their voices and to look after their well-being. However, their obligation or responsibility actually goes beyond that. Other than those two, MPP or SU is also accountable for acting as a check and balance for university policy. This is due to the fact that they must actively participate in university policies and decisions, providing feedback and input to ensure that the policies and decisions are aligned with the interests of the students. For instance, this function is in line with the vision of the Student Union of the National University of Malaysia (KMUKM), which determined to be a student leadership body that acts progressively in contributing to the progress and development of the university by acting as the backbone and check and balance for every journey and planning of the university by prioritizing students as the key stakeholders (Mohd Suzeren Md Jamil et al., 2023). Next, MPP or SU serves as the university's official face. This is demonstrated when they represent the university at external events or conferences, as well as when they collaborate with other student councils or organizations on a regional or national level. MPP or SU may also distribute resources to student clubs, groups, and organizations, such as financing and support, to ensure they have the necessary resources to function effectively. This task becomes more onerous now that the previous Minister of Higher Education, YB Dato' Seri Mohamed Khaled Nordin, has delivered the Ministry of Higher Education's 11 main agenda and the students' empowerment is listed as the 11th agenda. This agenda involves four activities: autonomy in activity management, student political freedom, total involvement in the Student Representative Council, and total autonomy in financial management (Mohd Suzeren Md Jamil et al., 2023). Even though the agenda involved only four activities, the case may differ in the UKM (Mohd Suzeren Md Jamil et al., 2023). The student empowerment agenda is of the main essence at UKM in an effort to achieve one of the main goals of T.E.R.A.S. UKM, which is the marketability of graduates (*T.E.R.A.S naratif baharu UKM*, 2021).

To ensure this goal is successful, UKM students are given autonomous authority to plan and implement any impactful programs or activities outside the lecture room, whether domestically or abroad. At UKM, there are 10 domains of student empowerment, namely leadership, innovation, sustainability, culture, sports, health, volunteering, uniformed bodies, and moral values (*T.E.R.A.S naratif baharu UKM*, 2021). Students are given the freedom to be actively involved in these domains to improve soft skills. Interestingly, autonomous power has been expanded, and the KMUKM is given full authority to determine the distribution of student activity funds (Mohd Suzeren Md Jamil et al., 2023). Starting February 2023, the student leadership led by KMUKM has a full role in distributing it fairly without any more interference from the university management. Before this empowerment agenda was implemented, the financial management of student activities was managed by KMUKM members with the intervention of the UKM Student Affairs Center. After having this autonomy for more than six months, KMUKM has developed a set of rules or procedures to make sure they manage their finances wisely and effectively. This autonomous power empowers leadership in several ways, such as accountability, flexibility in decision-making, development of strategic planning and efficiency (Wan et al., 2020).

MENTOR AND MENTEE

In UKM, there are almost 200 registered student organizations that comprise faculties, academic colleges, associations or clubs, and uniformed units. Under all these organizations,

some organizations are formed for each program that they organize. However, they are still under the supervision of the heads of their respective organizations. All these student organizations have their own funds that either come from profits gained from previous programs or annual allocations and contributions from registered departments associated with them. These funds are used to run the programs under their management throughout their tenure. Besides that, some organizations will gain more funds from running businesses and looking for sponsors from outside companies. However, there is another source of funds which has been one of the main sources of funding for almost all programs that have been carried out or participated in by UKM students, which is the student activity fund under the management of KMUKM. This student activity fund, which we call "Tabung TKP23" is a fund from the collection of undergraduate student

activity fees of MYR50 per head for each semester, and it is indeed reserved to fund all student activities carried out or participated in either inside or outside UKM. KMUKM is fully responsible for distributing and allocating the funds to all programs that come to apply for funding for their programs fairly and efficiently without any interference from the higher authorities of the university (Mohd Suzeren Md Jamil et al., 2023). The funds are not only allowed to be applied by the organization but also to any individual who needs financial assistance to participate in any competition as long as he is registered as an undergraduate student of UKM. KMUKM also uses this money to help any student in need through financial incentives.

In this case, KMUKM is the mentor who is responsible for thinking and carrying out the best financial management in distributing the student activity funds, specifically the president and treasurer. The best practice is to establish a highly efficient and transparent financial management system to prevent dissatisfaction among students receiving funds. The reason why KMUKM is given this responsibility is that they are the highest student leadership council in the university, and they are appointed and given a mandate through campus election based on the votes of all UKM students (Mohd Suzeren Md Jamil et al., 2023). Those who are successfully appointed to be members of KMUKM are strongly believed to possess a very high leadership value among all students at UKM as they need to meet several criteria that are allowed to contest in the campus election. It is crucial for them to earn the students' trust, convincing them that they are the rightful leaders to represent their voices to the university's higher authorities.

Among the criteria that must be met are that they must have a CPGA of at least 3.00, pass all subjects and have no criminal record inside or outside the university. Students who are in their first year of study are also not allowed to contest in the campus election as they need to gain more experience to understand the university system and governance. The mentees, comprising various student organizations, are guided by KMUKM to understand university financial governance and manage funding effectively for their programs. The ultimate goal is to empower students, particularly in developing leadership skills.

LOCATION SELECTION

UKM's financial management, distinguished among higher education institutions in Malaysia, operates based on KMUKM-developed modules that adhere

to still-relevant university financial procedures. The process for requesting funds from KMUKM employs a hybrid approach: students apply through the university's online 'iStar system' as well as via email. Conversely, financial reports must be submitted in person at Bangunan Pusanika UKM. This requirement for physical submissions, including hard copies of original receipts, ensures that the allocated funds are used as intended and helps prevent any misappropriation of documents.

MODULE

The process of deciding the approval amount of funds for each program is 100% in the hands of KMUKM, specifically the president and treasurer. The module we use encompasses all guidelines and governance procedures for fund approval by KMUKM, which will be detailed further in this section. We will be focusing on four important points that are the main basis used in our module, which are financial approval guarantee guideline, rate setting for budget details, pitching application rate and involvement of KMUKM Financial Secretariat.

Financial Approval Guarantee Guideline

Many suggest that to ensure fair and equitable distribution of funds, each student organization should receive the same allocation, with the freedom to use the funds as needed. For instance, every college club could be allocated MYR5,000 each semester. However, observations and discussions based on past experiences have shown that this financial management method can lead to the misuse of funds by inactive student organizations while simultaneously restricting the autonomy of highly active organizations (Mohd Danial Zulfaris et al., 2020). Thus, KMUKM has identified five important factors that hugely affect the guarantee of funding approval for a program, which are the level of program impact, type of program, level of program, level of student involvement and participation, appropriateness of budget details with the program carried out. In addition, the program must apply one (or more) of 5 T.E.R.A.S UKM, with the two main agendas to be achieved being graduate marketability and income generation.

Rate Setting for Budget Details

After examining the five factors mentioned above, a more crucial check and scrutiny is done on the budget details

attached by the student. The budget that students prepare for each item must align with the spending limits set by the KMUKM and UKM Treasurer's Departments. The items with predetermined rates include banquets, media print materials, accommodation, transportation fuel costs, payments to guest speakers, and program shirts. Each category has specific guidelines. For instance, the rate for guest speaker payments is determined by the speaker's grade and rank. Similarly, accommodation rates vary depending on the location of the program; for international venues, the rates are set according to the country's category.

Pitching Application Rate

The President of KMUKM directly assesses applications under MYR3,000. While programs that apply exceeding MYR3,000 need to undergo a pitching session with the KMUKM President, KMUKM Treasurer, KMUKM Finance Secretariat, KMUKM Advisor, HEP Officer and HEP Finance Unit. The purpose of this pitching session is to evaluate and determine the appropriate amount of financial aid for the student's activities. However, the final decision depends on the President and Treasurer of KMUKM. In addition, KMUKM has drawn up an eligibility guide for a program that intends to apply for funds of more than MYR3,000 in the form of a rubric. Therefore, this ensures that only programs meeting the criteria based on the five factors mentioned earlier are eligible for a pitching session to receive allocations exceeding MYR3,000.

Involvement of KMUKM Finance Secretariat

In order to ensure high transparency and impartiality in approving the amount of funds for each program, KMUKM has taken the initiative to create a KMUKM Finance Secretariat consisting of 7 students from the Faculty of Economics and Management. The purpose of establishing this secretariat is to get insights and opinions from students who have expertise in the field of finance (Chong et al., 2021). The secretariats are also involved in the pitching session so that they can advise KMUKM about the amount that should be approved. Apart from that, they also perform a monthly analysis of cash disbursements.

ACTIVITIES

KMUKM carries out three main activities to educate students about financial management at UKM: KMUKM Financial Town Hall, Pitching Session, and

Publication of KMUKM Financial Handbooks.

KMUKM Financial Townhall

This town hall is held at the beginning of each semester. The main agendas are to present the financial report for the previous semester and a procedure explanation session to the organization with new members, most of whom still have no experience in university financial management. The purpose of last semester's financial presentation was to ensure transparency between KMUKM, which manages student activity money, and all students because they have the right to know where their money is used (Ahlam Mohd Kamela & Sheerad Sahidb, 2021). In addition, during the town hall session, there was also the presentation of awards to several programs that showed good value and impact, and this awarding aimed further to increase the enthusiasm and competitiveness of the students to organize the best program among all the programs.

Pitching Session

A pitching session is conducted for programs requesting funds over MYR3,000, involving key stakeholders such as the KMUKM President, KMUKM Treasurer, KMUKM Finance Secretariat, KMUKM Advisor, HEP Officer, and HEP Finance Unit. The purpose of this pitching session is to evaluate and determine the appropriate amount of financial aid for the student's activities. However, the final decision depends on the President and Treasurer of KMUKM. This pitching session is scheduled to occur twice each month. An annual schedule is distributed to all students at the start of each semester, enabling them to plan the optimal time to apply for funds from KMUKM.

Publication of KMUKM Financial Handbooks

During KMUKM's management of financial affairs, a persistent issue has been the frequent repetition of the same questions by students. This problem stems from the lack of a written guide detailing the entire financial procedure, which is particularly challenging for those new to university financial management (Ana Shakirah Md.Sapir @ Md.Shafik & Wan Marhaini Wan Ahmad, 2020). To address this, the KMUKM Treasurer for the 2022/2023 session has created a comprehensive guidebook on KMUKM finances. Hard copies of the guidebook are distributed to each treasurer of the main student organizations, while soft copies are made available to others.

PROGRAM IMPACT

The development of this financial module has increased efficiency in financial management, where the withdrawal of money is still under control and does not exceed the set limit (Chong et al., 2021). Additionally, numerous universities have requested to use this model as a reference for financial management in their institutions. Several benchmarking visits to UKM have been conducted, allowing other universities to observe how KMUKM operates as a union, particularly in terms of financial management, which is a frequently discussed topic.

CONCLUSION

The best financial management is the one that has a high level of efficiency, which is crucial in the development of student activities. It is crucial to consider all stakeholders in the governance of this financial management to ensure fairness and equity for everyone involved.

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