Social Welfare Organization in Malaysia: Issue and Proposed Actions

Ng Chun Won¹; Mohmad Yazam Sharif²; Chong Yen Wan³
School of Business Management, Universiti Utara Malaysia,
wcng.2t@gmail.com ; yaazaam@yahoo.com ; chongyen@uum.edu.my

Abstract

This paper provides a rare opportunity in discussing thoroughly the practical issues of social welfare organization in Malaysia. Besides, it also highlights the proposed actions for managing the organization effectively. Social welfare organization is an organization that operates in the social welfare purpose to serve the community and thus is crucial in nation building. It has role in environmental, welfare and economic reformation of a country. It provides grassroots actions and caters the needs of the community. By doing this, it gives out positive values to the community. However, in recent years, the social welfare organizations in Malaysia face a daunting task to operate effectively. Issues like decreased funding, mismanagement and lack of volunteers and experienced staffs contribute significantly to the ineffectiveness of the managing welfare organization in Malaysia. These issues pose a challenge on how to manage the social welfare organization effectively.

Keywords: Social Welfare Organization, Issues, Possible Action, Mismanagement,

1.0 INTRODUCTION

Worldwide, social welfare organizations are anticipated to play a crucial role and make high impact in environmental, welfare and economical reformation (Nicholls, 2009; Swanson & Zhang, 2010). However, social welfare organization is facing difficulties in operation in recent years (Gandy, 2012; Othman, Ali and Omar, 2012). The Social welfare organizations of Malaysia also face issues like decreased funding, mismanagement and lack of volunteers and experienced staffs which affect the effectiveness of organizations (Othman, Ali, & Omar, 2012). Ineffective management of the social organization might cause social problems in the future, especially when such organizations and volunteers are unable to provide education, food and a healthy environment. When the situation of ineffective management of social welfare organization happens, those of the helpless who need to be assisted (eg. Orphans, old folk, disabled people and single mother) are facing crisis. Worse still, the orphans will engage in illegal activities (Ibrahim, 2014). These phenomena may develop into more intense problem among the social welfare organizations, which in turn becomes a funding constraint for public welfare in the long run. This problem urges the Malaysia government to look for better solutions to solve the problem encountered by social welfare organizations.
2.0 THE CONCEPT OF SOCIAL WELFARE ORGANIZATION

Research on the administration and management of social welfare organization is still relatively inadequate (Barendsen & Gardner, 2004). Therefore, it is vital to define social welfare, especially in the context of Malaysia in order to differentiate it with those business entities that mainly focus on profit.

There are different definitions of social welfare organizations. Dolgoff and Feldstein (1984) define social welfare as “organizations that are functioning to meet the needs of society by preventing instability and by providing for social continuity” (p. 4). Social welfare organization is defined an organization that operates under social welfare purposes which is primarily engaged in promoting in some way the common good and general welfare of the people of the community (Internal Revenue Service, 2016). On the other hand, Young (2001) defined social welfare organizations as the entity with a social mission. In Malaysia context, social welfare organization refers to charitable organization that depends on public donation and government grant to operate (Hasnan, Abidin, Mohamad, & Kamarudin, 2012).

In Malaysia, all social welfare organizations, as one kind of non-profit organizations, must register with the Registrar of Societies (ROS) and enjoy tax-exempt status (Nasir, Othman, Said, & Ghani, 2009). Social welfare organizations differ from other type of non-profit organizations in that it focuses on charitable goals to serve those who are in need (Hasnan et al., 2012). According to the Social Welfare Department of Malaysia, social welfare organization are institutions that cater for the social needs of children, senior citizens, epidemic patients, and people of developmental disability; protection and rehabilitation institutions (Official Portal of Social Welfare Department, 2015).

Social welfare organizations usually run charitable activities to get funding and organize fund raising projects such as jumble sales to increase sources of income (Nasir et al., 2009). Nevertheless, there is no specific law in Malaysia on those charitable activities at present (Hasnan et al., 2012).

3.0 Issues Of Social Welfare Organization In Malaysia

According to the Social welfare Department (2014), a number of social welfare organizations which receive grants in Malaysia increase from 203 to 254 (2009-2013 years). This can refer to Figure 1. The statistics are suggestive of the phenomenon where new social welfare organizations are actually increasing to meet the needs which prior organizations failed to fulfill the social needs (Helm, 2007). The postulated above makes sense as Ott (2001, p. 2) Put it, “it is a means of reacting to marketplace failures by filling economic voids with volunteer time and charitable contributions and for filling voids left by government agencies that cannot or will not adequately serve citizens in need”. Fewer fund is distributed to more social...
welfare organizations will create a problem of lacking of funds in the long run (Farruggia, 2007; Rojas, 2000; Tucker, 2010; Warm, 2004).

These issues can deter the effectiveness of social welfare organization. The three main issues in Malaysian social welfare organizations are lack of funding, mismanagement and lack of volunteer staffs (Othman, Ali, & Omar, 2012) and are discussed in details in the next sections. For that reason, social welfare organizations are seeking for ideas and solutions to solve their current issues (Young & Salamon, 2002).

3.1 Lack Of Funding

Lacking of funding is the first main issue of the ineffectiveness of the Malaysian social welfare organization. Orphanage homes in Malaysia have the most serious problem in operation because of lacking in funding. According to Ishak (2012), most of the orphanage homes in Malaysia face the problem of income deficit in relation to their expenditures. Isaac has also highlighted that the orphanages will be burdened by huge costs, which range from RM8, 536 to RM28, 986 each month. Worse still, due to the problem of deficit, some orphanage home staffs have to use their individual income to cover certain fixed expenses, such as the food and accommodation expenditures. Moreover, some orphans are forced to work to generate additional income for the problem of deficit (Syed Ali, 2011). This phenomenon showed that the orphans are not well-protected since they are forced to work in ineligible condition (Ishak, 2012).
Grants provided by the Malaysian government is not enough to operate the social welfare organization (Samad & Mansor, 2013). Furthermore, despite the financial assistance over the years, this situation also to certain extent suggests the weaknesses and inability of such social organization to be financially independent (Gandy, 2012).

3.2 Lack Of Volunteer Staffs

Lack of volunteers is also a critical issue for social welfare organizations, organizations. Volunteer staffs are the most valuable resources in the social sector (Stoesz & Raber, 1997). There are a few reasons why there is lack of volunteer staffs in the social welfare organizations. Firstly, without financing to support the volunteers, their number is decreased and the organizational effectiveness is turned down (Stoesz & Raber, 1997). In addition, Othman, Ali and Omar (2012) mentioned that Malaysians are not interested in taking up a volunteer job due to the reasons of low salary, unattractive promotion packages and long working hours. High living cost in Malaysia also discouraged the involving of nation as volunteers. Malaysians inefficient management in social welfare organizations (Othman, Ali, & Omar, 2012). The other reasons for mismanagement of the organization are lack of knowledgeable and experienced staffs to administer the financial assets (Othman, Ali, & Omar, 2012). Some of the treasurers working in the social welfare organization do not even have any financial qualification.

Ineffective management need to be carefully examined and solved immediately. Ineffective management of the social organization might cause social problems in the future, especially when such organizations and volunteers are unable to provide education, food and a healthy environment. When ineffective management of social welfare organization occurs, the old folks who have served the country and the disabled people are facing crisis. These phenomena may develop into more intense problem among the social welfare organizations, which in turn becomes a funding constraint for public welfare in the long run. Most of the financial resources of a country are then used to wipe out illegal crimes instead of channelling the public fund into managing the welfare organization effectively (Ibrahim, 2014).

3.3 Mismanagement

Occasionally, social welfare organizations face the problem of being well-intentioned but poorly managed (Gandy, 2012). Mismanagement of funds may occur due to

4.0 Proposed Actions For Managing The Organization Effectively

The first possible action is that Malaysian government needs to finance the charitable
organization when the social welfare organizations runs into financial trouble. The Malaysian government can allocate funding under the Ministry of Women, Family and Welfare Organization and disburse the money to these social welfare organizations in the midst of facing financial crisis.

The second possible action is that the government can set up a committee under Ministry of Women, Family and Welfare Development to act as a supervisory and advisory role to the problematic welfare organizations. Firstly, the welfare supervisory committee needs to set up a plan on what the welfare organizations want to achieve in the next five years or short-term vision. Then, the welfare supervisory committee can help the welfare organization to decide on how to execute the plan and select a leader, organizes it and control the daily operation in order to execute the plan.

Furthermore, the Ministry of Women, Family and Welfare Development need to have a database to record the number of employees, the financial status and other information. The Ministry must ask the social welfare organizations to fill up all the information in the database. The information can be made transparent and viewable to the public to have access to the information. The information from database enables the ministry to understand the problems swiftly and thus any mismanagement problem can be rectified immediately. The government also can set up a hotline desk under the ministry of women, family and welfare development to respond to the problems by any welfare organization pertaining to inadequate employees or personnel. The government can send experienced staffs from the Ministry to the welfare organization once the problem of inadequate employees occurs in the short-run.

Ministry of Women, Family and Welfare Development can set up an institute of Social Development to nurture and train people to work in social welfare organizations. Additionally, the ministry should form partnerships with university development units to engage undergraduates as volunteers. This can help undergraduates in character development and at the same time help social welfare organization solve staff shortages. The government must ensure the salaries of the new graduates of welfare organizations is equivalent to those graduates working in the business world. Besides, the government should promote the development of social entrepreneurship programs or courses at university level so that youths will learn to use their entrepreneurial creativity and energy to help improve social welfare management. Thus, the new potential students in the Institute of Social Development feel respected and have the obligations to commit their effort to fulfill the shortage of personnel in the welfare organizations.

5.0 Conclusion

Social welfare organizations are crucial to support the unity of a country. As senior citizens, handicapped and disabled persons are the part of the society, the society has the obligations to take care of them and build the welfare organizations to house these disabled
persons or senior citizens. However, the welfare organization can enter into difficulties due to mismanagement of funding, decrease of funding and lack of volunteer staff in this field. There is an urgency to solve the social welfare organizations’ problems.

Firstly, the government can allocate the funding in a fund under the Ministry of Women, Family and Welfare Development for the social welfare organization to run their operation effectively. Furthermore, the government needs to have a database under the Ministry’s website to record the information of the social welfare organization so that the ministry can respond to problems faced by social welfare organizations immediately. Finally, institutes of social welfare development must be built to groom staff to solve the inadequate of staff working in the social welfare organizations in the long run.

Society, social welfare organization’s personnel and government must work hand-in-hand to solve the social welfare organization’s problems. The society must be aware that they have obligations to help and contribute in helping the disabled persons and senior citizens. The society can provide information to the social welfare organizations and government in order to ensure sustainability of the effective operations of social welfare organizations. With all the concerted efforts of the society, society welfare organization’s personnel and government, Malaysia can have a progressive society that tolerates all the disabled persons, senior citizens and the orphans.

References

non-profits/other-non-profits/social-welfare-organizations