

# SOCIETY TRANSFORMATION AND SOCIAL DEVELOPMENT THROUGH UNIVERSITY-COMMUNITY TRANSFORMATION CENTRE (UCTC) VIA UNIVERSITI TUN HUSSEIN ONN MALAYSIA EXPERIENCE

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## ABSTRACT

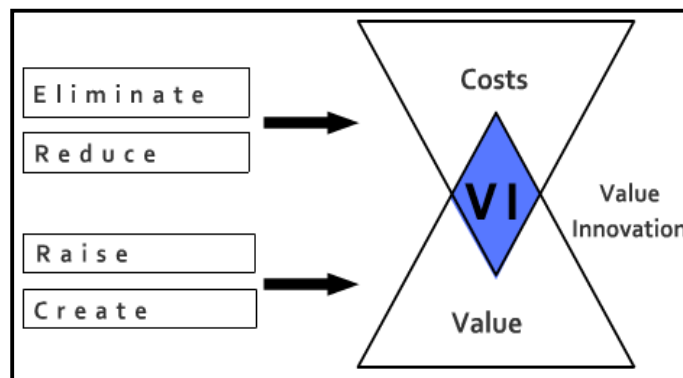
Society transformation implies to various means in which globalising forces give impacts upon local communities and national societies with highly diverse historical backgrounds, social and economic patterns, political institutions and cultures. Hence, social development means a commitment that development processes need to benefit people, particularly but not only the poor, but also a recognition that people, and the way they interact in groups and society, and the norms that facilitates such interaction, shape development processes. Malaysia has a large base of middle income household segment. However, there are 94% working population which contributes to 32% on the Gross Domestic Product. In comparison to the countries at Western Europe, they attain a level of 65% working population that contributes to 51% GDP. This signifies that a majority of workforce contributes to the significant half of the wealth of the nations. Hence, it is important for Malaysia to attain these development levels through the leverage of information technology, the Internet and social media for the well-being of the community. University Community Transformation Centre (UCTC) is a mean to deliver more university intellectual and physical values to wider communities for their higher quality of living, activity outcome and income throughput. Academicians can also transfer and share their knowledge and expertise to community members in solving their constraints and problems. This paper highlights on UTHM community programmes that complement society daily problems and challenges, hence uplifting the well-being of community and business alike.

**Keywords:** *society transformation; community programme; university engagement; Malaysia; society well-being.*

## 1.0 INTRODUCTION

Transforming society is one main agenda for Malaysian government to harness global forces, such as the Internet and social media, to uplift community well-being to a better height. This is aligned with the Vision 2020, for Malaysia to attain the status of developed country. Society transformation has been championed by Pemandu, a government body which manages the transformation agenda, under 1Malaysia national framework. This society transformation has been a subset to a bigger agenda, under the principle of the National Blue Ocean Strategy (NBOS), which is for the sake of attaining effective and efficient social development for nation building in Malaysia.

NBOS has been articulated based on a strategic theory by INSEAD professors, W. Chan Kim and Renée Mauborgne, in 2005. According to Kim and Mauborgne (2005), they argued that organizations could be successful, not by beating competitors, as proposed by Porter's Five Forces model; instead they create new "blue oceans" of uncharted market space. Both authors asserted that this new strategic approach provides a big value jump for the organization, such as Southwest Airlines in Texas, USA. The airline has opted to serve the market of those who prefer driving, instead of premium flying due to higher cost and infrequent flight. As such, Southwest offers cheaper travel, wider options and frequent flights. Under this untapped market, the airline unlocks new demand, while premium airlines, such as American Airlines, are becoming irrelevant. Hence, the blue ocean strategy has evinced how organizations manage to find ways to switch to the divergent business model via creating value differentiation and simultaneously, offering lower cost, as shown in Figure 1.



**Figure 1. Value Innovation of Blue Ocean Strategy**

In equivocal note, the National Blue Ocean strategy has opted to find means in delivering better government services to society at large, such as Urban Transformation Centre (UTC). This one stop centre delivers various services to the public, such as renewing identification card, lodging police report, paying local household bill, selling community craft products and executing recreational activity. Based on this similar approach, UCTC operates in providing public services, through university setting. In addition, UCTC focuses on community projects which are of high impact, fast execution, minimum cost and being sustainable (UCTC, 2015).

## **2.0 UNIVERSITY COMMUNITY TRANSFORMATION CENTRE (UCTC)**

UCTC initiative was launched in 2013 and has established 19 centres in mostly public universities. Its vision is to make university as the transformation centre towards community well-being. Furthermore, the mission is to harness optimum intellectual and infrastructure resources through strategic collaboration. This transformation centre which acts as a one-stop centre, provides various university services for the community. UCTC is a rebranding of existing community service center to provide more services, needed by the community. UCTC pursues five principles in providing services, namely;

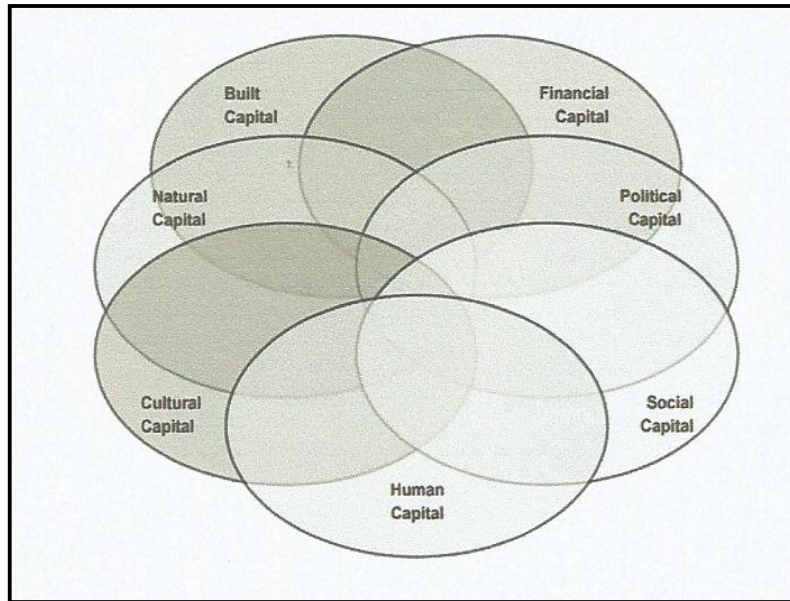
- 1) Supporting faculty to furnish practical area in university courses,
- 2) Involving faculty and student in transformation activity at town and rural areas,
- 3) Enabling local community to access university courses and idling facilities,
- 4) Involving qualified experts to teach short courses and
- 5) Applying university intellectual and physical infrastructures to promote entrepreneurial activity.

These UCTC five principles are in accordance with the Blue Ocean strategy's five basic pillars:

1. Creating uncontested market space,
2. Making the competition irrelevant,
3. Creating and capturing new demand,
4. Breaking the value-cost trade-offs and
5. Achieving differentiation and low cost.

## **3.0 LITERATURE REVIEW**

Though UCTC operates based on the Blue Ocean Strategy, social development researchers reported that they have executed other community transformation initiative via a different strategy. According to Emery and Flora (2006), both asserted that the Community Capitals Framework (CCF) offers a way to approach and analyze community, social and economic development efforts from a systemic perspective. CCF has been a capital stock and capital flow concept, in which for community to change positively, it requires the asset stock and the stock must flow. CCF identifies the assets in each capital (stock), the types of capital invested (flow), the interaction among the capitals, and the resulting impacts across capitals. Figure 2 shows the spiraling interlinkages between seven clusters of capitals; namely financial capital, built capital, natural capital, cultural capital, human capital, social capital and political capital.



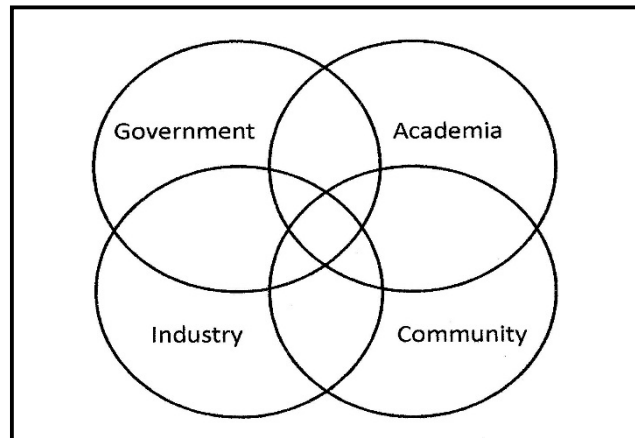
**Figure 2. Community Capital framework strategy**

Specifically, each capital cluster has its own definition, as listed below;

- 1) Financial capital refers to the financial resources available to invest in community capacity-building and to accumulate wealth for future community social development (Lorenz, 1999).
- 2) Built capital covers the infrastructure supporting these activities (Flora *et al.*, 2004).
- 3) Natural capital refers to assets that exist in its community locality district, including weather, geographic isolation and natural resources (Constanza, *et al.*, 1997; Pretty, 1998).
- 4) Cultural capital reflects the way people “know the world” and how they act within it, as well as their traditions and language (Flora *et al.*, 2004; Bebbington, 1999; Bourdieu, 1986).
- 5) Human capital implies to the skills and abilities of people to develop and enhance their resources and to access outside resources and bodies of knowledge (Becker, 1964; Flora *et al.*, 2004).
- 6) Social capital reflects the connections among people and organizations or the social bonding to make things happen (Narayan, 1999; Granovetter, 1985) and lastly,
- 7) Political capital refers to the ability of people to find their own voice and to engage in actions that contribute to the well-being of their community, at large (Aigner *et al.*, 2001).

Argumentatively, this framework provides a more comprehensive and holistic view, in terms of community, social and economic development agenda. This seven-capital based strategy was implemented on a Home Town Competitiveness programme in Nebraska, USA (Emery and Flora, 2006).

Recent literature on innovation model which associate with community and society change, is Quadruple Helix Innovation Model, proposed by Carayannis and Campbell (2012), as shown in Figure 3 below.

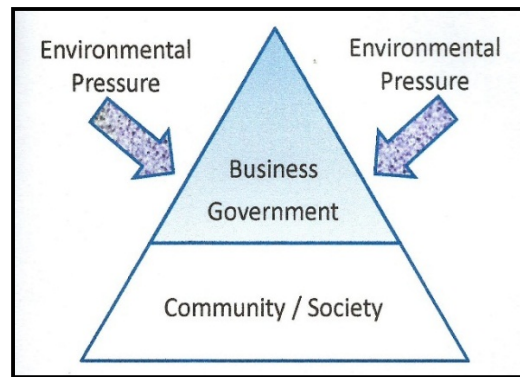


**Figure 3. Quadruple Helix Innovation Model**

The Quadruple Helix (QH) Innovation involves intricate interdependence among government agency, academia in university and research center, industrial player and community at large. According to Carayannis and Campbell (2012), these 4 helixes are co-existingly collaborating together to create structural changes far beyond the scope of any one helix could achieve on stand-alone basis, in the pursuit of sustainability and competitive advantage. QH is the innovation model that reflects in many ways few features common to new thinking in innovation process and integrated innovation policy (Arnkil *et al.*, 2010; Parveen *et al.*, 2015). Parveen *et al.* (2015) explained that QH adds another helix and actor group to the Triple Helix (TH) innovation model.

In addition, Alfonso *et al.* (2010) stated higher economic and social growth rate are attained, as a result of an increase in synergies and interactions among industry, community and university with an increase in productive government spending. University and industry, complemented with technological innovation infrastructures, provide the integrated innovation ecosystem in which all forms of transformative creativity can emerge. In turn, government provides the financial support and the civil system for implementing innovative changes. In addition, community and society always demand for ever innovative goods and services. Hence, it is imperative that government initiates and expenditure associated with them are considered the prime mover for innovative changes and social development.

Steiner and Steiner (1991) proposed a significantly different shaped model for relationship between business, government and community, namely Dominant Model (Elite). However, in contrast to overlapping helical relationships in the QH model, this model is based on hierarchical triangle approach. Figure 4 shows the Dominant Model which argues that the relationship among business, government and community is in a stacked manner, as a pyramid shape. According to Steiner and Steiner (1991), there exists “the Elite” dominant group belonging to the business and government which is resulting from the environmental pressures, for them to act so.



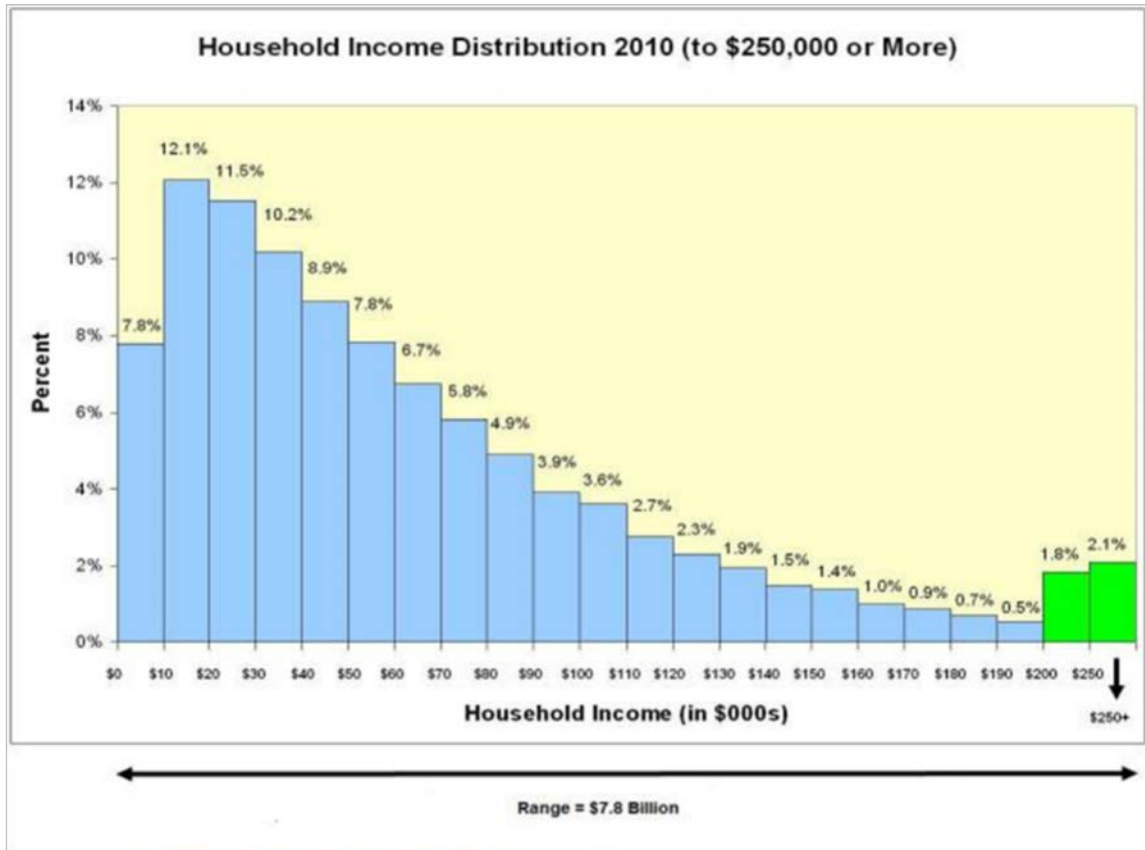
*Source: Omar and Jamari (2001)*

**Figure 4. The Dominant Model**

The model depicts that the business and government clusters are so dominant which leads to creation of a group of elite as the highest hierarchical layer in the society. This top group layer, as businessmen, government officials and politicians, controls and suppresses the lowest layer in society, namely the public mass. Under such circumstances, environmental pressures move downward to public through the elite layer.

#### **4.0 SCENARIO IN MALAYSIA**

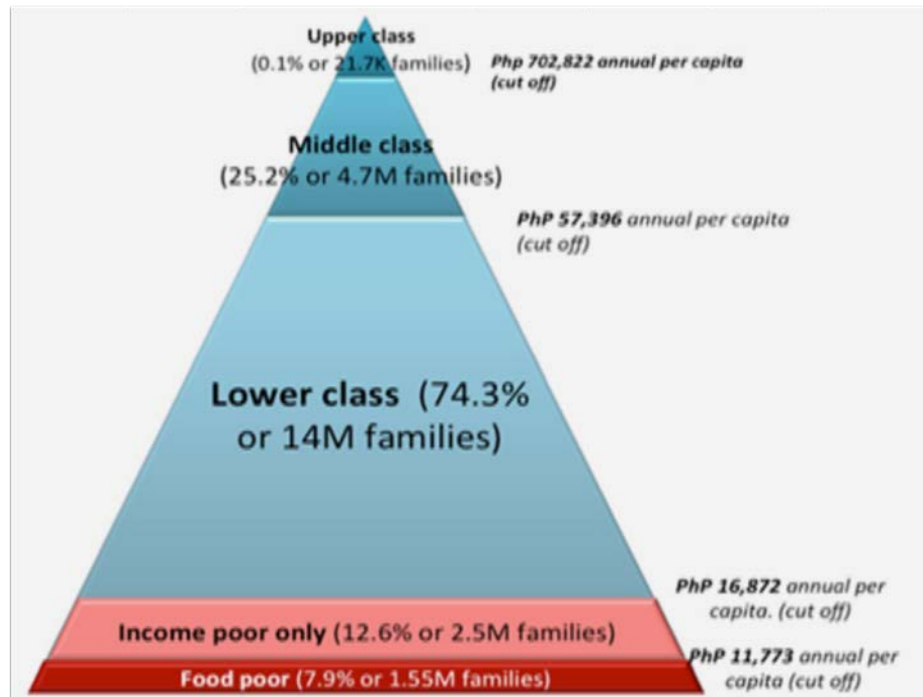
Transforming society towards a better quality of well-being is vital for political stability, economic and social growth. Subsequently, this paper discusses on Malaysia's economic shifts and dwells on two main issues in terms of social development and wealth distribution in Malaysia, namely income distribution and gross-domestic product (GDP). During industrial revolution in Western Europe in 1750s, countries such as Britain, Germany and France, had move-up the economic development ladder from agrarian society to become industrial nations. However, Malaysia started shifting from agriculture to manufacturing-based economy in 1970's. Numerically, Malaysia is lagging behind Europe, for as long as 220 years, in industrial movement and economic shift. Due to long time colonialization, Malaysia was kept as a prime commodity producer, instead of manufacturing lower stream as end-product producing nation. As such, now Malaysia needs a leveraging tool to significantly catch-up with the Western civilizations, namely England, Germany, France and USA.



**Figure 5. USA Income Distribution in 2010**

In economic development and income distribution, benchmarking is essential to project better view of the standing of a country. As the largest economic powerhouse, USA was rather skewed to the left type of household income distribution in recent decade, as shown in Figure 5. This chart signifies that there were a small portion of poor (7.9% of the population) and another slightly smaller portion of the rich (4.0%). The rest of the Americans belonged to the middle class income groups. Though the majority of the Americans still belonged to the lower segments of middle income class, the portion of those with income segment of USD200K and above was still considered relatively quite big in terms of monetary wealth. As such, there was 88.1% middle household income in USA which was relatively large segment of the whole population.

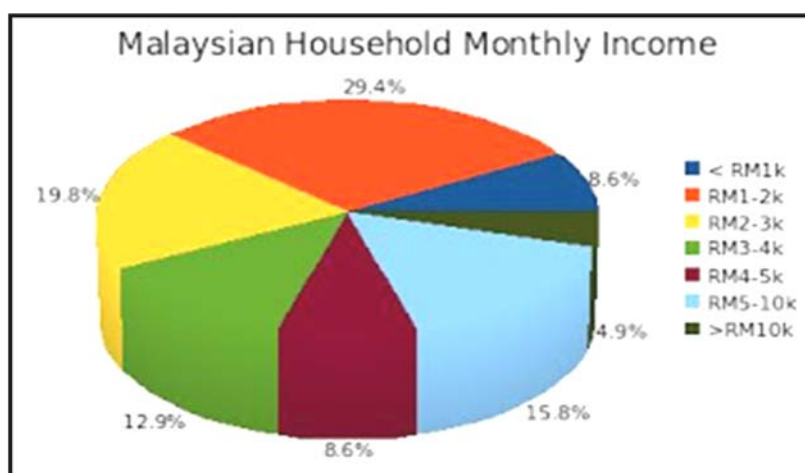




**Figure 6. The Philippines Income Distribution in 2013**

In contrast to the Philippines, the country had a very much bigger lower class household income distribution, as much as 74.3%, as shown in Figure 6. The upper class of rich household income was very small, while the poor household family was relatively at a large strata base. This signified that the country is still experiencing rather big percentage base of household income at the bottom and lower layers of wealth distribution.

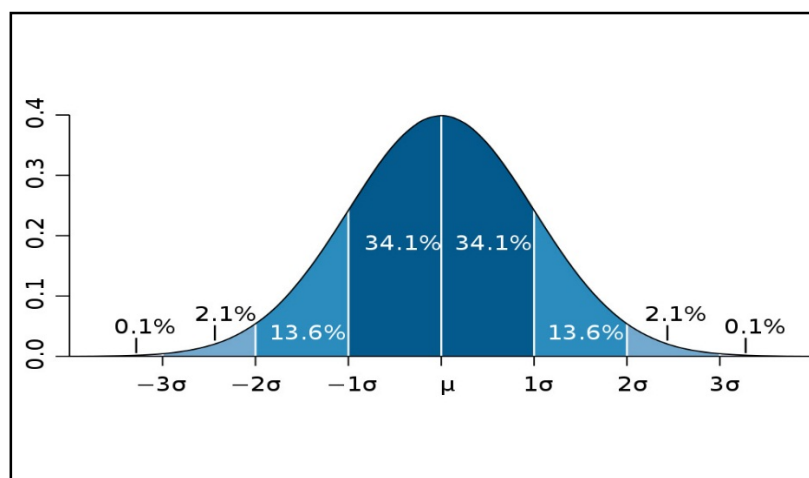
Benchmarking Malaysia's household income with the Philippines and the USA, one could see the significant difference in the wealthy and poor income groups. The wealthy group was at 4.9%, while the poor group was at 8.6%, as shown in Figure 7. This signified that Malaysia has a large base for those in middle class household income, as much as 86.5%. When compared to USA, Malaysia had a rather similar trend of household income distribution with the Americans.



**Figure 7. Malaysia Income Distribution in 2013**



In order to have stable government and society, nation needs to attain relatively small gap between the poor and the rich income groups. Ideally, the poor household income percentage is as small as the rich. Furthermore, the large base of the middle household income was at the mean of this central income group, which was almost as the shape the normal distribution curve. As such, the nation could attain a large base of middle mean of income distribution, in which most people enjoyed the large wealth of the nation as much as 68.2%, as normal distribution curve shown in Figure 8. However, in democratic and capital based society, such economic normal distribution curve was very challenging to achieve. As it always has been in the human civilization, there will be a poor segment people and there shall be a segment of the riches. Ideally, it is a matter of the rich to assist and develop the poor lot, so that they could move up the rank to be in the middle household income group.



**Figure 8. Normal Distribution Curve**

There is another aspect of social and national development and it is measurable through proportion of working population and Gross Domestic Product (GDP), amongst micro-small, medium and large companies.

**Table 2: Working population vs. GDP in Malaysia**

	Micro-Small	Medium	Large (MNC)
<b>Working Population (%)</b>	<b>94</b>	<b>3</b>	<b>3</b>
<b>GDP (%)</b>	<b>32</b>	<b>25</b>	<b>43</b>

*Source: SME Census (2013/14)*

Table 2 depicts that Malaysian working population, as much as 94% portion of working class only produced 32% of GDP. These 2 figures were rather alarming when Malaysia was moving towards high-income nation. Comparatively, in Western Europe countries such as Switzerland, 65% of working population contributed to 51% of GDP, as shown at Table 3. In general economic perspective, among the developed countries the GDP level was at 50%

level, produced by about 65% of micro-small companies. Hence, Malaysia has to double their effort on attaining at par with country like Switzerland by 2025.

**Table 3: Working population vs. GDP in Western Europe countries**

	Micro-Small	Medium	Large (MNC)
<b>Working Population (%)</b>	<b>65</b>	<b>12</b>	<b>23</b>
<b>GDP (%)</b>	<b>51</b>	<b>18</b>	<b>31</b>

*Source: Slaughter and Tyson (2013)*

Malaysia has to strive to achieve from 94% working class producing 32% GDP towards 65% working class for contributing to 51% GDP. The nation has to opt to knowledge workers, people with special skills and technology-assisted jobs. When skilled special workers could work with special machines, equipment and gadget, they can have more work done per person per day. Hence, it achieves higher productivity and with that comes higher income. As such, working population in SME sectors can be reduced, yet its output increases. However, this reduction has to come with a price tag, such as bigger investment and higher minimum salary.

## **5.0 UTHM ENABLING SOLUTIONS FOR COMMUNITY**

In view of this paradox, UCTC at UTHM has worked on several community and business projects in effort to move up the GDP at 51% with 65% working population, as Western Europe. This can be achieved by leveraging knowledge-based work through the information technology (IT), the Internet and social media. One project is via GMail approach, in which a team on IT experts and entrepreneurial students worked together to launch a portal-based website for product marketing in a virtual shopping malls. Entrepreneurs, business suppliers and even hawkers could upload their products for global access to potential customers. This way opens up global opportunity for buyers around the world. This mechanism could be accessed via the Internet protocol address of <http://gmail.uthm.edu.my>.

This era is based on the Internet and social media which boosts potential market space via smart phone, Facebook, Twitter and YouTube. The Internet and its apps have made it possible for viral effect through Viral Video. Viral effect is when huge number of people know a particular case or scenario, uploaded by users and being posted at YouTube. For a homestay business, the business owner could create a video clip and upload its facility and service for global viewing. This has been done for Syafiqah Homestay at Pagoh, Johor via <https://www.youtube.com/watch?v=W9WobIUD0Ws>. From this UCTC approach, UTHM managed to harness the university collaboration with community segment, supported by academia from university, and involving industry's participation.

## 6.0 COMMUNITY INTERACTION DEVELOPMENT MODEL

Society transformation and social development involve community interaction and participation to attain full and successful implementation. In addition, community interaction is insufficient to make it successful. Community has to interact with other segments, such as government agency, academia from university and perhaps, industrial companies for its sustainability. Carayannis and Campbell (2012) had proposed Triple Helix model and later upgrading it, becoming Quadruple Helix Innovation model.

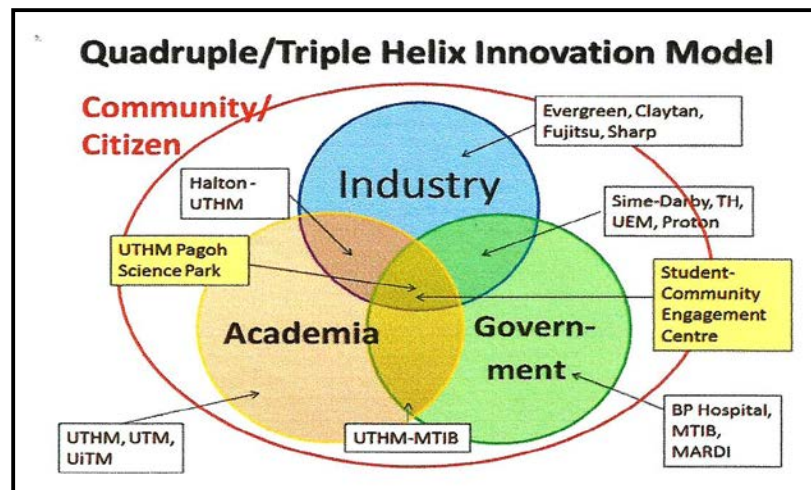


Figure 9. UTHM interactions with Quadruple/Triple Helix Model

Figure 9 shows the interconnections of various helical segments, in order to benefit each other, inclusive of UTHM and its surrounding community in Batu Pahat. It is generally acknowledged that the community is basically the beneficiary of interactions among academia, industry and government. When academician provides technical consultation to industry, such as improving production assembly productivity, then the industry gets benefit from higher output and sales. Higher profit at industry then leads to higher employee income or increased bonus. Increased income leads to higher purchasing power at the community. The more people buy products, the faster the economic cycle grows. Hence, this contributes to better well-being in the society at large.

## 7.0 SOCIETY TRANSFORMATION AND SOCIAL DEVELOPMENT

UTHM has contributed significantly to the community in social, economic and intellectual development in the past decades. In addition, UCTC has played a significant role in delivering society transformation and social development through 2 approaches namely;

### 1) Community Economic Development

Several economic development initiatives have been initiated, as the following;

- a. Entrepreneurial students join with local business owner for global market.
- b. Do-it-yourself (DIY) for Cottage Industry, and
- c. Culture for society coming to university for solutions.

## 2) Community Social Development

UCTC has been active in promoting social activities that create bonding between academia and community, namely;

- a. Single Parent Programme.
- b. Aborigines (Orang Asli) Programme, and lastly
- c. Improvement of Audio-Visual and IT system at community venue.

### **8.0 CHALLENGES AHEAD**

Social development efforts are embedded with opportunity, problems and challenges. Many members of community welcome the new opportunities, brought about through UCTC. However, there are still latent effects, participant “sticky-ness” and resistance elements towards changes, as the following;

- i) University expertise: Lecturers and academia are very busy people plus family commitment. It is based on their willingness to allocate time and resources for community-related works.
- ii) Too dependent: When academicians engage with community, the people expect full support from the university, such financial assistance, technical know-how and even wishing for many more goodies.
- iii) Academicians versus hands-on and on-the-field: Though lecturers have expertise and knowledge, they are lacking of hands-on and field experience.

### **9.0 CONCLUSION**

It is imperative that the surrounding communities in which UTHM operates gain benefits from the existence of the institution, in a sustainable manner. As such, UTHM dispenses spill-over effects to the community via technology and expertise transfer/sharing, hence creating value-added market space, new wealth opportunity and higher quality of well-being. UCTC at UTHM has initiated community projects that complement needs and demands of the society. However, these initiatives are on a long term basis to yield visible and measurable results. UCTC has to measure and manage the community projects. One could only manage things if they are being measured. At least, this UCTC move has created the beginning of a new era in university and community complementing relationship.

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