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Dr Tan Thai Soon
Editor of Asian Journal of Knowledge Management
UNDERVALUED AT WORK: PHENOMENOLOGICAL RESEARCH ON EMPLOYEES

DR. A. JOSEPH.WALTER

Abstract

This qualitative study looks at employees’ experiences associated with them being undervalued at work. A limited amount of literature was identified in exploring the feeling of employees being undervalued. The aim of this qualitative research is to understand the phenomenon causing employees to feel undervalued at work. The Hermeneutical Phenomenological approach is used to unfold and uncover the deep meaning structures by employees who experience being undervalued in their daily work. Multiple participants were interviewed face-to-face in their natural settings to attain their perspectives on being undervalued at the workplace. The staff from various ranks and industries were interviewed face-to-face using digital video recordings. The major theme emerged from the study, “Boreout”, which includes “lack of meaningful work”, “boredom”, and “lack of challenge” indicating employees being undervalued were revealed. This research begins to unfold many events in developing training and development approaches as it contributes to an authentic appreciation of human resource development, and creates a real meaning, a sense of belonging, a deeper sense of collaboration and partnership with their organizations. The researcher upholds the originality of this work with full pride and honesty for current and future improvement and development, paving the way for researchers to continue to fill in the knowledge gap. This research contributes to guiding HRD practitioners to encourage organizations to embrace and cultivate a holistic approach towards management in fostering value in every employee’s perception. Employee satisfaction, recognition, greater performance, and retention can be achieved for organizations as a result of this.

Keywords: Undervalued; Boreout; Phenomenological Research

INTRODUCTION

The “tsunami” of change in management is a hot topic of present management to continue operation in fast-changing and unpredictable environments. Demographic changes (Busine and Watt, 2005), globalization (Kleinsorge, 2010), and importance of customer relationships (Busine and Watt, 2005; Losey, Meisinger, and Ulrich, 2005) are continuously being mentioned as trends involving organizational changes. Human resource
management has made the long journey from the earlier narrow personnel view to the modern, more broader perspective of strategic human resource management, which focuses more on strategic human development (Strauss, 2001). A large amount of research (Bowen & Ostroff, 2004; Bukowitz, Williams, & Mactas, 2004; Fleetwood & Hesketh, 2006; Henard & Mcfayden, 2008; Hendrichson, 2003; Ramlall, 2003; Schein, 2004) has been conducted in the area of human resource management, the literature failed to address the issue of employees being undervalued and the contribution from the management professionals in tackling that issue. The researcher agree with the scholars above; that is be mere good HR managers is a necessity, become more effective, and to be a stronger voice for the employees. HR must bring transformation, and HR practitioners must be ready and competent to stand for their employees. In the ongoing dilemma of modern-day slavery. Currie and Kerrin (2003) and Storey and Quintas (2001) cautioned human resource practitioners about the negative impact of the issue of undervaluing employees if it is not tackled, or not taken seriously. The feeling of being undervalued by employees at work, and its effect, is what this research will address. There are continuous presentations from scholars on the belief that human capital is the organization’s most valuable asset (Edvinsson & Malone, 1997; Klein, 1998).

Apparently, many academics (see Guthrie et al., 2001; Petty & Guthrie, 2000) claim that, although many organizations trumpet loudly that their employees are the company’s most important asset, however only a handful of them “walk the talk”. If people are truly an organization's greatest asset, they have to be protected, and valuing them as assets is unquestionably the best way to do this. Employees who are dissatisfied with their employments only complete the minimum workplace duties (Chen & Hung, 2006; Chen, Lin, Lu, & Taso, 2007; Chen, Tsui, & Far, 2002). Thus, they are conformists

Even though organizations now routinely tend to espouse an ideology of valuing employees, it does not directly follow that employees themselves feel valued. As Malaysia climbs the ladder of development, the emphasis on human capital development and a knowledge-based economy becomes more important. In fact, human capital is an essential factor in every sphere of development today, including in enterprises that strive for success. If in the past, physical capital such as land and financial capital were some of the elements that defined a business' competitive edge, today it is no longer the case. To survive in a global market in the new millennium, Malaysian firms need to exploit their resources as a means of achieving a competitive advantage. Accordingly, there is a call for human resource practitioners to challenge themselves to be creative in addressing issues and being updated,
where strategic and human development is seen as crucial (Brewer & Brewer, 2010; Hislop, 2003; Nicolini, Powel, Conville, & Martinez-Solano, 2007). Human capital has become the key component in an organization today. Buildings can exist, but without humans it becomes lifeless.

An employee who experiences profound doubts about his or her value, who feels unworthy or undeserving of respect, achievement, success, and fulfillment – in a word, happiness – is at a severe disadvantage. When people do not feel good about themselves, they move toward a state of ongoing negativity about their work, their relationships, and their workplace. A view of employees' perceptions of their value to the organization reveals how an organization's people and policies affect individual member's feelings of value, and what other factors play a role in how they perceive their value to the organization. In addition, it provides a view of individual employee constructs for job satisfaction from both personal and professional perspectives.

Literature Review

Human Resources Management

It is well expressed in the management literature on effective ways to demonstrate the practices of employee value. HRM seeks to maximize organizational performance through the adoption of best practices in the management of people. Mckenna & Beech (2002) view HRM as an approach to personnel management that considers people as the key resource. Personnel management/ HRM can be traced to philosophies of certain civilizations. Many different philosophies have contributed to our understanding of human values.

In short, the research question of employees being undervalued at the workplace has its relations from the philosophy of the ancient Egyptians till today. Human resource is very important and it’s very critical for any organization in the development of human capital. The development of early civilization contributed to the platform of employees being valued at the workplace.

Today, human resources are seen as a business partner, instead of indulging in paperwork and solving employee issues. Using the tagline that ‘employees are the greatest asset’; most companies incorporate the tagline into their company mission and vision statements. If an organization can ‘walk the talk’ in their mission and vision statement, the development of employee concerns
would have been the highest priority. It is sad to say that, unfortunately, many organizations that claim to hold employees as their most valuable asset do not engage their employees and, as a result, the employees tend to underperform.

Human Resource Development

The Malaysian government has given human resource development its highest priority, and is considered as one of the strategies in achieving Vision 2020. Human capital is undoubtedly the fundamental investment in achieving the industrialization status. However, the issue of HRD needs to be tackled and addressed in recognizing the value of employees, not unappreciated, but relatively in a stable form that adds value to the organization.

As stated in the Malaysian newspaper, The Star (Wednesday July 6, 2011) human capital has always been the central factor of many human resources, and in the development of human resources. Because of their skills, knowledge, experience, and competencies they are viewed and monitored as a driving force for the success of the organization (Becker, 1975; Schmidt & Lines, 2002, Harrison & Kessels, 2004). Therefore, it is argued the ability of strategically-focused HRD to formulate plans and policies with business plans (Garavan, 1991; McCracken & Wallace, 1999). Because they are short-term plans, and are scarcely available in some organizations, they are reported as imperceptible organizations (Ardichvilli & Gasparishvilli, 2001; Elbadri, 2001; Budhwar et al; 2002) and may be completely absent in small firms (Kerr & McDougall, 1999; Hill & Stewart, 2000; Hill, 2004). The central emphasis of HRD should be that employees are the greatest asset, and should managed and developed just as well as the most stringent financial asset (Doyel, 2003). If employees are always seen as the greatest asset, the question of employees being undervalued should never be an issue.

Human Capital

It has been always the anthem of organizations to say “employees are our greatest asset”. In 1954, the term “human capital” was given birth during the discussion of material capital (Schultz, 1971; Becker, 1964). Becker’s book, entitled Human Capital, spoke more on personal income, and more attention was given to money instead of employees, which lead to negative undertones by professional practitioners. Today the term “human capital” is widely spoken, accepted and used popularly to describe human resources at management levels since 2003 (Scholz, 2007). Companies all over the world
today, no matter where they are operating from, are coming to realize the importance of developing human capital by planting values in them. It is still an unending debate of organizations, why employees are treated so haphazardly, if what they claim, that their employees are the greatest asset, when the “marginal value of the investment in human capital is more than three times greater than machinery value” (Stewart, 1997, pg.85).

As Malaysia moves forwards towards industrial development, the focus on human capital development becomes more important. Human capital, in fact, is an essential factor for development today, which includes organizations striving for success. Prior to this, physical capital, such as land and financial capital were some of the factors of business’ competitive edge; today, those are no more as human capital overtook that thinking. It is agreed by many that human capital has been the key to most competitive advantages in this new era.

Many organizations have vision and mission statements that state people are their most valuable asset. If this is true, the development and concern of employees in any organization would have the highest strategic priority, and employee engagement within those organizations would be very high. Many surveys conducted by consulting firms consistently state that high employee engagement enhances organizational performance and contributes to the bottom line (Debunking the Myths of Employee Engagement, 2006; Employee Engagement Report 2006, 2006; Gebauer, 2006). Why is it then that many organizations that claim to hold employees as their most valuable asset do not engage them and employees are, in fact, under performing, which contributes to employee being undervalued? If organizations cannot measure human capital attributes of employees, then they run the risk of under utilizing it, de-motivating the individual, and losing a valuable resource to a competitor. As stated by Fong (2006):

“Developing human capital through HRD would not be complete if consideration is not given to the issue of values and ethics. Positive work values, the spirit of competition and integrity must be an inherent part of the labour force. Employers are concerned about work attitudes among workers. They are concerned about job-hopping, dislike for hard work, and their unwillingness to put in extra efforts, especially to work over-time.”

Learning Organization

In general, humans are created to learn. During an economic crisis, while most of the organizations squeeze the profit margins, small innovative
incremental improvements can provide competitive advantages. Continuous improvement has been the main factor for organizations to remain competitive in a market, and to ensure continuous improvement organization learning is one of the organizational strategies (Robinson, Clemson, & Keating, 1997). Organization learning can be defined as an ongoing process of change (William, 2001), that utilizes acquisition, knowledge creation and transfer (Garvin, 1993) in the decision-making process. Malaysia, as she begins to compete in the global arena, has a need for learning organizations. Despite the call from the government for the implementation of learning organizations, many companies are reluctant. As stated by Hughely & Mussnug (1997), where most companies are doing it just for the sake of doing it, and not being totally serious about it. This leads to employees feeling undervalued, which leads to low productivity.

Employee Turnover and Intention to Leave

Employee turnover has been an important issue that spurs many negative consequences for organizations, such as tarnished image, high costs due to re-staffing and re-training (Siong, Mellor, Moore, & Firth, 2006; Sutherland, 2002), and declining productivity (Bigliardi, Petroni, & Dormio, 2005). There have been countless studies done that investigate the factors motivating employees to leave organizations voluntarily, and most of the studies relate intention to quit to job satisfaction (e.g. Park & Kim, 2009; Cohen & Golan, 2007; Siong et al., 2006; Poon, 2004; Elangovan, 2001), interpersonal relationship (Bigliardi et al., 2005; Firth, Mellor, Moore, & Loquet, 2004), organizational culture (Park & Kim, 2009; Carmeli, 2005) and workplace stress (Bhanugopan & Fish, 2006; Jaramillo, Mulki, & Locander, 2006; Siong et al., 2006; Elangovan, 2001). Intention to quit would spark in one's mind when the individual feels that the organization he/she works for does not fulfill his/her needs anymore. Much of the turnover research has specifically focused on the antecedents of employee turnover (Hom & Griffeth, 1995). Some of these antecedents include job satisfaction (Graske, 2001; Mitchell, Holtom & Lee, 2001, Mitchell, Holton, Lee & Sabiynski, 2001), wages (Finegold, Mohrman, & Spreitzer, 2002), external job opportunities (Carson & Carson, 1997; Hom & Kinicki, 2001; Scheuermann, Finch, Lecky & Scheuermann, 1998; Snizek & Kestel, 1999; Turnley & Feldman, 1999), non-work externalities (Carson et al., 1997; Flowers & Hughes, 1973; Hom et al., 2001; Scheuermann et al., 1998; Snizek et al., 1999), organizational commitment (Boroff & Lewin, 1997; Cohen, 1993; Snizek et al., 1999; Thorsteinson, 2003; Turnley et al., 1999; Wagner, 2000), and the related factors of role stressors (Carson et al., 1997) and voice (Boroff et al., 1997; Carson et al., 1997).
Besides the aforementioned sources, employees not receiving adequate praise and recognition could be another reason for intention to leave. Employees are not rewarded for their extra efforts, or acknowledgement for their achievements. Because management is ineffective, the issue of being undervalued is on the rise, however still there is little understood on the phenomenon. The old cliché of ‘your employees are the best asset’ is only true for certain reasons but organizations will never realize that until things turn obnoxious, because of the feeling of being undervalued. Employee turnover is a phenomenon to be considered seriously. A recent researcher suggested employees leave because they are dissatisfied or feel undervalued in their current position (Branham, 2005; Burmeister, 2004).

Value and Undervalue

Maslow (1998) says that to be satisfied is to find value and usefulness in life; when the feeling of being undervalued occurs, workers encounter a lack of confidence and inferiority complex. Historically, value creation in terms of tangibility was the primary investment focus of an organization. Investment in tangible assets was to create a competitive advantage, and to remain successful, but without intangible assets helping to achieve an organization’s vision, the objectives of being successful will never be achieved (Nootenboom, 2002; Nonka & Takeuchi, 1995; Adler & Kwon, 2002; Hand & Lev, 2003). During the era of industrial economy, machines and equipment were seen as value-creation drivers. Today the focus is on people, but the question of being undervalued is still in existence, even though organizations keep harping that they value employees as their assets. Fitz-enz (2000) claims that people are the value drivers today; we witness high turnover, absenteeism, high employee grievance cases being reported at labor court, and cases of employees being undervalued. Therefore, in today’s knowledge economy, the emphasis is more on intangible assets so to promote performance such as human value, structural capital, social capital and intellectual capital (Hand & Lev, 2003; Blair & Kochan, 2000).
Figure 1: Factors Contributes to Employee’s Feeling of Being Undervalued

Figure 1 above explains the contributing factors of what leads an employee to feel undervalued. One of the major reasons that will contribute to an employee feeling undervalued is lack of recognition. This was experienced by one of the researchers of this study who worked as a senior HR manager in which during his tenure he has witnessed many employees left due to lack of recognition. Management being very snobbish is a factor that may hurt employees and makes them feel undervalued. Employees love to receive praise and congratulations as a reward, this makes them feel proud and valued. Even the smallest praise gives employees self-confidence and boosts their morale. Hay Group Insights had conducted a related study among Asian workers in Japan, Indonesia, Singapore, South Korea, Thailand and Malaysia. The study found that found that 29 percent of Asian feel frustrated and being undervalued about their jobs revealed that nearly three out of four Asian employees feel frustrated with their work. They noted that, even with high motivation, employees still feel undervalued, or the motivation does not necessarily turn them toward high performance. The factors of frustration faced by Asian employees boiled from various system management failures.
They added that poor leadership styles, ineffective work structures, unproductive work environments and procedures, also contribute to that failure. Besides that, Asian workers in general lack, or are not given the empowerment with professional development by their bosses. The study also reveals that there is no guarantee in having highly motivated employees for high performance without sufficient resources to accomplish this, as most employees desire challenging jobs. Most employees want unhelpful managers to not be in the organization, as they can be a hindrance to their achievements. Organizations planning to invest in corporate retreats, development programs, and in team-bonding, are surprised that these sessions are lukewarm and fade easily away from the employee’s mind. Their survey suggested that employees look forward to corporate structures and policies that promote healthy effective work behavior instead.

Trust

One of the factors that contribute to employees being undervalued is when there is no trust from the employer. Being undervalued at the workplace tends to be higher in work settings where employees feel they are unappreciated, unimportant, and otherwise excluded from reasonable consideration as part of the organizational team (Shouksmith, 1994). If employees find meaning at work, or in work they do, they tend to become actively involved, enhance their contribution and feel more committed (Benner, 1984). Conversely, when employees are deeply immersed and have the real desire to get actively involved in their jobs, but unfortunately they are not given the opportunity, therefore the feeling of undervalued and alienated towards the organization might arise (Lodahl & Keyner, 1965). When employees feel that they are not important, not worthwhile, and undervalued in the existing organization, the intention of looking for another job haunts them and they decide to leave for a new workplace where they can be appreciated more (Belicki & Woolcott, 1996). Trust is very important for anyone who consider in engaging or working together with another (Porras, Collins, & Collins, 2004). In addition, Porras et al. continued to say that, to have successful collaborative teams, trust is very essential.
Incentives Impact on Employee Value

Incentives are necessary for employees, to show that the organization cares for their welfare. Nonetheless, with the continuous changes in organizational structure at the current workplace, the psychological value of the employment contract is seen as being minimized (Sullivan, 1999). In Malaysia, as reported by the Star, Saturday, September 10, 2011, “The Government is getting ready to implement minimum wage by year-end”. According to the Human Resources Minister of Malaysia, Datuk Dr S. Subramanian, “the wage council is currently working towards setting the figures as statutory minimum wages for the various jobs, sectors and regions in the country”. These figures, determined “in the best interest of the country's economy”, will be unveiled by year-end, following which employers would have to observe, or face a fine of RM10,000 for each worker they fail to pay according to the new legislation. And with that, many working-class people will have good reasons to cheer, as they will likely feel a tad richer by the end of the year, with their holiday presents coming in the form of wage increases through a price floor set by the Government. Employers, on the other hand, though, will be more concerned.

By Datuk Subramaniam's own admission, the decision to legislate a minimum wage is a controversial one. Nevertheless, he says it is a necessary initiative to protect the welfare of the working class in the country, whose pay has remained depressed for years. “At present, nearly 30% of Malaysians are earning less than RM700 a month,” Subramaniam says, adding that there are also some sectors in the country paying their workers a mere RM350 to RM400 a month. Just compare that with the poverty line income of the country - RM720 for the peninsula, RM970 for Sabah and RM830 for Sarawak, which are calculated for a household of four to five people, amid the rising cost of living, and one could perhaps understand why the Government is taking this step to intervene in the labour market.” “In my view, labour should not be seen as merely an input to production, but as a development goal. Workers' welfare is therefore paramount in national policy decision-making, hence the desirability of a minimum wage policy,” says RAM Holdings Bhd. Group Chief Economist Dr Yeah Kim Leng. According to the guidelines prescribed by the International Labour
Organisation (ILO), “a minimum wage should help their families, the general level of wages in the country, the cost of living, social security benefits, and the relative living standards of other social groups”; and “economic factors, including the requirements of economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment” (31 July-11 August, 1995).

Appropriateness of Qualitative Method Applied in this Study

The focal point of any research method is to employ tools that largely contribute in obtaining comprehensive insights of an issue, and developing the richness of the design, the analysis, and development of the implications and interventions (Morse & Chung, 2003). According to Greene and Caracelli (1997), various methods of framing and studying social phenomena have unveiled numerous points of understanding.

Specifically in this study, the researchers engaged with a kind qualitative study which is known as phenomenological. This approach is said to be appropriate in investigating and exploring a core problem identified with a general issue (Creswell, 2005). This method inquires into the real meaning that individuals ascribe to social or human problems (Creswell, 2007). Its rich analytical and defined perspective as well as its strength in focusing on actual practice in situ cannot be denied.

Our approach towards phenomenological approach is to generate knowledge that is applicable and faithful to human actions. Such knowledge becomes a prerequisite in our practices, as it is refining and able to bring forth improvements. In order to protect the knowledge, as mentioned by experienced participants, we bring forwards our study outcomes to the practitioners so that employees’ experiences of being undervalued at the workplace may be improved. With regard to this, the researchers used them.

Dr. Duncan, the first Medical Officer Of Health 1994 in Britain said, "The almost sole recognition given to quantitative methods has trained students inadequately, established flawed standards of practice and research, and delayed the development of essential medical knowledge.... When qualitative methods are clearly established in our research repertoire, the advance of medical knowledge will be greatly accelerated".  Dr. Duncan’s strong
statement has deeply persuaded us to uncover the real phenomenon that causes employees being undervalued at work. Time and again, studies have been too quick to measure rather than to deeply understand the phenomena or the underlying issues, and this might lead them to irrelevant descriptions. However, our research is aimed at understanding the phenomenon of employees being feeling undervalued, instead of the number of employees being undervalued.

Results of Thematic Analysis

All interviewed participants expressed wholeheartedly being undervalued at work. All of them agreed that there are negative elements of contribution when being undervalued takes place at work. Based on their responses to several interview sessions, the researchers found that the psychological phenomenon of boreout had arisen among the participants. Thus, boreout is a theme that the researcher establish in this study. The results of this thematic analysis is summarized in the Table 1 below.
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<th>Boreout – Theme</th>
<th>Definition/explanation</th>
<th>Excerpts and Discussions</th>
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<tr>
<td>Lack of meaningful work</td>
<td>Boreout explains the management theory that hypothesizes the lack of challenge in work, boredom, and lack of satisfaction as a common symptom that creates dissatisfaction among employees in today’s working culture.</td>
<td>Ms Su: “Sometimes I feel motivated to show that actually I am capable of but then the opportunity have been, they didn’t give opportunity, then they always look at me as a not capable. So it makes me, myself come, I at the end I think that I am not capable, that’s the problem, so this thing really makes me from a confident person become lost confident.” She adds “So basically the daily work is just the fairy tale work whereby I think that is aaa I need something more as aaa at my level because I clerical work everybody can do it but then aaa being doing just only clerical work for most of three years makes me aaa really undervalued and then I feel that I didn’t given aaa the trust to do aaa what actually I capable of”.</td>
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<tr>
<td>Boredom</td>
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“Boreout is a management theory that posits that lack of work, boredom, and consequent lack of satisfaction are a common malaise affecting individuals working in modern organizations, especially in office-based white collar jobs. This theory was first expounded in 2007 in Diagnosis Boreout, a book by Peter Werder and Philippe Rothlin, two Swiss business consultants”.

Burnout is a psychological term for the experience of long-term exhaustion and diminished interest. Maslach and her colleague Jackson first identified the construct "burnout" in the 1970s and developed a measure that weighs the effects of emotional exhaustion and reduced sense of personal accomplishment.

The above interview participant’s lived experiences concretely explains all about boreout in today’s working environment. The state of boreout also makes an employee to feel undervalued, when there is lack of career challenges. When a job creates no excitement and challenges, it can contribute to boreout and that experience can lead to job hopping. The above lived experiences affirm the need for career challenge. The experience of having no work challenges makes an employee not only undervalued but frustrated, which can lead to psychological depression.

Mr. Moses - “is just like bring down ah… the moral of the staff after all the hard work that put it in this company ah…we are genuinely in our work, sometime the management feels that we have not done enough and therefore the pressure is put on us. Basically asking us to contribute more and what we are.”

Another employee experiences the related experience of being undervalued is also through boreout. Employees experiencing a lack of career challenges, the feeling of demoralization exists, and boreout takes
Boreout is a family of three elements: boredom; lack of interest; and lack of challenge. An employee feels boreout because he or she experiences being undervalued which contributes to the lack of challenges, boredom and lack of interests. In his book, “The 7 Hidden Reasons Employees Leave” Leigh Branham, explains that job or workplace is not as expected, mismatch between job and the person, too little coaching and feedback, too few growth and advancement opportunities, feeling devalued and unrecognized, stress from overwork and work-life imbalance and loss of trust and confidence in senior leaders contributes to an employee’s leaving which in return makes him/her to feel undervalued. These seven reasons explain the outcome of an employee’s feeling of being boreout. Philippe Rothlin and Peter Werder in their study claim that 15 per cent of employees are experiencing “boreout”- contributing to chronic boredom and de-motivation at workplace. Their job

<table>
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<th>Table 1: Thematic Analysis</th>
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<td>Boreout is a family of three elements: boredom; lack of interest; and lack of challenge. An employee feels boreout because he or she experiences being undervalued which contributes to the lack of challenges, boredom and lack of interests. In his book, “The 7 Hidden Reasons Employees Leave” Leigh Branham, explains that job or workplace is not as expected, mismatch between job and the person, too little coaching and feedback, too few growth and advancement opportunities, feeling devalued and unrecognized, stress from overwork and work-life imbalance and loss of trust and confidence in senior leaders contributes to an employee’s leaving which in return makes him/her to feel undervalued. These seven reasons explain the outcome of an employee’s feeling of being boreout. Philippe Rothlin and Peter Werder in their study claim that 15 per cent of employees are experiencing “boreout”- contributing to chronic boredom and de-motivation at workplace. Their job</td>
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is being unchallenged or under challenged, uninterested and spent unproductive hours at workplace. Boreout brings low in morale.

This study elicits light in recognizing boreout, its consequences which includes weariness, dissatisfaction and loss of zest for life, by employees spending unproductive hours in online chatting and surfing the net. Generally, in organizational settings, respect is one of the most compelling indicators for individuals concerning their status, not only as people, but as an employee. Respect is said to be the core significance. Being disrespectful, as the opposite, indicates the influence of stress (Lim & Cortina, 2005), which in return can lead to greater burnout and being undervalued (Lee & Ashforth, 1996). Being undervalued is also due to lack of respect, which could negatively lead an employee to feel he/she is not important any more to the employer.

Summary

Researchers of phenomenology in unison agree that returning to embodied and experiential meanings should always be the central concern. Mostly phenomenology researchers aim for original, thorny, fresh, ornate narrative of a phenomenon, as it claims to be concrete lived experiences. As Wertz (2005) puts it: “Phenomenology is a low hovering, in-dwelling, meditative philosophy that glories in the concreteness of person world relations and accords lived experience, with all its indeterminacy and ambiguity, primacy over the known” (p. 175).

Van Manen (1997) claims that the mission of phenomenological research and writing is to build viable analysis of human experience (p.41). The objective of this research is to understand and describe the phenomenon of employees being undervalued at the workplace. The intention of qualitative phenomenological research is to deeply explore, examine, and study the sensitivity and lived experiences of undervalued employees. This research brings light to revealing a stronger version of employees’ experiences of being undervalued at the workplace and to “offer plausible insight about this phenomenon that brings us into more direct contact with the world” (van Manen 1997, p.9). The core of this research is to comprehend the fundamental nature of employee being undervalued at workplace and to relate, share to others. “Phenomenology enables researchers to examine everyday human experience in close, detailed ways” (DeMarrais & Lapan, 2004, p. 56).
Using qualitative methodology by way of phenomenological research design, researcher can delve into, and discover the lived experiences of employees to appreciate better, or be *au fait* with employees who experienced being undervalued at the workplace, and the consequences in combating this is the major challenge. With 10 face-to-face deep interview sessions, using semi-structured open-ended questions, qualitative phenomenological research is put forward as a profound understanding of the distinctions in employees being undervalued, and helps unearth the previous and present issues.

Conclusions

The researchers is not trying to solve any problems or, issues, but instead trying to understand the phenomenon of employees being undervalued at workplace. This research is not a journey in solving any issues or problems, but an addendum in improving human resources development practice through training, which translates to the appreciation of employee value at the workplace. The researchers offer this qualitative phenomenological research as a contribution to the appreciation of employees’ experiences of being undervalued at work in anticipation of this invaluable research, which will assist human resources development practitioners in implementing, executing, complying with, and carrying out their core principal role of encouraging management in incorporating employee value at their working environment. As part of the research we did interview the Human Resource Minister and Industrial Relations Director, not that they are victims but to have them affirm that employees are being undervalued. This is what they say: “Issue on undervalued employee as such. I am sure it happens, although we can’t quantified it you know, we can give the figure as to how extensive it is”. And this is what the Industrial Relations Director says: “From my view, as the committee members they feel they were undervalued by employers and because of that they will fight for their rights. They think what they have got are not worth and enough as what they had contributed to the company. Sometimes, the company earned more money and the business run good but then they did not get any increment of salary, or get any additional benefits such as allowances or bonuses as discussed before”. We recorded their statement as evidence that being undervalued exists, or the feeling of being undervalued by an employee once or many times in the lifetime of an employee. Being undervalued is a kind of “virus” that can lead a human from having high spirits to what we called being in “cold storage” by an employer. This research contributes evidence of employees being undervalued from their lived experiences. The researcher hopes that this research, as claimed by the interview participants, will elicit new insights for employers in bringing improvements in valuing the employees as assets.
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SOCIAL ENTREPRENEURSHIP AND ORGANIZATIONAL EFFECTIVENESS: THE CASE OF URBAN POVERTY IN MALAYSIA

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Abstract

Malaysia has made great strides in eradicating poverty. Based on the latest figures of the 9th Malaysian Plan Mid-term review, the overall hardcore poverty percentage is down to 0.7%, and only 3.6% of the Malaysian population is living below the overall poverty line. While in the past significant efforts had been taken by the government through various developmental project to alleviate poverty in rural area had proven successful. Today, urban poverty in Malaysia is an increasingly visible phenomenon due to rural-urban migration and the natural population growth in urban areas. Given the changing dimensions and emerging new forms of poverty as a result of unwanted effects of development there is a dire need to re-examine and re-visit urban poverty in Malaysia. This paper provides a comprehensive literature review of the topic under this study. In particular it overviews the effectiveness of the social entrepreneurship initiatives that social entrepreneurs have pursued in solving urban poverty issues in the country.

Keywords— Social Entrepreneurship, Organizational Effectiveness, Urban Poverty, Malaysia.
I. INTRODUCTION

Malaysia had successfully reduced the incidence of poverty from 52.4 percent to 5.1 percent between 1970 and 2002. Total number of poor households had significantly fallen from 1.6 million to 267,000 over this period (Ahmad, 2005). This trend was however getting disturbed, unnoticed at the time, by the country’s fast economic growth and urbanization of the 1990s. The urban population swelled from 20 percent in 1960 to 40 percent in 1980 and to 60 percent in 2000 (World Bank, 2007). According to the United Nations Population Division, 78 percent of the country’s population will be urbanized by 2030. The acceleration of urbanization has been accompanied by increase of urban poverty together with crowding, uneven distribution of development benefits and change in the ecology of urban environment (Mok, Gan & Sanyal, 2011). Four mega cities in Malaysia in which consist of Kuala Lumpur, Johor Bahru, Penang as well as Kuching have experienced exponential growth in population as people throughout the countries have flocked to the cities to seek employment.

When the economic boom (in late 1980s and the early 1990s) ended with the Asian Financial Crisis (1997) that struck the whole Asia, the country found itself in economic hardship, characterized by low currency exchange, high unemployment and growing income inequality between the haves and the have not. The crisis of 1997 adversely affected the urban poor and migrant workers through job loss, rise of food prices and general inflation. Despite reduction of poverty throughout the country since Malaysia gained independent in 1957, overall, the incidence of poverty increased from 6.8 percent in 1997 to 8.1 percent in 1999. The number of poor households increased to 393,900 in 1999 (Nair, 2005). Unemployment rate increased from 2.6 percent to 3.9 percent between 1996 and 1998 as the number of retrenched workers rise up to more than double from 8,000 to 19,000 between 1996 and 1997. Most retrenched workers were those who worked as operators from manufacturing and low and semi-skilled labour from construction sectors, thus affecting female workers, the urban poor and foreign workers who make up large parts of the labour force in these sectors (Nair, 2005).

In the country as a whole, income share of the bottom 40 percent fell from 14.5 percent to 13.5 percent while that of the top 20 percent increased from
50 to 51.2 percent between 1990 and 2004 (Economic Planning Unit, 2006). The government now faced the renewed challenge of reducing wealth and income inequality among and between ethnicities and regions and particularly in urban areas.

Given the changing dimensions and emerging new forms of poverty as a result of unwanted effects of development there is a dire need to re-examine and re-visit urban poverty in Malaysia. This paper provides a comprehensive literature review of the topic under this study. In particular it overviews the effectiveness of the social entrepreneurship initiatives that social entrepreneurs have pursued in solving urban poverty issues in the country.

II. OVERVIEW OF THE LITERATURE

There is a belief that that the concept of social entrepreneurship is still new in Malaysia, and needs a bit of a push to become widespread. This was according to Sarif et.al (2013), in one of their respondent’s response in their research around Klang Valley, Malaysia. Therefore, this research in particular, helps scholars and practitioners to examine the effectiveness of “social” entrepreneurship in overcoming urban poverty in the country. In the next section of this literature review is focused on the concept of Urban Poverty from Global and Local Context, Social Entrepreneurship, Organizational Effectiveness, Relationship between Social Entrepreneurship and Organizational Effectiveness and the Impact of Organizational Effectiveness in Social Entrepreneurship to Overcome Urban Poverty in the country is thoroughly discussed.

III. BACKGROUND OF THE STUDY – URBAN POVERTY

A. Global Context

Millions of people around the world live in informal urban communities where a lack of resources leads to degradation of the environment. Deteriorating environmental conditions, in turn, create more poverty (Dale, n.d). Research done by Yassin and Narimah (2011), deals with the issues of
urban poverty in the developing countries by taking Sudan as an example. In their paper, the practical definition of the urban poverty is quoted from Sen (as cited in UNESC, 2007). Sen defines poverty as the deprivation of basic capabilities that provide a person with the freedom to choose the life he or she has reason to value. These capabilities include good health, education, social networks and command over economic resources, and influence decision-making that affects one’s life. This appears to be similar to the national definition of poverty in Sudan. According to the Ministry of Welfare and Social Security shortly known as MWSS (as cited in Yassin & Narimah, 2011), poverty is defined as the inability to meet the minimum basic necessities of life for individual and family that preserve or conserve religion, mind, money, and soul. The basic necessities include access to food, clothes, public transportation, owning a house or the ability to rent, availability of potable water, health and educational services, and security of property and life.

Both definitions focus on respect to and dignity of the individual, access to income, and services- all of which serve as indicators for measuring poverty. This article considers income as an important variable for measuring urban poverty because it allows a person to develop his or her capabilities and ensures access to services particularly after the withdrawal of the state from engaging in service provision resulting from the introduction of privatization. The authors are of the view that measuring poverty in terms of income is preferable especially when dealing with the urban poor due to the fact that commanding financial resources enables individuals to access the basics of life like food, services, and housing.

Adviser and Godard (2010) raised a question on why urban mobility of the urban poor to city’s centers is important. They reported that high share of urban poor in (western) African cities is 30% to 40%. Thus, mobility is important as a mean to access to the city opportunities and as a mean to maintain and to develop a social network. In short mobility is a condition to escape from destitution and poverty.

B. Malaysian Context

Research done by Mok, Gan and Sanyal (2007) reported that since independence in 1950s, Malaysia has been recognized as one of the more
successful countries in fighting poverty: head count ratio came down to 5.7% by 2004. Undoubtedly, Malaysia’s development model has gained recognition by the United Nation. However, the recent process of rapid urbanization has led to an increase of urban poverty aggravated further by the 1997 Asian financial crisis. They of the view that it is important to understand the nature and scale of urbanization, the various driving forces that affect it and the determinants of urban poverty as linked to this process. Their research identified the determinants of urban poverty in Malaysia using a logistic regression. Samples of 2,403 urban households from the 2004-05 Household Expenditure Survey (HES) were used in this research. They first estimated the probability of households with specified characteristics to fall below Malaysia’s official poverty line. Then they analyzed the sensitivity of the probability estimated to shift of the poverty line over a reasonable range. Results showed that human capital significantly reduced the chance of being poor while unskilled migrant workers are more prone to poverty. Household size, race and regions were also important determinants of poverty outcome in urban Malaysia. The findings had important policy implications for Malaysian government which had pledged to reduce overall poverty rate to 2.8% and eradicated hardcore poverty by 2010 under the Ninth Malaysian Plan.

Recently, Hatta and Ali (2013) in their conceptual paper of the view that Malaysia is a multi-ethnic religious country with a population of 28.5 million, it is characterized by mainly three ethnic groups-Malay and indigenous people, Chinese, and Indians. Ever since independence in 1957, Malaysia has successfully transformed itself from a poor country into a middle-income nation. The Malaysian economy has seen a periodic growth despite challenging external factors. It can also definitely claim its success of combat against poverty. Despite its poverty reduction success, there still remains a vulnerable group of people in the country experiencing poverty for some geographical and societal reasons. Therefore, social entrepreneurship has been observed as one of the way out.
IV. SOCIAL ENTREPRENEURSHIP

There are various research has been done pertaining to social entrepreneurship. Considerable debates have occurred over the definition of social entrepreneurship (Martin and Osberg, 2007). Dees (2001) provided the key ideas about social entrepreneurship by believing that it involves pursuing highly innovative approaches to addressing social problems and doing so in an opportunistic, persistent, and accountable manner. Innovative approaches are typically pursued by non-profits or NGOs, but they can also be launched by for-profits or government agencies.

One of another definition of social entrepreneurship according to Mariotti and Glackin (2013) is that social entrepreneurship is a for-profit enterprise that has the dual goals of achieving profitability and attaining beneficial social returns. It combines the passion of a social mission with an image of business-like discipline, innovation, and determination. Owing to this dual-targeted nature, social entrepreneurship often has to exist between three common sectors: non-profit, for-profit and governmental (Pa¨renson, 2011). Apart from that Pa¨renson (2011) also explained that there are two definitions for the term social entrepreneurship: the wider and the narrower. According to the wider concept everything that helps to solve social problems is social entrepreneurship. The narrower definition says that social entrepreneurship means the activity of social enterprises. He finds that many of the current study focused on the narrower concept.

But still there is a wider definition of social entrepreneurship stated by Katz and Green II (2009). They believe that it involves creating new charitable civic organization with are financially self-sufficient or for profit companies that use much of their profit to fund charities. They believe that the key elements in social entrepreneurship involve creation, efficiency and customer focus.

V. ORGANIZATIONAL EFFECTIVENESS

Organizational effectiveness is the ability of an organization to effectively accomplish its goals and objectives as stated by Selden and Sowa (2004). During the symposium of the Academy of Management which occurred more than two decades ago the organization effectiveness models were
argued and Cameron and Whetten (1996) had listed the models in their book Higher Education; Handbook of Theory and Research. They are, goal model (organization’s successful accomplishment of the goals), resource dependence model (organization’s successful acquirement of needed resources), internal congruence model (organization’s consistency in internal functioning without strain) and the last one is strategic constituency model (organization successfully satisfy strategic constituency).

Although they have list down the models, Cameron and Whetten (1996) stated that multiple models of organizational effectiveness are actually the product of multiple, often arbitrary models of organization. There have been no model of organizational effectiveness has an advantage over any others. They also believe that the conceptual boundaries of effectiveness is not clear. This is because there are no specific indicators, specific criteria predictors and criteria of effective outcomes that can determine an organizational effectiveness. Lastly, the best criteria for assessing organizational effectiveness are unknown and unknowable because individuals often cannot identify their own preferences and expectations. It change over time and sometimes there are contradictory preferences and expectations held by different constituency group. Therefore, a stable set of effectiveness criteria simple are not available for organization.

In addition to that Gandy et al. (2012) in his study had proved his hypothesis that organizational effectiveness has significant positive relationship with social entrepreneurship. If social entrepreneurship proved to be an effective approach that helped organizations become more effective, leaders would have a solid foundation on which to base decisions about strategy adoption, organizational direction, and resource allocation. Therefore, based on the listed model, the main model studied by this paper are, Goal Model and Resource Dependence Model. These models along with Gandy et. al (2012) hypothesis is main guideline for this paper to find out how organizational effectiveness in social entrepreneurship can overcome urban poverty in Malaysia.
VI. SOCIAL ENTREPRENEURSHIP TO OVERCOME URBAN POVERTY – EMPIRICAL RESEARCH

Research by Hoogendoorn (2011) stated that, at the level of the firm it is found that social ventures are less likely to survive the early stages of setting up and running a business. Factors identified that explain this underperformance include socially motivated entrepreneurs perceiving more financial and informational barriers to starting a business. In addition, it is found that fear of bankruptcy and personal failure is more common among social entrepreneurs than commercial entrepreneurs. At the individual level results indicate social entrepreneurs to have a deviating entrepreneurial profile that tends to be, in some respects, vulnerable in terms of effort put into the organization or activity, self-confidence in capabilities to start a business, ambition in terms of employment growth and funding from the sale of products and services. Finally, it is found that social entrepreneurs can be found in lower and higher age categories, are more likely to be female and highly educated than are their commercial counterparts.

In other research, Alvord et al. (2004) run a study that provides a comparative analysis of seven cases of social entrepreneurship that have been widely recognized as successful. The purpose of this research has been to identify common patterns across a small set of successful social entrepreneurship initiatives. The data suggests several patterns, which we have framed as preliminary hypotheses. The paper suggests factors associated with successful social entrepreneurship, particularly with social entrepreneurship that leads to significant changes in the social, political and economic contexts for poor and marginalized groups.

Giannetti and Simonov (2004) reviews the literature on the determinants of entrepreneurial activity and investigates to what extent differences in population, business environment and cultural values contribute to explaining differences in entrepreneurial activity across Swedish municipalities. They found that individual characteristics and business environment are the most important factors in explaining entrepreneurial choice. However, the result indicates that cultural value and, most likely, social norms also matter. The data suggest that individuals are more likely to become entrepreneurs where there are more entrepreneurs, even if entrepreneurial income is lower. It seems social entrepreneurs not only
measure bottom line of their efforts on financial return on investment, but also social and environmental causes.

Coming back to Malaysia, Malaysians recently believe that the concept of social entrepreneurship is still new in Malaysia, and needs a bit of a push to become widespread. This was according to Sarif et.al (2013), in one of their respondent’s response in their research around Klang Valley, Malaysia. There are social entrepreneurship activities that happens in Malaysia, such as obligation for hypermarkets to allocate spaces in hypermarkets to sell products of small businesses (Bernama, 2009). It was done by the Deputy Minister of Entrepreneur and Cooperative Development during that year Datuk Saifuddin Abdullah.

"We encourage hypermarkets to change their operations framework from using corporate social responsibility at the end of their business cycle to social entrepreneurship. It is a total new framework," he said.

To Sarif et.al (2013) based on their study, they believe that there is a dire need for social entrepreneurship to build up the society in the long run. It has been an overlooked area in the past. However, acknowledging this might create confidence with regard to choice and usage of the available facilities among the social entrepreneurs. Moreover, social entrepreneurship in Malaysia is in its very early stage. There is a need of proper policy to be implemented in Malaysia.

VII. THE IMPACT OF ORGANIZATIONAL EFFECTIVENESS IN SOCIAL ENTREPRENEURSHIP TO OVERCOME URBAN POVERTY

Scholars from social entrepreneurship research Alvord et al. (2004), suggest that factors associated with successful social entrepreneurship, particularly with social entrepreneurship that leads to significant changes in the social, political and economic contexts for poor and marginalized groups would be innovation, initiatives capabilities for bridging and adaptive leadership. This is where organizational effectiveness has to be implemented. Further, Giannetti and Simonov (2004) found that individual characteristics and business environment are also important factors in explaining entrepreneurial choice. Social entrepreneurship is a for-profit enterprise that has the dual
goals of achieving profitability and attaining beneficial social returns. (Dees J., 2001). Herman and Renz (2004) share the same belief that the effectiveness of social entrepreneurship should be seen as a construct of multiple variables just as it is in the profit seeking ventures. Therefore, because organizations often have multiple goals, a single factor is inadequate for measuring organizational effectiveness.

Researchers agree that for social entrepreneurship organizations, two of the most important factors related to effectiveness are; how well the organization achieves its specific mission and how financially efficient it is in doing so (Duncan, 2007; Levy & Brennan, 2006). Gant et al. (2012) state that leaders may want to think about proactively seeking ways to implement programs, policies, and services before other organizations in the same field. Proactiveness emphasizes timing, and social organizations are often not thought of as fast-paced. Organization leaders may want to focus on how well they are leading their organizations with regard to those practices. Leaders who push their organizations to find and develop new methods for delivering services, coordinating volunteers, raising money and for accomplishing other related tasks will be more effective.

Research made by Gandy et al. (2012) support above stand by illustrating the existence of positive relationship between social entrepreneurship and organizational effectiveness. They conclude in their finding that, as social entrepreneurship behaviour increases, organizational effectiveness tends to increase as well. This positive relationship would help organizational leaders develop strategies and adopt practices that could potentially have a significant impact on outcomes and the ability of the organization to achieve its mission. The study further suggest that leaders may want to think about proactively seeking ways to implement programs, policies, and services before other organizations in the same field do. Their organizations tend to standout and attract more financial support rather that social entrepreneurship that lacks in this aspect thus sometimes making it hard to address urban poverty issues.
VIII. THE DEBATES AND DIFFERENCES IN LITERATURE

Siwar and Kasim (1997), two local reputable academicians in their writing noted that although there are numerous studies on urban underdevelopment, most of them focused on squatter problems. A comprehensive study on urban poverty is relatively limited. Among others they are, first; Onn’s in Siwar and Kasim (1997) study focuses on the state of urban poverty in four urban centres comprising Kuala Lumpur, Penang, Kota Bharu and Johor Bharu representing four different regions of West Malaysia. The study found out that unlike rural areas, the presence of poverty in the urban areas transcends ethnicity and the main causes of urban poverty were low level of education, lack of job opportunities, large family size, and lack of access to social facilities.

While Hassan and Salleh (in Siwar and Kasim, 1997) which focuses on the magnitude of urban poverty in the six Malay Reserve Areas (MRAs) of the Federal Territory of Kuala Lumpur, namely Gombak, Selayang, Sungai Pencala, Segambut, Kampung Baru and Datuk Keramat offer similar to Onn’s finding whereby they of the view that the poor not only have low level of income and wealth, but also lack access to public utility.

Johari and Kiong (also in Siwar and Kasim, 1997) attempt to develop a rough profile of the urban poor in Sabah. Their findings more or less similar to Onn’s and Hassan and Salleh’s findings where urban poor are found in all ethnic groups; the urban poor are wage earners and concentrated in low wage sectors, they have low level of education, limited access to employment opportunities, social facilities and services.

Mok, Gan and Sanyal (2007) however offer additional view. Their research had come out with a results where household size, race and regions were also the important determinants of poverty outcome in urban Malaysia. Same goes to Hatta and Ali (2013) where both of them suggest some geographical and societal reasons might be the cause for a vulnerable group of people in the country had to experience poverty despite its poverty reduction success.

To sum up, it is clear that the “causes” of urban poverty are multidimensional. They include structural, institutional and cultural factors. At present, as mentioned by Siwar and Kasim (1997) there is no explicit or
specific national policy which directly addressed problems of the poor in the existing urban centres. However, as implicitly stated in the five-year development plan, policies and programmes for the urban poor may be classified into four components, namely employment creation, provision of housing and social amenities, development of growth centres and special programmes called NADI.

As regards to antecedents of social entrepreneurship outcomes, there are various findings reported. First, Dees (2001) of the view that social entrepreneurship involves pursuing highly innovative approaches to addressing social problems. While Ashoka (2006) suggests financial support as well as funding efforts for knowledge development and dissemination in this nascent field will help make a significant dent in poverty around the world.

In contrast, Hoogendoorn (2011) concludes that social entrepreneurship is a wealth-driven phenomenon. At the level of the firm it is found that social ventures are less likely to survive the early stages of setting up and running a business. Factors identified that explain this underperformance include socially motivated entrepreneurs perceiving more financial and informational barriers to starting a business. Fear of bankruptcy and personal failure is more common among social entrepreneurs than commercial entrepreneurs. Apart from that, Alvord et al. (2004) suggests factors associated with successful social entrepreneurship, particularly with social entrepreneurship that leads to significant changes in the social, political and economic contexts for poor and marginalized groups would be innovation, initiatives capabilities for bridging and adaptive leadership.

Further, Giannetti and Simonov (2004) found that individual characteristics and business environment are the most important factors in explaining entrepreneurial choice. However, the result indicates that cultural value and, most likely, social norms also matter. Last but not least, Veysel et al. (2008) in their study aiming to examine and determine the effects of some selected socio-economic, politic, financial, and administrative factors on the entrepreneurship performance of countries found that economic instability caused by political instability and uncertain conditions did affect entrepreneurs or investors negatively.
IX. GAPS AND UNRESOLVED QUESTIONS IN LITERATURE

Although past literatures have discussed urban poverty and social entrepreneurship outcomes from various angles, as far as the social sciences concerned, there are still gaps in the literature. In fact, most of the works presented discuss various antecedents of social entrepreneurship outcomes. Since the discussion on literatures above shows a mixed result, it is the basic premise of this research to examine possible antecedents of social entrepreneurship in overcoming urban poverty in Malaysia. A case study research of urban poverty in Malaysia will provides insights to this alarming phenomenon that warrants plausible solution through social entrepreneurship.

X. CONCEPTUAL FRAMEWORK

This study is conducted to examine the relationship between social entrepreneurship and organizational effectiveness in Malaysia. The past researches have proven that organizational effectiveness can give impact on social entrepreneurship in overcoming urban poverty. Thus these are the propositions:

Table 1. A propositional framework of the relationship between social entrepreneurship and organizational effectiveness

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<thead>
<tr>
<th>SOCIAL ENTREPRENEURSHIP</th>
<th>ORGANIZATIONAL EFFECTIVENESS</th>
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<tr>
<td>Innovation</td>
<td>Mission</td>
</tr>
<tr>
<td>Proactiveness</td>
<td>Achievement</td>
</tr>
<tr>
<td>Risk-taking</td>
<td>Financial Efficiency</td>
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*Proposition 1*: Through innovation in social entrepreneurship, mission of the organization can be achieved to curb urban poverty

*Proposition 2*: Through proactiveness in social entrepreneurship, mission of the organization can be achieved to curb urban poverty

*Proposition 3*: Through risk-taking in social entrepreneurship, mission of the organization can be achieved to curb urban poverty
Proposition 4: Innovation in social entrepreneurship requires financial efficiency to curb urban poverty

Proposition 5: Proactiveness in social entrepreneurship requires financial efficiency to curb urban poverty

Proposition 6: Risk-taking in social entrepreneurship requires financial efficiency to curb urban poverty

XI. CONCLUSION

The literature attempts to understand the relationship of how social entrepreneurship can help to eradicate urban poverty through organizational effectiveness. The past study agrees that organizational effectiveness create positive impact in creating effective social entrepreneurship organization. The outcomes of this study will be useful to social entrepreneur organization to help those who live below the line of poverty to enhance their income and upgrade their entrepreneurship strategies. Most of the studies reviewed were conducted outside of Malaysia, therefore there is a dire need for future research to be conducted locally to enhance further understanding to local entrepreneurship scholars and practitioners. The research should include other part of the country as well since each state of Malaysia has unique variation of entrepreneurship ventures.
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