

**TRANSCRIPTION OF THE INTERVIEW WITH PROFESSOR JOSEPH ADAIKALAM, PRESIDENT  
OF BINARY UNIVERSITY, MALAYSIA**

**UNIVERSAL NEWS: Asia has the highest growth in the whole of the world and it will represent 70% of global demand by 2025. How is the region preparing itself for this huge amount of demand?**

**PROF. JOSEPH ADAIKALAM:** I think there are a few countries in ASEAN (Association of Southeast Asian Nations) that have already started to position themselves as educational hubs. These include Singapore, Malaysia, Vietnam and Thailand. Malaysia started to position itself as a key player in the education arena way back in 1995 when the Government took proactive measures to introduce policies as well as incentives for the private sector to move beyond the shores of Malaysia.

Secondly, Malaysia was the first country in the world to have twinning programs. These are programs where part of a foreign degree program is completed in Malaysia and the remaining part is completed at the parent university in the U.K. or Australia or the U.S. Malaysia was a pioneer, and in other words, Malaysia already had a lot of experience dealing with British, American and Australian education before it decided to go abroad and look for students to come to Malaysia. We had a key advantage there.

As you rightly said earlier, most people here speak English so it is not forced upon them – it comes naturally. They do not just study it in the classroom; they use it in everyday life. When I go back home, I speak to all my children in English, right up to bedtime. We hardly speak other languages, and this is quite common in many homes in the urban area. We can speak the other languages very well, but English is widely used.

Malaysia has become a top country in the world in terms of attracting international students. This was not the case in the early 1990s, but within a short period of time, we reached the top 12. We are actually number 11 at the moment and we have 2% of the total global market share. The Malaysian Government believes that the next engine for growth in education is private universities. The Malaysian Government is not going to build any more public universities, which means that private universities which are already established (like Binary which has already been around for 27 years) are going to see the golden era in the next couple of years, simply because as a country, we are already well-positioned in terms of higher education.

Some markets are very keen to come here simply because of the Islamic factor. Malaysia is an Islamic country, so that in itself is a huge market for us. As a small and specialised university, we have students from over 40 countries studying here. I would say that the country's leaders have done their job properly, and they have come up with the right kinds of incentives to push the forward-thinking private institutions. The private institutions themselves have also done their homework and they have acquired experience around the world, and English (the language of instruction we use in all private universities) is a global language. There is no discrimination either and this is important for foreign students.

**UNIVERSAL NEWS: I read recently that 1,500 languages are spoken in Southeast Asia, which is just astonishing. There is cultural diversity, but at the same time there is a bonding factor in Malaysia and everyone, particularly the Government is taking more time to invest in their people. In your**

**opinion, what is this going to do as far as changing perceptions of the region is concerned? What effect will this have?**

**PROF. JOSEPH ADAIKALAM:** I think the level of change will differ from country to country. It is quite difficult to sum it up as a region, but I think two countries will stand out – Singapore and Malaysia. This is simply because of the English language advantage that we have. English is officially the second language in our country and in Malaysia we have the added advantage of the cost being half of what it is in Singapore. Many people will be looking at cost in this region, other than the fact that we are one of the Asian tigers or the leaders of the ASEAN economy.

Students will be able to engage with industry here, and that is very important. Students coming from different parts of the world will develop talent, but how will this talent be used in industry? Malaysia currently has a problem because a lot of our talented students have left Malaysia and gone to different countries. I am just finishing up an article that is going to come up in the *Australian Times* which talks about Malaysian students needing to wake up to the fact that talent from around the world is now coming to Malaysia, and employers are not going to be sentimental about giving jobs to Malaysians. For the first time, they have ample talent from around the world. That is good competition. People are going to look at things from a completely different perspective once that article comes out.

**UNIVERSAL NEWS: You established Binary when you were in your early 20s, which eventually became a university college in 2004. The University specialises in fields like entrepreneurship, business and IT. How is Binary going to cater for this increase in demand?**

**PROF. JOSEPH ADAIKALAM:** When Binary started in 1984, after running the institution for a couple of years, we wanted to engage with industry as much as possible, so we started with the IT giants of the world. We forged strategic alliances with almost all of the IT giants including IBM, Oracle, Sun Microsystems, SAP and so forth. We engaged with these organisations and we told them that we would invest in the hardware, software and people, on the understanding that they would tell us about the technology 18 months before it hits the market. Our graduates were therefore equipped with the latest cutting-edge technology, and this was a revolutionary move at the time.

We then started to build IPs (Intellectual Properties) by engaging other industries like the logistics industry, telecommunications and tourism. Binary wanted to produce ISP (Industry Specialist Professional) graduates. Just say you are running a bank and you are looking for a marketing guy – so from the universities you get a guy who has a degree in marketing and knows about marketing management, strategy and market research, but he knows next to nothing about the banking industry. These so-called hybrid graduates had never been produced before in this part of the world, so Binary became the first institution to focus on producing graduates who did not only have a high quality academic degree, but who were also specialised in industry. These are delivered by industry professionals. We have a faculty of academic professionals as well as a faculty of industry professionals. These industry professionals have extensive work experience in a niche area within industry.

For example, if Mr. A specialises in the logistics industry, it is not the logistics industry in generic terms. He could specialise in warehousing, transportation or shipping. We have built IPs after engaging with the industry over the last 15 to 20 years. This is why the Malaysian Government

thought it would be a good idea to upgrade us to a university in 2004. When we were a college, we were offering other people's degrees, and when you do that, this means that industry specialisations were merely value additions. But today, it is mandatory for every student to complete academic training as well as industry training. Industry training is delivered by people from industry and they are paid to do this. It is not something voluntary – we pay them to develop IPs. There are many people who are very experienced in industry, but do not know where to start as far as their experience is concerned.

We spent about 15 to 20 years developing IPs as a response to the issue of how industry should engage with universities, so that graduates can walk and talk the language of industry, by specialising in a specific industry and becoming high -grade professionals.

For the past 27 years we have focused on the five pillars of a good institution – people, processes, programs, culture, ethos and values and research. We feel that a good university should have these five pillars, and that these are more important than the building itself. Now, although you say that this building is beautiful, we are actually developing a green campus where we have acquired 45 acres of land in the most developed state of Malaysia. This campus aims to attract international students who are not at Binary at the moment. Of course, we have students from 43 countries at the moment, but more countries would come if we had different facilities like on-campus residences etc.

We are going out of Malaysia ourselves as well. Without naming any countries or regions, because we now have the experience and the expertise, a lot of red carpets have been thrown at us because of the ISPs. Many countries have realised that one way of reducing unemployment and to create new entrepreneurs is to work with universities which are champions in this respect. About 90% of my graduates do not look for jobs – they will already have two or three job offers before they graduate because of the ISP. When they are doing the ISP, they engage with industry players for three years.

Just say you are running a bank, and a student has decided to specialise in the banking industry. Competitors engage with the student, so when the student gets to the fifth or sixth bank, the banking guy realises that this graduate is no ordinary graduate – he knows a lot of things that you would not expect an undergraduate to know, simply because they are focused on one particular industry. We do not believe in internships – we believe in ISPs for 3 years. You cannot change mindsets in a short period; you need time. Three years is enough for you to change a mindset. That is what makes Binary powerful. The reason why we are attracting students from all over the world is that when students go back to their countries, they start up new entrepreneurial ventures or they are highly employable.

**UNIVERSAL NEWS: Binary is the only university that I have heard of regionally that develops entrepreneurship and ISPs. How do you choose the partner universities you work with?**

**PROF. JOSEPH ADAIKALAM:** Many universities around the world have realised that their output is not employable. Their output is not going out and using their knowledge to create new ventures. Sometimes the best case scenario is just taught as a subject; you cannot teach entrepreneurship. A lot of elements need to be put into a program of this nature and there is a lot of coaching and mentoring involved. You need to bring real entrepreneurs in to teach and to develop entrepreneurs. That is where our strengths lie – we bring real entrepreneurs in to come and teach.

That is why these IPs are so important. The IPs we develop for ISP also helps entrepreneurship students because entrepreneurial opportunities arise in industry. I facilitate the entrepreneurship program, being an entrepreneur myself. I sit in a very unique position in the sense that I am an academic yet an entrepreneur. I call myself an 'acadpreneur'. I have already demonstrated my entrepreneurial skills by developing something from nothing. I am also very socially responsible – we give away millions of dollars of scholarships. The Binary Scholarship Program helps students from over 15 countries around the world. Many students have benefited from this. Many of them do not even know who gave them scholarships. We have also given millions of dollars to Malaysian students locally.

We do not have difficulties finding partners. Firstly we have to find partners who really want to work with us. There are many universities around the world that recognise Malaysia as being a country they can learn from. Countries recognise Malaysia is a role model that they can learn from because it is small, but it is an economic powerhouse in the region. Obviously it did not become an economic powerhouse without the right kind of people, and these people are like us. They shape the economy. We are happy to share with anybody, but we have found that many institutions around the world want to get involved.

As you are writing for an American based media, it is important to mention that it does not have to be an academic partnership. Sometimes as a result of the pillars involved in academic partnerships, this might make things difficult. Binary has a center for social entrepreneurship and a centre for women's leadership and the Asia Center for Entrepreneurship. The Asia Center for Entrepreneurship has a lot of potential to work with both American and European universities and institutions, simply because we are in Asia and we know a great deal.

I would like to see more collaboration between the Asia Center for Entrepreneurship and the Center for Social Entrepreneurship and universities in the U.S. because all parties can learn a lot. All this is linked to economic development.

**UNIVERSAL NEWS: Given the fact that you are pioneering this, others are going to follow inevitably. Binary is a relatively small university; however it is providing an educational solution for the future. Do you agree with this and do you think Binary will be copied by other universities?**

**PROF. JOSEPH ADAIKALAM:** Yes. In terms of ranking, people agree and disagree so you are never going to get an answer. But for us, output is more important than rankings. The results speak for themselves, but our alumni and graduates speak for the institution. Most students who come to Binary come here because they are able to get more than what they would otherwise get from an institution offering a similar program. We are providing ISPs and competitive tools, but we are not charging students more for this. We are providing this for the sake of humankind. If you look into Malaysian institutions further, you will find that among the established institutions (that are around for over 25 years) they are all publicly listed. Binary is the only non-public listed institution of this age category.

Binary is a social enterprise. This means that we do make profit, but these profits are reinvested back into the institution. Although I am the founder of the institution, I do not take a dividend or any profits. From day one until now, I have taken a salary. That is why I place emphasis on the culture,

ethos and values. As the founder, I am setting the culture, ethos and values of the university and these will stand the test of time.

I am very proud of our principles. The reason why I left my career as a chartered accountant to set up an institution when there was no industry at the time was for ethical reasons. Of course, people can copy, but I think the difference is in the passion.

**UNIVERSAL NEWS: If you had a message for the readers of *Foreign Policy* about education or Binary, what would that be?**

**PROF. JOSEPH ADAIKALAM:** The world does not just need graduates and managers – it needs entrepreneurial managers and socially responsible entrepreneurs who will make a difference to society. This university is focused on producing these kinds of people. Three weeks ago a student from Ghana came over here. He was a teacher in Ghana and he left his town and came over to do an MBA here. Towards the end of the 1<sup>st</sup> semester, he had issues paying, so my colleague had to tell him that if he did not pay, he could not take his exams. So this guy was sitting with his head in his hands and I asked him what was wrong. He told me he could not pay and the Bursar had asked him to leave and he was not allowed to take the exams. We hear these stories all the time, particularly from certain markets.

I said I would see what I could do for him and I rang the postgraduate school and asked for his file. I asked him to come and see me, although it is very rare for students to come to my office. This guy was quite taken aback, but I asked him to tell me what the problem was. He said that the person financing him was shot, so he could not pay his fees. He said he could not even go home because he did not have the money. He said that he did not have a solution because the only person who could finance him was now dead. I picked up the phone and told the Bursar to give him a full scholarship. That guy got down on his knees and prayed to me. The difference we can make to people's lives is overwhelming. That is what Binary is about.

**FOREIGN POLICY: Thank you very much.**