

The Dilemma of the Malaysian Bumiputera Furniture Industry Association (PETRA) in the Context of Design and Product Quality

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ABSTRACT

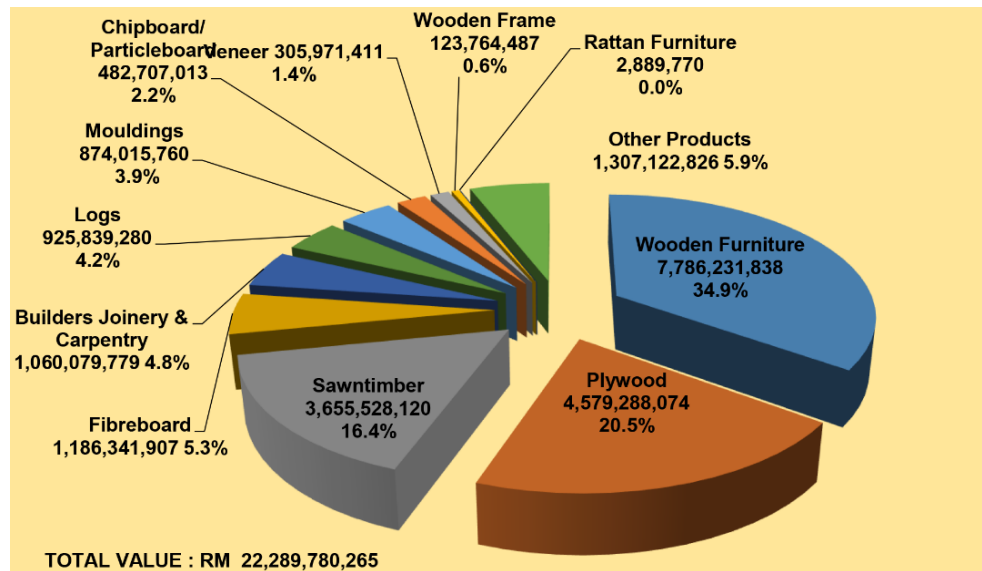
Malaysia furniture exports performance show growth recently. The country's furniture exports increased to RM4.14 billion in the first five months of 2019 versus RM3.77 billion a year earlier. The furniture industry especially on exports market contributes largest number of values for Malaysia gross income through primary industries which is RM20.4 billion in 2018. However, the contributions of Bumiputera entrepreneurs towards the total value of Malaysia's timber and furniture exports is still low at RM6.63 million or less than one percent. This scenario is becoming worst where majority of Bumiputera furniture entrepreneur still depending on government market without initiate on design innovation to expend their market globally. There are several factors that contributes to this small numbers which discusses previously in the others researcher findings based on several of Bumiputera Furniture Manufacturer responds. In this case, design and quality factors are the highest influences that contributes to the decline of export values and percentage on Bumiputera Furniture industry. Therefore, this purpose of the study is to discuss why PETRA lacked in the context of design and product quality. The significance of the study is to enhance design process in PETRA to make sure they can serve a better product in the market. In this regard, this paper discusses the preliminary findings of issues revealed from sample of case study. The findings are very important for future research direction to improve the capabilities in the context of design innovation for the association.

Keywords: *Furniture Industry, Malaysia, Bumiputera, PETRA, Design Innovation*

INTRODUCTION

Malaysia furniture industry ranked amongst the top 10 largest exporters of furniture in the world, Malaysia exports around 80% of its production. With large markets in US, Japan and Australia where Malaysia has a strong position in the global furniture industry. With tremendous growth in exports to UK, UAE, Saudi Arabia, the Philippines and Russia, Malaysia is now eyeing countries like Algeria, Greece, Puerto Rico and Libya. (MIFF, 2019).

Table 1 Exports of Major Timber Products (MTIB 2018)



According to Malaysia Timber Industry Board (MTIB), as per showed at Table 1 the total export value for Malaysian wood products and furniture in 2018 stood at RM22.3 billion, contributing 1.6% to the country's gross domestic product and 2.2% to total exports. Malaysia's top ten export markets for wooden furniture include the USA (RM2,871.99mil), Japan (RM602.09mil), Australia (RM531.22mil), Singapore (RM456.02mil), the UK (RM398.99mil), Canada (RM270.07mil), China (RM254.28mil), India (RM239.87mil), Philippines (RM207.08mil) and the United Arab Emirates (RM134.45mil). (MTIB, 2019)

According to Minister of Primary Industry, Teresa Kok (2019) said the contributions of Bumiputera entrepreneurs towards the total value of Malaysia's timber exports is still low at RM6.63 million or less than one percent. She also advised Bumiputera entrepreneurs to be more creative and innovative as well as to persevere in overcoming challenges in the timber industry. (Borneo Post Online, 2019) MITB director-general Mohd Kheiruddin Mohd Rani said to date, we have 370 Bumiputera-owned companies registered with MTIB and this figure is still small compared to the total of about 3,500 companies in Peninsular Malaysia and Sabah. (Bernama Online, 2019)

According to MATRADE's Chief Executive Officer YBhg. Dato' Wan Latiff Wan Musa (2019), Malaysia has a strong pool of exporters in the furniture industry with a niche in manufacturing. They however must explore the possibilities of transitioning from Original Equipment Manufacturing to Original Design Manufacturing or Original Brand Manufacturing. (MATRADE, 2019) Therefore, the Malaysia furniture industry especially Bumiputera's cannot stay as OEM producers only as the rising of cost of labor and shortage raw material is affecting the total cost of production compared to Vietnam or China which labor cost and material are more accessible to their manufacturing needs. (Nur Syazana Osman, p. 447)

LITERATURE REVIEW

According to Oxford Dictionary Bumiputera is a referring to a Malaysian of indigenous Malay origin. In other definition it can be a term to describe the Malay race and other indigenous peoples of Southeast Asia, and used particularly in Malaysia. The term comes from the Sanskrit word “bhumiputra”, which can be translated literally as "son of the land" or "son of the soil".

According to David Linley (2009), Furniture is the backdrop against which we live our lives. Its support our body and daily activities. We sleep on it, sit on it, eat from it and work at it. In form, it is the man-made objects closest to us. Furniture is a barometer of social status, not just the past but of today as well. It is also can be a part of interior decoration. Malaysia Furniture industry generally was started in Muar, Johor. Currently has been ranked as eight top producing country and the largest exporter of wooden in the world. According to Jegatheswaran (2017), the Malaysian furniture industry has come a long way since its humble beginnings in the mid-1980s. From a cottage-based industry, the industry has been transformed into a multi-billion-ringgit export-oriented industry, which outshines all other sub-sectors within the larger Malaysian timber industry.

The Malaysian Bumiputera Furniture Industry Association (1989) was established on 7 October 1989 with the original name of the Malaysian Society for the Bumiputra Furniture Entrepreneur Association (the umbrella concept). By the Government in the field of manufacturing and supply of furniture to the government of Malaysia. The 'concept of umbrella' was established under the conduct of Guthrie Malaysia Trading Corporation (GMTC) and subsequently under Guthrie Furniture Sdn BHD (GFSB) and his remains was named GFSB's integrated marketing programmed. PETRA's target are to the government procurement (Central Panel Contracts) Ministry of Finance Malaysia (MOF) and the contract for the Ministry of Education, Malaysia (MOE) Government procurement policy. Currently, PETRA already have 87 Bumiputera Manufacturer as registered member`s in Malaysia to supply a furniture for government institution. (PETRA Malaysia, 2019)

Most of manufacturing are referring and implement an OEM, ODM and OBM as their benchmark or concept. An original equipment manufacturing (OEM) company is responsible for designing and building a product according to their own specifications, and then selling the product to another company or firm, which is responsible for its distribution. An original design manufacturing (ODM) company or firm is responsible for designing and building a product as per another company's specifications. An original brand manufacturer, or OBM, is typically a company that sells an entire product made by a second company or including a component from a second company sources as its own branded product.

METHODOLOGY

In this section researcher choose a qualitative research which is case study by using a sampling had done by others researcher. According Berg (1989) - Qualitative research therefore refers to the meaning, concept, definition, characters, metaphors, symbols and description of things. This process involved analysis data on factors of decreasing numbers by Buminputera Manufacturer. Researcher used a survey as an instrument to observe and get data. In other hand, get an experience from the issue in a real field. Observation had done at primary school and Lecturer office at University Technology Mara, Campus Alor Gajah Melaka (Government Agency) which is focusing on furniture design supplied by PETRA. Secondary data was

collected from literature review where others researcher previous findings on decline factors of Bumiputera Furniture Manufacturer. All the data has been compiled and analyze on preliminary findings section. The Malaysian Bumiputera Furniture Industry Association (PETRA) as a sample for the case study. The preliminary finding and result important to help and improve PETRA development in future.

PRELIMINARY FINDINGS AND DISCUSSION

This section discusses on preliminary finding in the context of design and quality on furniture through The Malaysian Bumiputera Furniture Industry Association (PETRA). Based on the previous research findings, there are several factors that contributed to the decline of percentage contribution to economy gross income by Bumiputera Furniture industry in Malaysia. (Nur Syazana Osman, p. 448) The highest factors are quality and design faced by almost Bumiputera Furniture Entrepreneur or Manufacturer showed on Figure 1 below.

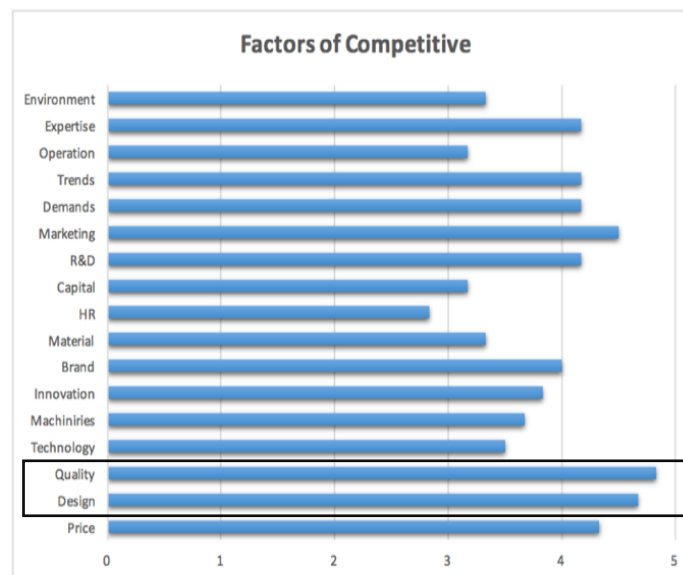


Figure 1 Factors of competitive among Bumiputera Furniture Manufacturer (Nur Syazana Osman, 2018)

Bumiputera Furniture Entrepreneur are more interested to market their product through the “umbrella scheme” or government contracts as per PETRA was engaged almost three decades. There are play safe on the guaranteed market which cause of them anxious to involve in open market globally. The market is ready for them to supply their product. That is one of the main reasons why they lacked in the context of their design process and product quality. Factors of competitive that should PETRA give more attention is design and product quality as per discussed in this section.

Design

Why design is so important? It can be seen that design is critical for our future. Without designs, we cannot hope to achieve any of the OEM, ODM nor OBN stages. Without designs, manufacturer or production cannot proceed beyond the current type of OEM. Without designs, we would not be able to create nor identity a niche for us. Design without technology is also not possible. This is because today’s furniture design and production technology are so far advanced that one must possess the necessary skills in order to survive and succeed. Technological knowledge will enable us to keep abreast with the latest

techniques which are mainly aimed at increasing productivity, improving quality and incorporating product innovation and thereby creating changes in trends and tastes. As such, design and technology are complementary of one another in order for the industry to move into the medium and higher market segments. Bumiputera Furniture Entrepreneur must realize of this issue and need to change away from their present position and practice. Today, buyers are going elsewhere and they as entrepreneur are now the ones who need to chase after them. Even if they can manage to catch them, if our entrepreneur doesn't have new designs nor the technology, what they are going to sell to market.

The Malaysian Bumiputera Furniture Industry Association was established almost 30 years. Within these 30 years PETRA was supported by government as the government procurement (Central Panel Contracts) Ministry of Finance Malaysia (MOF) and the contract for the Ministry of Education, Malaysia (MOE) Government procurement policy. This decade of engagement supposedly showed an improvement in terms of quality of design. Referring to the PETRA'S product catalogue through their official website there are some of design need to be improve. Generally, they are sense of typical Bumiputera mentality on design where they are using the same template without doing some innovation on design especially for primary and secondary students chair and table (BDR1, BDR2, BDM3, BDM4) showed in Table 1 below. Nowadays, in higher education institution are moving to Education 5.0 where flexible learning are happen outside classroom support with high technology system such as virtual reality (VR), augmented reality (AR), hologram, live video and so on which can be one of the tools for teaching and learning activities. Devices such as smart phone, smart tv become a one of the needs for flexible education. Most of the Bumiputera Furniture Entrepreneur doesn't consider on main function and additional function of the product. The function on the furniture needs to be consider first where it will change the overall design. Used less of material or mix material in order to change the perspective of aesthetical value to make the appearance of the product look beauty. Design need to be sparked with an identity such as referring to partial style or design era to showed that designer or furniture entrepreneur have a sense of taste. The aesthetical value of the product will appear when the function of the product meets and fulfil needs of the user. Below comparison table showed sample furniture design for class room space in the global market compared to furniture design in Malaysia public school.

Quality

Consideration in terms of safety, material, structure, jointing, finishing and ergonomic need to be look into, in order to produce a good quality of furniture design. In this case, they are several issues need to be taken seriously in order to accommodate and fulfill user needs. USA and Korean are more concerned in healthy working environment where considered on ergonomic chair with spinal back support. This office solution system will arrange and manage the user based on working task that involved on that furniture instead of the function of the table for everything. Different working task, will have different office solution (furniture) based on function of the design. Table 2 below showed most of the office table provided in Malaysia government office doesn't follow on design consideration such as material selection based on working task. In this case, some of the table are not durable and long lasting in terms of jointing, material and finishing due to the missed of appropriate function that cannot suit to the working task or activity happen. Quality of materials also need to be look into where manufacturer produce using a low-quality chipboard to control and reduce the cost price, but in the other way they actually create a new problem where the material cannot sustain in certain period of time and temperature. In this case, structure of the furniture easy to collapse.

Table 1 Comparison on furniture design provided for Education space for public school between Malaysia Market and global

Types of Furniture	Malaysia	USA	South Korea	Scandinavian
Student Chair				
Student Table				

Table 2 Comparison on furniture design provided for Government office space between Malaysia Market and global

Types of Furniture	Malaysia Market	Global Market
Office Chair		
Office Table		

Table 3 PETRA Furniture / Product on website catalogue



CONCLUSION

In conclusion PETRA should grab and take an opportunity through a lot of initiative that provided by Government to support especially for Bumiputera in order to make Bumiputera Furniture Industry still reliable in Malaysia. Design process should implement by PETRA in collaboration or industry partnership with Highest Institution of Learning that have expertise and niche especially on furniture or product design such as UiTM as the pioneer on industrial design and also one and only Bumiputera University in Malaysia. In this matter, MOE should involve university with the industry to support Bumiputera Furniture industry especially on quality of design to make sure the numbers of contribution from this association increase in the future.

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