How Does Transformative Social Service Develop?

(Bagaimana Perkhidmatan Sosial Transformatif Dibangunkan?)

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ABSTRACT

How does social innovation, in the form of transformative social service, develop within a social organization? In this study, we define social innovations as new ideas that are aimed at meeting social goals, which are typically diffused and mobilized by social organizations through their social services. Although there are a number of established social organizations in Malaysia, little is known about how their services have evolved or are diffused, particularly those that are transformative in nature. This lack of understanding can lead to ineffectiveness of social innovation implementation and might compromise the achievement of the intended social purpose. Using the integrated perspectives of process theories of service development, service innovation and firm development, as well as the concept of transformative service, this qualitative historical-processual case study explained the development of transformative services of Majlis Amanah Rakyat (MARA) (translated as the Council of Trust for the People), a prominent Malaysian social organization, from its inception in 1965 until present. Data were collected through in-depth interviews of key people of MARA as well as through analyses of published documents. The study found that MARA's three foundational services of entrepreneurship development, education and investment have evolved over time in stages, together with the development of MARA as an organization. The services were developed based on the blueprints set out by MARA and the national policy since the early days. These findings establish the link between the concept of innovation and service development to social firms development, and thus overcome some managerial and policy issues of promoting effective management and institutionalization of social organizations.

Keywords: Social organization; social service; social innovation; social entrepreneurship; transformative service; strategic management; Majlis Amanah Rakyat.

ABSTRAK

Bagaimanakah inovasi sosial, dalam bentuk perkhidmatan sosial yang transformatif, dibangunkan dalam sesebuah organisasi sosial? Dalam kajian ini, kami mentakrifkan inovasi sosial sebagai idea baru yang bertujuan untuk mencapai suatu matlamat sosial, yang lazimnya disebar luas dan digerakkan oleh organisasi sosial melalui perkhidmatan sosialnya. Meskipun terdapat banyak organisasi sosial di Malaysia, umum masih kurang mengetahui tentang bagaimana perkhidmatannya berkembang atau dibangunkan, terutamanya yang bersifat transformatif. Kelompongan dalam asas teori dan pengetahuan ini boleh membawa kepada masalah pelaksanaan inovasi sosial, malah mungkin menggagalkan matlamat sosial yang ingin dicapai. Dengan menggunakan perspektif bersepadu teori-teori proses pembangunan perkhidmatan, inovasi perkhidmatan dan pembangunan organisasi, serta konsep perkhidmatan transformatif, kajian kes kualitatif yang mengambil pendekatan prosesual-sejarah ini menyoroti evolusi pembangunan perkhidmatan yang transformatif oleh Majlis Amanah Rakyat (MARA), sebuah organisasi sosial Malaysia yang terkemuka, bermula dari penubuhannya pada 1965 sehingga kini. Data dikutip melalui temu bual mendalam dengan wakil-wakil pengurusan tertinggi MARA serta melalui analisis dokumen. Kajian mendapati terdapat tiga jenis perkhidmatan utama yang ditawarkan oleh MARA, iaitu pembangunan keusahawanan, pendidikan dan pelaburan. Perkhidmatan-perkhidmatan ini berevolusi secara berperingkat dan berkait rapat dengan pembangunan MARA sendiri sebagai sebuah organisasi, serta dibangunkan berdasarkan rangka tindakan yang berpaksikan dasar negara dan dasar penubuhan MARA sejak awal lagi. Penemuan ini memberikan perkaitan yang jelas antara konsep inovasi dan perkembangan perkhidmatan dengan pembangunan organisasi sosial, justeru dapat membantu pihak pengurusan berkaitan serta penggubalan polisi dalam meningkatkan kecekapan pengurusan dan penginstitusian organisasi sosial yang transformatif.

Kata kunci: Organisasi sosial; perkhidmatan sosial; inovasi sosial; keusahawanan sosial; perkhidmatan transformatif;; Majlis Amanah Rakyat.

INTRODUCTION

There are growing demands for the development of alternative types of organizations that can significantly contribute towards improving the well-being of the society, due to many instances of socio-economic crises caused by irresponsible decisions of those in the industries and in power (Easterling 2003; Varey 2010). One of the key answers to achieve sustainable socio-economic development, researchers advance the concept of social innovation and socially-innovative organizations to meet social needs or to solve social issues (Mulgan 2006; Mulgan et al. 2007; Westley & Antadze 2010). In this study, we define social innovations as new ideas that are aimed at meeting certain social goals, which are typically developed and diffused by social organizations (Nur Sa'adah 2016). Social organizations, therefore, function as the vehicles to drive societal transformations through its social services, particularly those that are transformative in nature. Service is transformative when it is revolutionary, innovative, and offers sustainable values in the form of equitable solutions to society's pressing needs (Nur Sa'adah & Khairul Akmaliah 2013). Organizations of this nature are found in various forms and driven by various sectors including the non-profit, government, as well as the business and the market sector. In this study, we view social services as social innovations meant to solve certain social problems or to achieve certain social purpose or objective, which are created, developed and diffused by social organizations. This definition is rooted within social innovation perspective (Mulgan 2006; Mulgan et al. 2007).

Although the concept of social innovation is not new (among others, see Peter Drucker in his book Landmarks for Tomorrow 1957), the understanding about the concept both in theory and practice is still marginal (Kuppelwieser & Finsterwalder 2016). In particular, little is known about how social innovation, in the form of social services, develops within organizations that implemented and diffused them. With the social sector gaining momentum globally, both as an academic inquiry and of practical interest, the understanding of the concept and its related issues is imperative as any lack of understanding could lead to ineffectiveness of the implementation of social innovation and might compromise the achievement of the intended social purpose. In fact, transformation takes time and needs to be managed; otherwise the positive aspects of the transformation will not be fully realized.

The purpose of this study is to understand the evolution of transformative social services as underpinned by the process theories of service development, and the perspectives of service innovation and firm development, as well as the concept of transformative service. To achieve this objective, we researched the social services offered by Majlis Amanah Rakyat (MARA), an autonomous agency under the Malaysian Ministry of Rural Development, which was established in 1965 to promote the participation of the Malays and other indigenous groups of people in commerce and industry. In particular, the study seeks to understand: How does a transformative social service develop within MARA?

LITERATURE REVIEW

Similar to the conventional definition of innovation, social innovation refers to both as the process of creating a new thing – be it a product or a service, or the outcome of the creation, i.e., the new thing (Tornatzky & Fleischer 1990). As such, based on the principles of innovation, the process of service development is a form of innovation, and that its outcome need not necessarily be exclusively in the form of new service (revolutionary innovation), but also include modifications or improvements to existing service (incremental innovation) (Fitzsimmons & Fitzsimmons 2006). The purpose of social innovation is to solve certain societal problems or to serve a social purpose, which are all aiming to support achievement of societal well-being. In the context of social organizations, their innovations are in the form of social service targeted to the society at large, which go beyond the conventional innovation perspective which focuses on utility of service by targeted users and profit maximization for the providers.

The process of service innovation and service development is referred in service literature as New Service Development process, a continuous process that involves two major phases of planning and execution (Johnson et al. 2000; Fitzsimmons & Fitzsimmons 2006). The planning phase starts with the development of the service, which includes idea generation, concept development, and formulation of new services objective or strategy, followed by analysis of the new service. The next two stages (within the execution phase) are the design stage which involves activities such as service design and testing, personnel training, pilot run and test marketing, before proceeding to the full launch of the new service. Thomke (2003), on the other hand, suggested for more steps to be included in the post-launching phase of any new service innovation; such a design is suitable for highly complex innovations where success is still uncertain. According to Thomke (2003), in total, there are five phases of service innovation, namely idea evaluation, where ideas are conceived from internal and external sources, followed by planning and designing where service designs are developed, followed by implementation of the new service and later monitoring. The last phase is recommendation where a complete review of the service innovation is made.

Within the field of service management, transformation of service toward societal well-being has been identified as one important agenda in the development of service both as a science as well as in practice (Ostrom et al. 2010). Some scholars have criticized that the capitalist market tends to overly focus on material or economic goal through the means of mass production and consumption, resulting in various social and ecological costs, among

others the inequities among the rich and poor as well as rapid depletion of resources (see Varey 2010). These scholars suggested that transformative service is a sustainable development approach that seeks to integrate and balance up the economic objectives with societal objectives. Accordingly, social organization is one of the means through which these change processes occur through their social innovations. This process of change is underpinned by the values of "serving", such as altruism, caring for others, voluntarism, which aimed at sustaining the well-being of the society in addition to the desired economic goal. This form of social innovation has the potential to transform the societal well-being. It is argued that when societal well-being is achieved, only then such service can be considered as transformative (Evans, Hanlin & Prilleltensky 2007). Such social services are diffused by organizations; the latter too does not remain static but changes over time, based on the perspective of organizational life cycle (Greiner 1998).

Among the distinct characteristics of service are its intangibility and its processual nature, because service happens in real time as the chain of activities or events that constitute the service happens (Bitner, Ostrom & Morgan 2008). This caused service to be seen as difficult to be standardized, a situation referred to as service heterogeneity. On the other hand, organizations are considered successful when they manage to keep their service development process systematic and properly planned (de Jong & Vermeulen 2003). To overcome this issue, the concept of service blueprinting (Shostack 1984) was introduced. Service blueprint is a master plan that establishes the purpose and guides the development of a particular service. Bitner et al. (2008) further suggested that the design of service blueprints must be customer-oriented. Through service blueprinting, managers are able to manage its service development process and translate the service concept into some sort of tangible evidence, which serves to guide future service development initiatives (Fitzsimmons & Fitzsimmons 2006; Shostack 1984).

CONCEPTUAL FRAMEWORK

The perspective of service development was utilized to explain the service process, while the concept of transformative service could explain the type of social service that is offered by the social organization (the specific form and its nature) and the approach taken in the service implementation and delivery (either radical or incremental). In this study, we conceptualize social service development as a staged process that occurs over time, which involves phases of service idea generation, service development, service implementation and service evaluation by the social organization (shown by the arrows in Figure 1). After a service is conceived and introduced to the targeted beneficiaries, the social organization would make an evaluation of the success of the service and make

decisions on whether to continue, discontinue or to make improvements to the service. As the process of social innovation is value-laden, the values of the managers, as well as the values embraced by the social organization itself (for instance, the vision, mission, aspiration and philosophy of the social organization) permeate the social service development process (shown by the parts of values and philosophies in Figure 1). All these occur within a social organization setting, which according to firm development lifecycle model, progresses over time, in stages. In other words, as the service offered by the firm develops and multiplies so does the firm or the organization offering the service expands, among others in operational capacity and size.

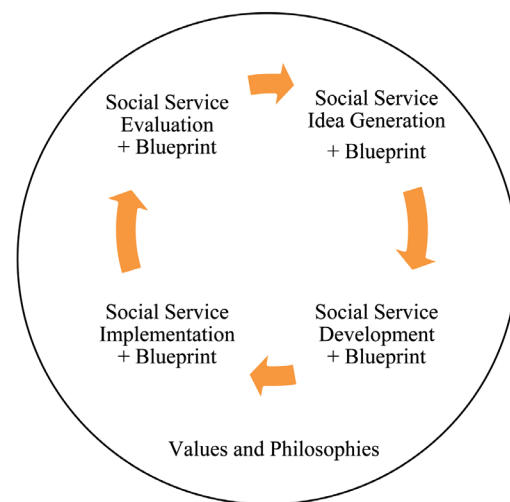Figure 1 shows the conceptual framework of social service development process.

FIGURE 1. Transformative social service development process

RESEARCH METHODOLOGY

In achieving the objective of the study, we adopted the guided interpretative paradigm and qualitative historical-processual case study methodology, which involved an in-depth investigation of a research interest (transformative service) (Cavana, Delahaye & Sekaran 2001) of a bounded system, namely, the case of MARA (Merriam & Tisdell 2016). We considered the interpretive approach to be appropriate for this study as it aimed to understand the underlying meaning of a social phenomenon. Processual research is essentially qualitative (Hinings 1997), and historical (Pettigrew 1997) because it involves the context of transition (or change) of the past, present and the future. Hence, processual analysis was especially useful in this study as the research question involves issues of time, structure, context, emergence and development (Pettigrew 1997).

The data were mainly gathered through in-depth interviews with three senior-level executives of MARA, in combination with documents analysis of secondary data, comprising published company histories, annual reports, newspapers and other published sources. The interviewees

were briefed on the relevant information and the nature of the study, and their consents were obtained before the interviews. The interviewees were asked to narrate the historical and contemporary accounts of MARA, based on the following protocol:

1. What are the services offered by MARA? Which service(s) is considered most successful or has huge impact on the society? Who are the beneficiaries?
2. How does MARA plan, develop, implement and evaluate its services?
3. Were there major events or incidents or problems or triggers for strategic decisions related to service offerings of MARA?

All the interviews were recorded and transcribed verbatims and the data were analyzed based on the historical-processual (Pettigrew 1997) and thematic approaches (Merriam & Tisdell 2016). To ensure the validity and trustworthiness of researchers' interpretations, the fundamentals of case study (Eisenhardt 1989; Merriam & Tisdell 2016) and the appropriate art of interviewing (Aliah Hanim et al. 2011) were adhered to. After the initial interviews, which were done face-to-face, several follow up communications were conducted through emails and phone conversations to gain further elaboration and to verify the facts of the case, where needed.

THE CASE: DEVELOPMENT OF TRANSFORMATIVE SERVICE AT MARA

Majlis Amanah Rakyat (acronym MARA) or the Council of Trust for the People was an autonomous agency under the purview of the Malaysian Government's Ministry of Rural and Regional Development. MARA was established on the 1st of March 1966 as a statutory body by an Act of Parliament, following a resolution of the first Bumiputra Economic Congress in 1965. At its inception, MARA's objective was stated as "to assist and promote the participation of Malays and other indigenous people in commerce and industry" (Malaysia 1970, 15). The term amanah rakyat (people's trust) was meant to emphasize the role of MARA to uphold the trust of the people to bring them welfare and well-being. The acronym 'MARA' is also a Malay word that carries the meaning of 'advancing', indicating MARA's proactive role to facilitate societal advancement (Abdul Karim et al. 2016). Based on our analysis, this goal has been achieved over six distinct phases within its 50 years of operations, through its offerings of various assistance in education as well as commercial and entrepreneurship activities. Fast forward to 2017, MARA has a vision to be a trustee organization that continues to uphold the trust of the nation. Its objective is operationalized as to spearhead the fields of entrepreneurship, education and investment in order to enhance equity holding of the Malays and other indigenous people (MARA 2017), who are constitutionally termed as the bumiputras.

PHASE 1: THE BEGINNING, FROM RIDA TO MARA

The early history of MARA began before Malaysia (then Malaya) gained its independence. It began as RIDA (Rural and Industrial Development Authority) which was established by the British rulers in 1953. The main objective of RIDA was to enhance the socio-economic condition of the dwellers of the rural areas who were mostly Malay farmers. To achieve that goal, a myriad of assistance was given to the targeted beneficiaries including the help to construct basic infrastructures such as houses ('*rumah RIDA*') and wells ('*perigi RIDA*'). RIDA also provided financial aids as well as trainings for the Malays to facilitate various developmental projects (Abdul Karim et al. 2016; Osman-Rani 1990; Sity Daud 2001). In our interview with Datuk Zanudin Ab. Rahim, the Deputy Director-General (Management Services) of MARA in 2016, he explained:

RIDA, meant for rural. The idea was to solve the issues of the Malays in the rural areas, the kampongs… So there were well projects – perigi RIDA, and house projects, rumah RIDA. Those houses were prefabricated. Like how we have IBS now. The houses can be assembled and disassembled if they need to move. The houses and wells were meant for those rural people. RIDA at that time were in fact under the rural ministry.

In 1956, RIDA also began to operate a training centre, RIDA Training Centre (Dewan Latehan RIDA). It conducted external professional courses, including those offered by established international bodies. In due course, RIDA Training Centre became MARA Training Centre, which later on evolved into Institut Teknologi Mara (ITM) in 1967 and then Universiti Teknologi MARA in 1999.

After ten years of operation, RIDA's functions became rapidly expanded and hence the government saw the needs for its restructuring (Sity Daud 2001). As the namesake suggests, RIDA was focused explicitly on the rural setting by providing basic infrastructural assistance to rural folks. The society in the middle 1960s, however, seemed to begin to demand for more efforts from the government to increase the participation of the Malays in economic activities. The concern was formally discussed in the first Bumiputra Economic Congress in the year 1965. The congress suggested the need for restructuring of RIDA into MARA and to redefine the functions of the new entity. The restructuring seemed to be driven by the demand of the Malays to increase their equity holding in businesses in the country (Osman-Rani 1990). By virtue of Majlis Amanah Rakyat Act 1966, MARA was established, replacing RIDA as the previous authority on rural development. MARA was allocated financial resources in support of its expanded vision (Abdul Karim et al. 2016; Sity Daud 2001).

PHASE 2: EARLY DEVELOPMENTS OF MARA (1960-1970)

MARA was established in 1966 under the management of the Ministry of Rural and Regional Development. Tun Abdul Razak, the then Deputy Prime Minister of the Federation of Malaya, served as its minister since 1959.

As the head of the ministry responsible for rural areas' socio-economic development, as well as the Deputy Prime Minister, Tun Abdul Razak was instrumental in the transitioning of RIDA into MARA and had been in full support of MARA's inception and of its expanded roles and functions. His conviction in 'personifying the guardian role model' of MARA is evident in many records of his writings and speeches, such as the following (Mohd Nizam 2013):

…Today, I am introducing a bill to replace one of the agencies, the Rural and Industrial Development Authority or RIDA, by a new organization which bears the name of MARA or Majlis Amanah Rakyat. I feel it necessary to set up a new organization because I have said earlier we have reached a new stage in the economic development of the rural areas. The change of RIDA to MARA is not in a change merely of a signboard. It is a fundamental change that will be reflected in the objectives, the tasks and the activities of MARA. RIDA had undertaken a variety of tasks since its establishment 14 years ago, from the building of rural roads, the setting up of training centres, to the granting of loans to assist mainly small businessmen. Since the creation of my Ministry some of the functions of RIDA had been undertaken directly by my Ministry… I have therefore decided that RIDA should be replaced by a new organization, MARA, which will concentrate on stimulating, facilitating and assisting the economically under-developed to participate more actively in the commerce and industry of the country… There is also another condition which I would like MARA to adhere to wherever possible. Its assistance should be given where it will have a greater impact on a large number of persons… The assistance they get will depend on the assistance they deserve. MARA must succeed. It is in our national interest to see that it succeeds and it should have the blessing of all well-meaning people in our country… (Excerpt from Tun Abdul Razak's speech, during the moving of the Second Reading of the "MARA Bill" at Dewan Rakyat on 11 November 1965).

Other than providing assistance for business development, since 1966, MARA had begun to sponsor students for pursuing tertiary studies, particularly in the fields of science and technology in local universities and abroad through its full scholarship program (Abdul Karim et al. 2016). Around this time, MARA also began to plan to implement various education and training programs in business as a means to increase the number of qualified bumiputras in commerce and industry. In a review paper to a proposal prepared by MARA Training Division, it was explicitly mentioned that:

...[Our] Training Division Plan 1966-1970 emphasis was made initially on the expansion and further development of the MIT (i.e. Mara Institute of Technology), awards of more scholarships, the setting up of more vocational schools…[with the aim] to implement a comprehensive and realistic programme of training and education in business, the profession and technology for suitably qualified Bumiputras including students, staff and those who are already actively engaged in Commerce and Industry as part of a coordinated and sustained effort of MARA to promote, stimulate, facilitate and undertake economic and social development of Bumiputras, particularly in their active and fruitful participation in commerce and industry, both in quantity and quality (MARA 1968).

Since 1960s, MARA Training Division was the department responsible for planning and carrying out of MARA's education and training programs. Many of the programs introduced by the training division back then were revolutionary and had since become the blueprint for many of the current education and training programs at MARA (Abdul Karim et al. 2016). The first head of this division was Mansor Othman who formerly served a big multinational corporation as a human resource executive. Upon MARA's inception in 1965, Mansor Othman was roped in to lead MARA Training Division by the late Tun Abdul Razak, who in turn recruited a number of talents into his team such as Arshad Ayub who was formerly a rural development officer in RIDA. Arshad Ayub was appointed as the first Director of MARA Training Centre in 1965 before its transformation as MARA College a year later and as ITM in 1967. Although Mansor Othman only served MARA for a short period (he left MARA in 1969 upon his appointment as Negeri Sembilan's Chief Minister), historians noted his contributions in shaping the direction of MARA, particularly in relation to education and training (Abdul Karim et al. 2016). After Mansor Othman left MARA, his successors continued with the implementation of the planned education and training programs.

PHASE 3: THE NEW ECONOMIC PLAN (1970S)

Tun Abdul Razak was appointed as the Prime Minister of Malaysia in 1970 and later in the same year, the New Economic Plan (NEP) was introduced with the purpose of achieving the national unity and prosperity through eradication of poverty and restructuring of the society. MARA was then positioned as one of the implementing agencies of NEP, in which MARA was given two main responsibilities: first, to eradicate poverty and second, to develop the human capital (Aninah 2015; Ibrahim 2015). MARA's activities in initiating commercial projects by creating new companies as well as giving out loans for people to start or sustain businesses suggest direct involvement of MARA to create opportunities to increase equity holding of the targeted group. With regard to human capital development, in 1970s, MARA began to expand its function into education advancement. Datuk Zanudin said:

At that time, education was one of the main concerns for the Malays. We created MRSM starting 1974 in Seremban, a boarding school concept, to provide high quality secondary education. The MRSM schools focused on selected students, cream of the cream. We established many MRSMs across the country. Then, we faced another problem, what about those who dropped out? So we created vocational schools. So there were two lines of schooling choice. We noticed that some students were not academically inclined, but they love technical things. Earlier, we took in students who had middle school certificate. Still there are so many school drop outs around. We then appealed to the government to address

this problem. As a result, we created GIATMARA, which is another vocation training institute that accepts practically everyone as long as they can read and write and interested to learn. By 2015, each parliamentary district has at least one GIATMARA centre.

MARA's function in education advancement suggests the evolution of its role as a social agent. While MARA's establishment in 1966 were meant to facilitate the economic development of the targeted group, education evolved as one of its core function due to the need to address the grassroot issues of the Malays lagging in science and technology disciplines, or discontinuity of education amongst Malay youths in the rural areas. In the case of the establishment of MARA Junior Science College (MRSM) for example, the issue that arose at that time was the lack of participation of Malays in the higher education and subsequently the professions related to the fields of science and mathematics and technology. This problem led to the idea of establishing high quality secondary schooling system that focused on the subjects of sciences and mathematics. In fact, this issue of the need to emphasize on learning of sciences and mathematics from younger age was brought earlier in 1965 by Tun Abdul Razak, and was later followed up in 1968 (Mohd Nizam 2013). Finally, MARA began to provide secondary school education through the establishment of MRSM in 1974.

MARA also offered technical education as alternative to the tertiary education through Institute Kemahiran MARA or MARA Technical Institute (IKM) and GIATMARA. The first IKM was established in 1968 and more centres were built throughout the 1970s. It was first built in order to cater to the high school graduates who did not manage to enter universities because of low grades. The main objective of this education was to ensure that more bumiputra youths would continue to study after completing secondary school. While at the beginning, IKM focused on offering certificate-based education, by the 1990s, it has started to offer diploma programs in collaboration with local and international higher education institutions (Abdul Karim et al. 2016).

By middle 1970s, MARA had catered for both lines of education; purely academic education, as well as technical education and vocational trainings. Entrepreneurship development and education which has started in 1970s had formed the foundation as MARA's core business up to 2015. The decade of 1970s also saw rapid expansion of MARA's education initiatives, in which six IKM centres were built (Abdul Karim et al. 2016). The expansion of IKM was reported to be in line with Malaysia's move into industrialization policy, where, Malaysia shifted its focus from agricultural-based economy (Malaysia 1966) to industrial-based economy (Malaysia 1970), which required more skilled workers in the manufacturing.

PHASE 4: EXPANSION OF MARA'S SERVICES (1980S-1990S)

The fourth Malaysia Plan (1981-1985) was a continuation of the earlier second and third Malaysia plans that were set out to eradicate poverty and to restructure the society by promoting greater involvement of marginalized groups and upgrading their professionalism in the job market (Malaysia 1981). The focus of development during this time was on balancing the socio-economic development among different regions in the country. During this period, programs from the earlier plans were refined and expanded, including increasing the employment creation and land development in achieving poverty reduction as well as identifying education and training program as important enablers of the employment restructuring plan. Efforts at increasing share acquisition among the marginalized groups and building commercial and industrial community were further amplified (Malaysia 1981). Entrepreneurial development projects and programs continued to be emphasized during this period. Among others, additional MRSM and IKM were planned to be built within five years and IKM programs were to be further expanded. According to the report, all these planned programs would require significant resources, high ability to organize and results could only be achieved over a period of time (Malaysia 1981).

The focus of the fifth Malaysia plan (RMK5) (1986-1990), which began in early 1986, was still on achieving national unity envisioned by NEP that was introduced in 1970. Based on the government's analysis, economic disparity across different races as well as between people in the rural and urban areas were still rampant (Malaysia 1986). One of the strategies for bridging the income gap was through training more professionals from the marginalized group which comprised mainly of bumiputras. Income disparity was also apparent between certain states that were more developed compared to some states which seemed to be more marginalized including those in the east coast of Peninsular Malaysia as well as in East Malaysia. For these states, the focus of development was on reducing poverty (Malaysia 1986). For the period 1981-1985, through its IKM centres, MARA has contributed toward creating a pool of skilled and semi-skilled workforce in the country (Malaysia 1986). In the same period, MARA has provided entrepreneurship trainings, business consultancy and advisory, giving out loans as well as providing physical infrastructures to businessmen in the form of small shops and shophouses.

PHASE 5: MOVING INTO HIGHER TECHNICAL EDUCATION: 1990S-2000S

Malaysia's 'Vision 2020', whereby Malaysia aspired to become an industrialized nation by the year 2020, was launched by the then Prime Minister of Malaysia Tun

Dr. Mahathir Mohamed during the sixth Malaysia plan (1991-2000), (Malaysia 1991). In the same year, MARA established its first higher vocational institute, German-Malaysian Institute (GMI), a collaboration between the governments of Malaysia and Germany. In 1992, the institute received its first batch of students. The institute offered 'twinning' programs with classes held in both countries including technical diploma, pre-university courses, and customized technical courses as well as industrial consultancy and services (GMI 2015). Following the model of GMI, from 1995 to 1998, MARA began to operate other higher vocational institutes, the Malaysia-France Institute (MFI) the Malaysia-Japan Institute (MJI) and the British-Malaysia Institute (BMI).

In 1996, MARA launched its Technical Entrepreneur Program (Program Usahawan Teknikal – PUTEK) under the seventh Malaysia plan (RMK7) (1996-1999) with the objective to develop more technical entrepreneurs (Malaysia 1996). By 2015, the program is open for technical graduates of MARA's technical centres and institutes as well as other institutions to develop businesses based on their technical skills. These graduates are provided with a set of support for business startup in the form of training, business advisory, equipment rental, loan financing, progress monitoring and follow-ups until their businesses are able to survive on their own (MARA 2015). Since 1996, MARA's vocational training and education had catered for three levels of education: the basic level was provided by GIATMARA, the middle level by IKM, while the higher level of training and education provided by MARA's institutes in collaboration with foreign countries. By early 2000s, MARA has established nine of such institutes.

The main thrust of the eighth and ninth Malaysia plans (2001 through 2010) was the shift of the national growth strategy from input-based towards knowledge-based strategy, with the focus on developing the human resources (Malaysia 2001, 2006) Accordingly, in 2000s, MARA's strategic emphasis was on education, and following the policy for knowledge-based strategy at that time, it established itself as a knowledge-based organization. This situation was described by Datuk Zanudin:

Earlier, our rational was to emphasize on developing the society through education. We want to make MARA a knowledge-based organization. At that time, the government's policy was to push towards knowledge-based economy and society based on RMK9 (2006-2010). Now, MARA is moving towards becoming an entrepreneurship-based organization. With this focus, education should support entrepreneurship. For instance, now we give loans to students to start their business so that they can become entrepreneurial from early on. For students studying overseas, their business networking will be good for our country; they can link their country of study with Malaysia. This we hope would help develop entrepreneurial culture among the students.

In 2001, MARA established Universiti Kuala Lumpur or UniKL, a full-fledged vocational/technical university that serves as an alternative route for tertiary education especially for graduates of vocational institutes (Abdul Karim et al. 2016). The university is an amalgamation of a number of MARA's institutes of higher education namely Malaysia France Institute (MFI), British Malaysian Institute (BMI), Malaysian Spanish Institute (MSI), Malaysian Institute of Aviation Technology (MIAT), Malaysian Institute of Marine Engineering Technology (MIMET), Malaysian Institute of Chemical Marine Engineering Technology (MICET) and Malaysian Institute of Information Technology (MIIT). The first international collaborative institute, GMI however did not form part of UniKL. In 2015, MARA was planning to upgrade the institute as another full fledge MARA's technical university.

PHASE 6: IMPLEMENTING THE NEW STRATEGIC FRAMEWORK: 2011-2015

In 2011, MARA conducted a strategic reassessment of its mission and vision and conceived a new transformative strategic framework for the year 2011-2020. Under the transformation plan, MARA was organized into sectors based on their core businesses, namely the entrepreneurship, education, and investment sectors. Another sector, the management services act as the enabler to deliver the services of MARA's core businesses. The aim was to transform MARA into an entrepreneurial-based organization that is centred on entrepreneurial mindset and culture, shared values, integrated change management and continuous monitoring (MARA 2013). The main thrust of the transformation plan was to enhance bumiputra's involvement in innovation-based economy, based on the following strategies and objectives (MARA 2011, 2013). With the new framework, MARA has realigned its strategic direction by focusing on innovation as the approach to realize MARA's objective as an entrepreneurial-based organization. This approach, according to Datuk Seri Mohd Shafie Apdal, who was the Minister of Rural and Regional Development at that time, was in line with the true spirit of the establishment of MARA as an agency that supports the socio-economic development of the society. In fact, at this point of time, MARA identified itself as a socio-economic engineering agency (MARA 2011, 2013).

With the transformation plan, innovation became the foundation of all its three core businesses operations (entrepreneurship, education, investment) and its management services delivery (MARA 2011, 2013). For its entrepreneurship sector, the transformation plan was geared towards promoting new firm creation and development through an integrated approach in facilitating all activities within the entrepreneurship value chain, from providing business opportunities, capital, and premises, through marketing and branding. The ultimate aim was to create a pool of resilient entrepreneurs and sustainable businesses in the country, which also comprise a number of local anchor companies that will catalyze emergent

of new entrepreneurs and business growth (Anon 2011; MARA 2011, 2013).

The transformation of the education sector of MARA was aimed at developing human capital with global perspective and high integrity that earn high income. This means, the development of human capital is focused on development of values, skills, knowledge with high entrepreneurial orientation. MARA also would continue to strengthen the two streams of education, namely academic and technical/vocational education. The academic stream comprised of secondary education (MRSM) until pre-university education at Kolej MARA and semi-professional at Kolej Profesional MARA and Kolej Poly-Tech MARA. The technical/vocational stream comprise GIATMARA and IKM at certificate level, as well as Kolej Kemahiran Tinggi MARA, UniKL and GMI at diploma and degree levels. The goal of education service provided by MARA is in line with Malaysia's New Economic Model to become a high income nation (Malaysia 2009; MARA 2011, 2013).

With the 2011-2015 strategic framework, MARA aspired to remain true to its mission as a socio-economic engineering trustee agency that would champion the advancement of the society toward the global stage. In terms of education, MARA has developed a full line of education system from secondary school through to tertiary level of education, for academic line and the alternative technical route by 2015. Datuk Zanudin described the evolution of MARA's core business in education since the early 1970s as follows:

These are the main cores: Entrepreneurship and education. For now we have four sectors. Then we add management services as the support unit. What we have, all along, are entrepreneurship and education. Other than those two are along these lines. So it has been like that. For the education, we establish MRSM, and keep adding the numbers. We also have IKM. Bright students may enter MRSM; the less bright ones have IKM as an option. Even for school dropouts, we offer them programs by GIATMARA. For IKM/KKM, we also offer technical diplomas. In GIATMARA, we offer certificate programs. Even if they did not manage to obtain certificates, at least they got some training. We encourage them to pursue study, to complete their secondary schooling. If they do well, they may enter IKM next. And progress to UniKL or other institutions. If not academic line, they may pursue technical line.

Moreover, MARA continues to provide its education sponsorship programs. For the period of 1966 to 2012, MARA had sponsored over 400,000 students and had disbursed more than RM16 billion worth of sponsorship (MARA 2013). According to Abdul Karim et al. (2016), MARA's sponsorship program is in fact one of MARA's most significant services for the public since its inception, which had been innovative in its design and application. Beginning 1968, MARA had revamped its previous full scholarship program by introducing a 25 per cent 'back contribution'; students receiving the scholarship were mandated to pay back a quarter of the amount sponsored by MARA as a contribution toward MARA's education trust fund. In 1985, the scholarship program was abolished

and replaced by an education 'convertible' financing program, whereby the students were given incentives in the form of discounted repayment of the study loan, based on their performance in the studies. High performing students would be given option to convert the loan into partial scholarship status and given the relief of repayment,ranging from 25 to 100 percent of exemption. Over the years, the incentive had proven to be effective in motivating students to perform well in their studies (Abdul Karim et al. 2016). In 2015, MARA had introduced additional study loan programs in collaboration with the local banks, giving more financing options to prospective students intending to pursue their education in local universities and overseas (MARA 2015).

For decades, MARA has offered a myriad of services for entrepreneurial development, which are highly integrated and stage-based. Datuk Zanudin described the following:

We provide all kinds of services for entrepreneurs. We send them for trainings and courses. If they need money to do business, we give out loans and financing. If they need a marketplace for business, we provide them the premise. In providing for business infrastructures, we give them in stages. That's the model that we are using since the beginning. Bazaars for small scale businesses, then move up to shopping arcades, then shop houses, then complexes, up to factories and industrial areas. Then we move up to establish MARA Industrial Area. That's our support for the aspect of entrepreneurship.

KEY FINDINGS AND DISCUSSIONS

The services offered by MARA throughout the years can be broadly categorized into two: entrepreneurship development and education. In general, entrepreneurship development services provide assistance to businessmen to conduct businesses, while education services provide education as well as technical/vocational training through its own operated schools, centres, institutes as well as through sponsoring students to pursue studies in other institutions. Both services develop over time and in stages, initially as separate services. At some point, the services become integrated as MARA provides additional and more comprehensive services to the public.

MARA'S SOCIAL SERVICE OFFERING: ENTREPRENEURSHIP DEVELOPMENT

Entrepreneurship development as MARA's social service offering, develops in stages. Upon its inception, MARA assumed RIDA's functions to provide support to the development of the rural areas, with more emphasis on development of economics activities amongst the Malays and other indigenous people, as enshrined by its charter. An example of the assistance provided by MARA towards the economic development of the society was building business premises. The first stage of assistance starts with

helping small scale businessmen to start off businesses (for instance, by building small stalls). Over time, the form of assistance becomes bigger with MARA adding new types of assistance, such as building bigger premises. In the second stage, in addition to building small shops, bazaars and shop houses were built to cater for new and existing businesses that were growing. The next stage involved building even bigger marketplaces in the form of business arcades as one-stop centers of multiple businesses. The fourth stage involved providing industrial areas and business parks of factories and shops that cater for industrial activities.

The assistance started with smaller-scale projects before evolving into larger ones. This evolution was perhaps supported by the growth of commercial activities, in combination with the fact that MARA was being allocated larger financial resources over time to facilitate bigger infrastructure projects. In addition, it is also likely that the consumers had greater purchasing powers compared to previous years. In particular, relevant factors include 1) financial situation of the social organization, as well as 2) managerial competencies of the leaders and managers in the social organizations, as reflected by their abilities to plan and implement various forms of social service over a long period of time (from small shops to industrial areas). In addition, 3) the economic condition of the societal members, as well as 4) business growth of the supported entrepreneurs and increase in the numbers of entrepreneurs created, have contributed toward the evolution of the social services that are being provided. This situation shows that both internal and external factors support the creation and evolution of a social service. The evolution of the form of assistance involved additions of new assistance on top of existing services. The types of assistance also vary based on the need of each business – different types of businesses would need different forms of premises or marketplaces.

MARA'S SOCIAL SERVICE OFFERING: EDUCATION SERVICES

Education services have also developed in stages. MARA's involvement in promoting education is a way to enhance the socio-economic status of Malays, through producing Malay graduates with expertise in many fields including business management. There was a realization since the first days of MARA that education is one of the means to achieve the socio-economic objectives of MARA. In fact, a blueprint of an education plan had been formulated as early as 1966. This fact was corroborated with MARA transforming RIDA Training Centre into MARA Training Centre upon its inception, and proceeded to augment its roles and functions until it finally became a higher education institute ten years later. In this sense, education serves as the foundation of the objective of restructuring of society by way of creating a pool of skilled and professional workers that hail from the marginalized group. MARA's involvement in skilled job market contributed balancing

the involvement among different races. This means that MARA's core business of education has been in focus since its early operation (with RIDA's Training Center being one the department under RIDA's organization), despite this particular core education function not being made explicit in its earliest mission statement in 1966 (the objective of MARA then was stated as "to assist and promote the participation of Malays and other indigenous people in commerce and industry"). RIDA as a social entity, since the beginning, provided dual-services of infrastructure development and education/training service.

Although MARA already had the 'grand plan' pertaining to its education service, the services were developed and offered in stages, due to circumstances, as well as new needs or demands from the society. Even as early as 1970s, it can be observed that social intervention in the form of education service is a complex process that requires mobilization of resources and values embeddedness among the individuals and managers who are involved in the implementation. In due course, the roles of social organization has evolved. For example, in the case of MARA, the first MRSM was established in 1974 as a result of the insights of the executives of MARA on the need of high quality secondary education for the Malays that focuses on science and technology. The school was modeled following pre-university system through which the students could be groomed to enter university and to become the pool of eligible input into MARA's socially engineered programs. Implementing a social intervention, particularly a more radical one such as MRSM, takes a longer time from ideation to implementation. For example, the time of ideation (1966) and the actual implementation of MRSM took about 10 years.

Analysis on the IKM and GIATMARA expansion during late 1980s to middle 1990s shows the following two trends: expansion of technical education was in line with Malaysia's move into industrialization policy which requires highly skilled workers. IKM can be considered as an innovation in the education system because they train the technician group to serve the industry needs. This fact again highlights the emphasis of MARA and the government's high regard for education. By mid 1990s, following the successful establishment of GMI in 1991, MARA began to open up more institutes of higher learning in rapid succession. GMI can be considered as one of the revolutionary education services provided by MARA – it was the first institute that offered 'twinning' program in collaboration with foreign educational institutions.

With UiTM no longer operated under MARA since 1976, MARA shifted its focus instead on the comprehensive development of technical higher education up until the tertiary level. MARA's higher education institutes in general offer the non-conventional university courses that focused on building technical expertise. MARA's first university, UniKL was established in 2004 following the consolidation of eight of MARA's technical institutes. This service served as an alternative route for vocational school graduates to enter university, who otherwise might not able to do so

due to lack of the needed academic qualification. MARA's focus on providing higher technical education iterates MARA's emphasis on empowerment through education and societal inclusiveness. With the establishment of UniKL, MARA now offers a complete technical education line: from low level of technical education (GIATMARA, middle level (IKM) to high/tertiary level (UniKL).

INTEGRATION OF ENTREPRENEURSHIP DEVELOPMENT AND EDUCATION SERVICES

Along with the expansion of MARA's education services, MARA also expanded its entrepreneurial development programs throughout the 1990s towards the new millennium. In 1996, MARA began its Technical Entrepreneur Program (Program Usahawan Teknikal – PUTEK) under the seventh Malaysia plan (RMK7) with the objective to develop more technical entrepreneurs. Through PUTEK, MARA provides comprehensive support as needed by nascent entrepreneurs by providing opportunity for technical graduates to start a business and encourages survival of their businesses.

The PUTEK program illustrates the synergistic integration of its education side and the entrepreneurship, where the education side provides the foundation for development of new business startups. Overall, the establishment of PUTEK within the education and entrepreneurship ecosystem indicate MARA's comprehensive effort in ensuring that every individuals are developed into insan: individuals who are self-sufficient, empowered and contribute to the society. This objective is in fact MARA's purpose of existence. While previous MARA's programs of education and entrepreneurship seemed to follow its own route, the introduction of PUTEK indicated an integrative effort in the development of human capital towards becoming role model individuals, the insan.

SYNTHESIS OF EVOLUTION OF MARA'S SOCIAL SERVICES

In the case of MARA, true enough, the evolution of its services were based on certain blueprints set out by the policy as well as by MARA itself. In fact, the 'grand master plan' was set out at the beginning of MARA's existence, which served as the raison d'etre of MARA. As the services evolved, new blueprints were set out at each of the stages of development of the service. Figure 2 shows the process of the development of transformative social service, which transpired from its values-laden grand blueprint of empowering the targeted group through education and wealth creation for well-being of all in the society. The resultant values-based service that solve the social issues was developed in cycles and continuously expanded and improved over time.
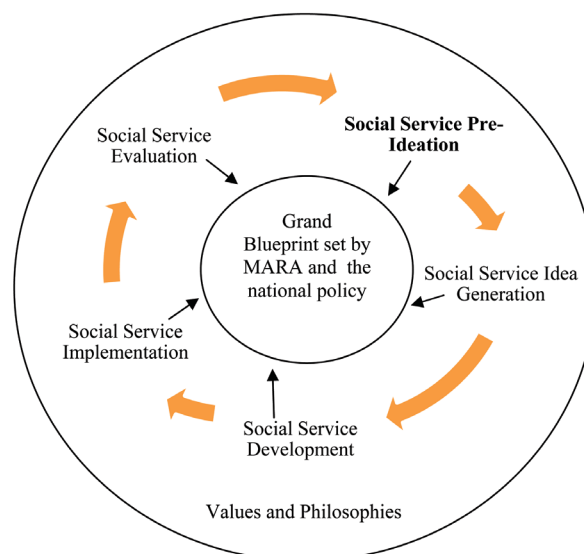

FIGURE 2. Transformative social service development process and the blueprinting

As a whole, social services of MARA and their transformative impact evolved and expanded together with the growth of the organization. Overall, the stages involved in the development of a service include pre-ideation, idea evaluation, service development, followed by implementation and evaluation. In this study, we found a distinct stage of pre-ideation within the social service innovation process which starts even before the conception of the organization itself. Moreover, the formulation and planning part of a social service is crucial in ensuring the success of its implementation and its alignment with the organization's charter. For instance, the education blueprint of MARA seems to stand the test of time, indicating that the service is beneficial to the targeted group and thus indicative of its alignment with MARA's objectives.

Technical education programs for example GIATMARA, require time to achieve legitimacy in a society that values formal education such as in Malaysia. Only after about 15 years of its launched, GIATMARA program was no longer regarded as a 'third class' training (Ali 2010). The legitimacy is achieved through having the programs designed to match industry demand, and such implementation directly benefit the society through capitalizing on the skills of the locals while empowering the trainees economically.

CONCLUSIONS AND IMPLICATIONS

MARA's two foundational services – entrepreneurship development and education, had evolved over time in a number of stages, and had been influenced by the government's policy of the moment, its heavyweight champions' support, financial situations, managerial competencies of the leaders and managers, the socio-economic conditions of the societal members, as well as the business and personal growth of the supported

beneficiaries. These findings, that link the concept of innovation to social venture development, enrich our understanding on the concept of social innovation, particularly on its process of development. This understanding is helpful to managers and policymakers in promoting effective management and institutionalization of social organizations, leading to a more systemic socio-economic development and transformation towards the well-being of the society.

To date, there have been tremendous efforts by MARA's leaders, managers, and employees in achieving its objective of assisting and promoting the participation of the bumiputra group in the fields of commerce and industry. Although reports have shown significant improvement of the conditions of the targeted group since 50 years ago, more needs to be done as the percentage of bumiputra's take home average gross income is still low, in comparison to other groups in the society (Aninah Janang 2015; Abdul Karim et al. 2016). Landed properties ownership is continuously reduced amongst the disadvantaged group. Recent reports also highlighted the need to address the critical problem of the urban poor, the majority of which are still comprised of the Malays and other indigenous people. Bridging this socio-economic gap should be regarded as a national concern instead of a racial one, because equitable distribution of national wealth among members of the society is one of the key conditions toward achieving national unity and prosperity. It can be argued that MARA's role is still relevant and it definitely has to continue to exist to serve its purpose.

In sum, theoretically, the findings of this study provide the links of the concept of innovation to entrepreneurship and social venture development that form the basis for socio-economic prosperity and societal well-being. Practically, the study serves as a road map for future social innovation initiatives and future social innovators. The findings are also relevant for policy makers to effectively manage and foster the growth of the social service and social business sectors.

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