

The Governance Gap: Analyzing Resource Efficiency in Selangor's Children's Welfare Institutions

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Abstract

This study critically examines the operational status and resource efficiency of 28 private and Non-Governmental Organisation (NGO) Residential Child Care Centres in Selangor, Malaysia. Guided by a Policy and Resource Allocation Perspective and the Contextualized Governance Framework, this research assesses institutional performance in relation to established policy guidelines and significant public funding dedicated to the sector. Using questionnaires, administrator interviews, and on-site observations, the analysis identifies a persistent Governance Gap despite advanced managerial qualifications and ample resources. This gap is characterised by three systemic deficiencies: structural resource disparity, reflected in dependence on residential properties with limited facilities; ambiguous accountability, due to the employment of part-time and voluntary staff without established competency standards; and both regulatory and financial limitations. The broad lack of financial disclosure alongside demonstrated weaknesses in enforcement, such as unregistered operations, undermines the State's capacity to monitor and ensure the effective use of resources. Consequently, the system operates on a minimum compliance model that fails to achieve national aspirations for developmental equity. The research recommends an urgent pivot toward a rigorous enforcement model centered on Mandatory Operational Audits, Enforced Financial Transparency, and Integrated Agency Oversight. Such reforms are essential to secure the predictable, high-quality care environments necessary for children transitioning to successful post-institutional autonomy.

Keywords: Governance gap, Children's Welfare Home, Operational Status, Non-governmental Organization (NGO), Policy Execution

INTRODUCTION

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The Malaysian Education Development Plan 2013–2025 (PPPM) sets out five key national aspirations for education: access, quality, equity, unity, and efficiency (Kementerian Pendidikan Malaysia, 2015). The pursuit of equity, a high-performance system providing quality education regardless of background, is particularly relevant to the growing population of children in alternative care. While national statistics reflect commendable pupil participation rates, ranging from 93.5 to 95.0 per cent at the primary level (Kementerian Pendidikan Malaysia, 2023). The rising number of children in care centers presents a critical challenge to achieving true educational equity. From 2015 to 2016 alone, the number of children placed in Care Centres across the nation increased by 25 per cent, and a total of 6,076 children resided

in welfare institutions such as Children's Homes and Tunas Bakti Schools (Jabatan Kebajikan Masyarakat, 2019). Furthermore, despite a substantial increase in financial support through the Child Assistance Scheme (BKK), with RM327.8 million channeled in 2013, a five-fold increase from 2008, studies suggest that this assistance often fails to adequately change the living standards of recipients, who remain vulnerable to economic shifts (UPM Consultancy & Services Sdn Bhd, 2017). At the end of 2022, there were a total of 4,352 residents in all welfare institutions under the Department of Social Welfare, Malaysia, while 6,770 children were recorded in the category of children in need of care and protection (Jabatan Kebajikan Masyarakat, 2023).

These realities raise serious concerns about the government's capacity to achieve national educational goals, particularly in international assessments (PISA and TIMSS), and its commitment to Article 28 of the UNESCO World Convention on Children's Rights (SUHAKAM, 2025). The problem is compounded by findings that many of the 1,853 Care Centers nationwide, operating under the control of Act 506 of the Care Center Act 1993, fail to fulfill most commitments outlined in the Convention (Chear et al., 2020; Nalasamy & Abu Bakar Ah, 2013). Experts have rightly expressed concern that isolating children in institutions can lead to long-term social, emotional, and psychological challenges, impeding their ability to live normal lives upon exiting care (McDowall, 2020; Modi & Kalra, 2022).

Selangor is a highly significant case study within this national landscape. The state is a major recipient of the Ministry's children's assistance funds, yet it simultaneously hosts the largest concentration of registered private and NGO children's welfare institutions and residents compared to other states (Jabatan Kebajikan Masyarakat, 2023). This situation of high funding and high institutional density creates a distinct governance gap concern: are the substantial resources and the existing institutional framework successfully aligning to deliver equitable developmental outcomes? The issues outlined above, particularly the tension between national aspirations, increasing need, significant funding, and reported failings in care standards, drive the necessity of this study. The research pivots on the principle that the welfare system must ensure children develop as competently as those in parental custody, enabling their successful transition into society.

The term Governance Gap in this context refers to the critical discrepancy between stated government policy intentions and the actual, verifiable execution and

oversight of those policies within the operational environment of the children's welfare system (Bergsten et al., 2019; Lopez-Claros et al., 2020). Specifically, it highlights the failure of state agencies (JKM, NRD) to effectively translate substantial federal funding and regulatory mandates (such as the Care Centres Act 1993) into guaranteed, high-quality, and equitable outcomes for every child in care. This gap is not merely a lack of resources but a failure of accountability, transparency, and integrated control, manifesting as weak regulatory enforcement, ambiguous operational standards, and unreliable financial reporting. Consequently, while policy aims for developmental equity, as articulated in the Malaysian Education Development Plan (PPPM), the system remains compromised by institutional vulnerabilities and resource inefficiency, threatening the long-term success of the children it is mandated to protect.

Research Objectives and Questions

The primary objective of this study is to systematically evaluate the governance and resource efficacy of registered private and non-governmental organization (NGO) residential child care centres in Selangor. To achieve this, the research is structured around two thematic pillars. The first pillar focuses on Infrastructure, Scale, and Policy Compliance, aiming to assess the adequacy of physical facilities and the scope of registered institutional activities. The second pillar evaluates Capacity, Management, and System Oversight, focusing on the professional competencies of personnel and the broader transparency of the governance framework. Ultimately, the study seeks to provide an evidence-based roadmap for state agencies to transition from basic regulatory checks to integrated, child-centric oversight.

To provide the necessary evidence base, the study addresses four key research questions categorized under these thematic pillars. Regarding Infrastructure, Scale, and Policy Compliance, the research investigates the extent to which physical infrastructure meets the minimum standards mandated by the Care Centres Act 1993 (RQ1) and explores how the registered scope of activities aligns with actual institutional operations (RQ2). In terms of Capacity, Management, and System Oversight, the study evaluates the professional qualifications and experience of personnel responsible for managing these homes (RQ3). Finally, addressing the broader policy implications, the research asks how relevant state agencies can best direct their oversight and resources to ensure that children in institutional care are provided with equitable opportunities for development (RQ4).

LITERATURE REVIEW

The systemic landscape of child protection in Malaysia has historically been characterized by a notable degree of fragmentation. According to UNICEF Malaysia (2013), while a robust legal framework is established through the Child Act 2001 and the Care Centres Act 1993, a profound "implementation gap" theoretically persists between statutory requirements and service delivery. This fragmentation is often attributed to limited oversight and the absence of integrated data management systems. Within administrative science, this historical context suggests that institutional challenges are often symptoms of a broader national phenomenon where policy intentions become decoupled from operational realities, creating a prerequisite for governance deficiencies. To address these systemic deficits, global administrative standards have transitioned toward the Systems Strengthening Approach (Greenberg et al., 2021). This proactive model posits that effective child protection is predicated on the integration of six systemic pillars: legal and policy frameworks, governance, human resources, financial resources, service delivery, and information systems. Under this approach, sustainable governance is expected to rely on reliable, disaggregated data and predictable, state-led financing. In theory, any deviation from this modern systems-based model, such as a reliance on unstable, donation-driven funding, indicates a lack of the mandatory accountability structures required to achieve developmental equity for children in institutional care.

The execution of these systemic strengths is fundamentally a localized administrative responsibility. M. Raj et al. (2016) introduce the concept of Child-Friendly Local Governance (CFLG), a methodology requiring state and district authorities to integrate child-centric budgeting and localized monitoring into their administrative ecosystems. Their framework argues that local governance remains ineffective without the clear tracking of financial allocations and the use of decentralized monitoring indicators. Therefore, it is expected that for a system to be robust, local oversight bodies must implement rigorous auditing protocols that effectively bridge the gap between national legislation and institutional practice. Ultimately, the efficacy of these local administrative efforts can be evaluated through the Contextualized Governance Framework (Ahmad, 2025). Ahmad posits that the synergy between Administrative Accountability, Resource Transparency, and Regulatory Compliance determines the governance of Malaysian welfare institutions. This framework identifies specific variables, such as management qualifications

(Administrative Capacity) and financial disclosure (Resource Transparency), as the primary benchmarks for institutional health. By applying this model, it is hypothesized that "governance decoupling" occurs when institutions satisfy surface-level administrative rules while evading the substantive transparency required by contemporary governance standards. This framework provides the analytical lens through which the operational status and resource efficiency of institutions in Selangor are examined.

METHODOLOGY

Research Design and Approach

This study employs a mixed-methods approach involving qualitative data collection (interviews and observations) and quantitative data analysis (descriptive statistics from questionnaires) (Pole, 2007). This dual approach was necessary to effectively analyze the operational status and evaluate the policy alignment of care centers, which requires both quantifiable data on facilities and resources, as well as qualitative insights into management competency and policy execution. Face-to-face interaction with administrators was paramount to ensuring mutual understanding of complex terminology related to funding, policy, and operational requirements, thereby allowing researchers to explore non-quantifiable information and construct meaning from a governance perspective (Cohen et al., 2007; Philip et al., 2017).

Conceptual Framework

The research employs the Child Welfare Governance and Resource Efficacy Model (CWGREM), which is fundamentally underpinned by established developmental theories, specifically Behavioural Theory (Goddard, 2017), Social Cognitive Theory (Bandura, 1971), and Sociocultural Theory (van der Veer, 2020). These theories are justified by underscoring that a child's successful development and future readiness are products of their observable environment, social interactions, and mediated learning processes. Consequently, the model posits that the high-quality environment mandated by these theories is achieved only if the Policy and Resource Inputs (e.g., federal funds, Care Centres Act 1993) successfully bypass the Governance Gap. This Gap, defined by systemic weaknesses like Weak Regulatory Enforcement, a pervasive Lack of Financial Transparency, and the Absence of Integrated Oversight, is the critical mediator. When

the Gap persists, it allows the Institutional Operational Environment to be compromised by Infrastructure Disparity, Ambiguous Management Standards, and Financial Instability, directly undermining the required developmental conditions and consequently failing to deliver the intended outcomes of Equitable Child Development and Post-Institutional Autonomy.

Study Location and Scope

The study location was strictly limited to Residential Child Care Centers (Private/NGO) registered in the state of Selangor. This focus is justified by Selangor's critical role as the state receiving significant ministry assistance funds while simultaneously possessing the highest number of registered institutions, guardians, and residents nationwide (Jabatan Kebajikan Masyarakat, 2023). Operationally, the scope includes any registered private or NGO-run institution providing full-time, paid, or social care services. Of the total 805 residential care centers nationwide, 67 institutions in Selangor were included in the scope of this study (50 NGO-owned and 17 managed by private agencies) (Jabatan Kebajikan Masyarakat, 2019). Most selected institutions were located in the high-density districts of Petaling, Kuala Langat, and Hulu Langat, reflecting the state's care center distribution (see Table 1).

Table 1:
Statistics of Registered Child Care Centers in the State of Selangor 2019

District	Number of Institutions by Category				Total
	Daily (Private)	Daily (NGO)	Residence (NGO)	Residential (Private)	
Petaling	9	1	13	5	28
Subang Jaya	68	3	3	2	76
Shah Alam	17	0	3	1	20
Hulu Selangor	2	0	3	1	6
Hulu Langat	20	0	8	2	30
Sepang	21	0	1	2	24
Sabak Bernam	1	0	2	0	3
Kuala Selangor	2	0	0	0	2
Kuala Langat	4	0	1	0	5
Klang	47	0	11	2	67
Gombak	34	1	5	2	42
Sub-total	225	5	50	17	297

Sampling Strategy and Ethical Clearance

A purposive sampling method was employed, which is suitable for both quantitative and qualitative research when the goal is to obtain high-quality data from a sample that is expected to be representative of different institutional backgrounds (Campbell et al., 2020; Etikan, 2016). The selection of institutions was based on the researchers' prior knowledge and initial scoping via public sources to ensure a diverse range of operational models were included. This approach was adopted to optimize research costs, including travel and instrumentation. Formal approval was obtained from the Director of the Selangor State Social Welfare Department (JKM). Subsequent contact was made with each institution to explain the study's objectives, secure consent, and arrange site visits, following ethical guidelines to avoid unwanted incidents or insensitivities. The study engaged the highest-ranking policy-making individual at each institution.

Data Collection and Instrumentation

Data were gathered using a triangulated methodology that incorporated participant responses to questionnaires, interviews, document analyses, and direct on-site observations. A pilot study was conducted across four institutions one year before the main research to refine instruments and ensure comprehension of the care center environment. The instrument's structure was reviewed for content validity by two subject matter experts. Data collection utilized three structured forms:

- Form A (Background Information): Recorded the institutional profile and the background of administrators.
- Form B (Questionnaire/Checklist): Focused on planning and management aspects of academic and support programs, covering 10 critical policy and resource areas: vision and mission, manager roles, public agency support, facilities provided, financial management, caregiver qualifications, resident personality, parent/community involvement, school collaboration, and strategic relationships.
- Form C (Interview Questions): Focused on administrators' aspirations and policy direction for the institution, providing crucial qualitative context for the quantitative data.

- Repeat visits were conducted as necessary to clarify information or obtain additional documentation.

Data Analysis

The data collected underwent a mixed-methods analysis to ensure a rigorous and multi-dimensional evaluation of the system, directly addressing the complexities inherent in the Policy and Resource Allocation Perspective.

Quantitative Analysis: Describing Structural Facts

Quantitative data, derived from Form B (Planning and Management) and relevant sections of Form A (Institutional Background), were analysed using descriptive statistics. This approach was crucial for establishing the baseline facts required to address the structural components of the research questions (i.e., facility availability and management qualifications). The operational status and management competencies were reported by summarising the data using measures of central tendency, primarily frequency counts and percentage frequencies (%). This allowed for a precise, comparative analysis of resource distribution and administrative profiles across the sampled institutions in Selangor.

Qualitative Analysis and Triangulation: Exposing the Governance Gap

Qualitative data, derived from Form C (Administrator Interviews) and detailed on-site observations, served to critically interpret the descriptive statistics and expose the Governance Gap. Triangulation was the central analytical mechanism used to establish verifiability and accountability. This involved systematically cross-referencing two main sources of evidence, which are On-site Interviews and Observations (providing the internal institutional perspective) and a review of Official Documentation (assessing the formal policy alignment and record-keeping). This rigorous triangulation process enabled the research to move beyond surface-level compliance, critically assess management quality, verify policy execution, and identify the non-transparent practices (e.g., financial disclosure, registration irregularities) that define the "Governance Gap" reported in the results.

RESULTS

Institutional Sample and Respondent Profile

The research sample was derived from a target population of 46 registered private and NGO Residential Care Centres identified through the Selangor State Social Welfare Department (JKM) registry. The study's geographic scope encompassed eight administrative districts: Gombak, Hulu Langat, Hulu Selangor, Kuala Langat, Sabak Bernam, Sepang, Shah Alam, and Subang Jaya. While the registry acknowledges an additional 31 institutions within the high-density urban corridors of Petaling and Klang, these were excluded to focus the analysis on the suburban and semi-urban governance landscape of the remaining eight districts. From the 46 eligible institutions, a final cohort of 28 centres consented to participate, representing a 60.8% participation rate. This respondent group provides the primary data for the governance and resource efficacy analysis. While the participating institutions likely represent those with a higher degree of transparency, they offer a critical baseline for evaluating the operational realities of Selangor's welfare system. The comprehensive background of these participating institutions, including their years of operation, capacity, and registration status, is detailed in Table 2.

Table 2:
Background of Residential Child Care Centres in the State of Selangor

Period of Operation			Types of Premises				Ownership				No. of Staff			No. of Children's				
≤ 5 years	≤ 10 years	> 10 years	Terrace House	Shop Lot	Single-Building	Complex	Owner	Rent	Waqf	Miscellaneous	≤ 5	≤ 10	> 10	Miscellaneous	≤ 25	≤ 50	≤ 100	> 100
1	10	14	10	0	8	7	10	7	5	3	7	11	2	6	7	7	6	2

Critical Reflection on Institutional Operations and Resource Allocation

The analysis of the twenty-eight participating institutions, while revealing a generally satisfactory level of operation, necessitates a critical examination through the lens of resource efficacy and governance alignment.

Infrastructure, Scale, and Policy Compliance (RQ1 & RQ2)

The study confirmed that most institutions are situated in urban/suburban residential areas, establishing good access to public services (schools, emergency services), which partially satisfies the equity component of national policy. However, the prevalence of centres located in residential terrace houses with 'limited facilities' starkly contrasts with the larger, 'more complete' purpose-built complexes (like YBK Dormitory, Serendah). This dichotomy is highly relevant to Resource Question 2 (How adequate are the facilities?). While institutions may meet a minimum standard, the reliance on converted residential units suggests a structural limitation on the capacity for scaled, high-quality programmatic delivery beyond basic custodial care. The diverse age of institutions, ranging from the long-established Rumah Bakti Dato' Harun (1976) to newer entities, further complicates uniform policy application and resource needs. Furthermore, the ambiguity surrounding premises ownership status (overlapping self-ownership, rental, and waqf) presents a significant governance challenge. This lack of clarity can hinder long-term planning, limit capital investment, and complicate the State's ability to allocate targeted infrastructure funding, thus directly impacting the operational alignment (RQ1) and sustainability of these institutions.

Capacity, Management, and System Oversight (RQ3 & RQ4)

The data on staffing and residency raise pertinent questions about resource deployment and system capacity. The total number of registered residents across the sample was 1,151 children, with several institutions (e.g., Rita Welfare Home, Kuang Orphanage) housing over 100 residents. This confirms the sheer scale of the care challenge in Selangor. While staff numbers in certain large homes (e.g., Kuang Orphanage with 19 staff) appear robust, the observation that some staff are permanent volunteers or adult residents introduces an ambiguity to Research Question 3 (Management Quality). Relying on non-paid or resident labour may mask a deficit in qualified, professional social work and educational personnel, potentially undermining the consistent quality of care and developmental support despite the overall "good management structure" reported. The marginal but concerning figure of 2.6% (30 children) not attending school is a direct failure of the national access and equity aspiration, warranting immediate and closer scrutiny from the State Education Department (NRD) as per Research Question 4 (Integrated Support).

Policy and Regulatory Enforcement Gaps

Perhaps the most critical policy failure revealed is the disconnect between the registered list and actual operations. The finding that some institutions had expired approvals, were no longer operating, or failed to be contacted indicates a significant lapse in regulatory enforcement and resource tracking by the JKM Selangor. More alarmingly, the discovery of one institution operating as a rehabilitation/moral treatment centre under the guise of a children's home points to systemic misclassification and resource diversion. This directly challenges the State's ability to ensure that the substantial assistance funds are accurately allocated and that children are placed in environments suitable for their needs, thereby highlighting the core "Governance Gap" identified in this study.

In summary, while the physical environment and management structure appear satisfactory on the surface, the heterogeneity of facilities, ambiguous property status, reliance on non-professional labour, and evidence of weak regulatory enforcement collectively suggest that resource efficacy and policy alignment remain critically compromised within Selangor's high-density child welfare system.

Critical Analysis of Management Competency and Regulatory Compliance

The findings regarding the management profile of Residential Child Care Centres in Selangor, while superficially positive, require critical scrutiny in the context of The Governance Gap and Research Question 3 (Management Quality).

Management Qualifications vs. Regulatory Mandate

The Care Centres Act 1993 (Act 506) places a clear statutory obligation on operators to ensure the availability of sufficient and qualified staff for care, control, supervision, treatment, and training. The survey indicates that 65.4% of operators/managers and 50% of total staff hold a Diploma or Bachelor's degree, suggesting a relatively high baseline academic standard, underscored by the presence of advanced degrees (Master's and MBBS). The implication drawn that this signals quality service provision and educational awareness is tempting, yet it must be critically assessed against the Policy and Resource Allocation Perspective.

The crucial analytical challenge lies in the absence of fixed, standardised criteria for determining the operational skill level of managers. While academic qualifications are commendable, they do not inherently guarantee proficiency in resource management, compliance auditing, child protection protocols, or effective policy alignment with state education and welfare agencies, the very areas central to Research Question 4 (Integrated Support). The reliance on subjective criteria (e.g., long tenure with a large resident count) to define "experienced and skilled" leadership is a governance vulnerability. This ambiguity permits managers who operate on a voluntary or part-time basis to oversee complex, large-scale operations, potentially decoupling management expertise from professional accountability.

Experience, Scale, and Developmental Outcomes

The experience of long-standing institutions with complex premises and high resident numbers (like Rumah Bakti Dato' Harun and Rita Welfare House Association) is valuable. However, the positive cognitive, language, and social impacts linked to a quality welfare support system (Vick Whittaker & Harden, 2010) necessitate specialised, consistent, and full-time professional oversight. The study's finding that children in welfare homes face significant problems related to their educational future due to a lack of parental guidance (Konadu Kyei, 2024; Mayowa, 2021) implies that the institutional environment must actively compensate for this deficit. While staff qualifications are a positive first step, the core issue is whether the State's current policy and resource framework mandates a sufficient number of qualified staff dedicated to pedagogical guidance, emotional support, and future planning, rather than just administrative or custodial duties. The potential for high staff academic qualification to be diluted by part-time commitment or high resident-to-staff ratios remains a critical analytical gap impacting the true efficacy of resource allocation. Without transparent, enforced standards for management skills directly related to statutory compliance and developmental outcomes, the presumed quality implied by academic degrees cannot be guaranteed.

Table 3:

Management Information of Residential Child Care Centres in the State of Selangor

Number and percentage of institutions visited								
Academic level of the manager			Experience level of the manager			Academic Level of supporting staff		
Equivalent	Moderate	Higher	Equivalent	Moderate	Higher	Equivalent	Moderate	Higher
8	17	1	8	9	9	11	13	2
30.7 %	65.4 %	3.9 %	30.8 %	34.6 %	34.6 %	42.3 %	50.0 %	7.7 %

Critical Analysis of Infrastructure, Facilities, and Resource Efficacy

The assessment of facilities, while indicating a seemingly good operational standard, warrants a critical review against Research Question 2 (Facility Adequacy) and the core objective of evaluating resource efficacy within the policy framework. The existence of three distinct types of premises, terrace houses, single buildings, and complexes, highlights a fundamental governance and resource disparity. While larger complexes (e.g., Dato' Harun and YBK Serendah) provide superior, multi-facility environments (multi-story dormitories, libraries, varied playgrounds, dedicated transport), the reliance of many centres on converted terrace houses suggests a compromise that directly limits the scale and quality of programmatic delivery.

The reported high availability of specific facilities, such as study rooms (85%), libraries (74%), and counselling rooms (63%), is encouraging, yet this surface-level availability does not confirm adequacy relative to the high density of residents or the quality of the resources within. This metric primarily satisfies the basic requirement of "having" a facility under Act 506, but fails to address its fitness for purpose. The crucial analytical questions remain:

- Is the study room size and resource allocation proportionate to the 100+ children in the largest homes?
- Are the counselling rooms utilised by qualified professionals (linking back to management quality)?
- Is the equipment in the skill workshops (RACTAR, Rita Welfare Home) up-to-date and relevant for post-institutional employment?

The high provision of CCTV (70%) speaks to security control, but also potentially to the custodial nature of care, rather than an inherently developmental focus. Furthermore, the findings are set against the backdrop of unsatisfactory facility management reported in related social care sectors (Lim & Sulaiman, 2016) and broader failures by government agencies to enforce compliance with the Convention on the

Rights of the Child (Gray, 2023). Therefore, the conclusion that the facilities "guarantee the positive development" of children is a premature, optimistic assertion. Instead, the evidence points to a two-tiered system of infrastructure funded by a single policy mechanism. This reinforces the need for the State agencies to move beyond a compliance checklist approach to facility auditing, instead implementing the kind of rigorous Social Care Facility Management Audits (SCFMAs) proposed elsewhere to ensure that the significant public resources channeled into Selangor translate into equitable, high-quality, and developmentally-optimized physical environments for all children in care.

Table 4:
Facilities provided at Residential Child Care Centres in Selangor

Facilities	Office	Manager room	Staffs room	Meeting room	Counselling room	Sick bay	Surau *	Study room	Library	Dining Hall	Guard Post	CCTV	Sports facilities	Other Facilities
No. of Care Centres	27	23	20	16	17	8	20	23	20	26	12	19	18	-
%	100	85.2	74.1	59.5	63.0	30.0	74.1	85.2	74.1	96.3	44.5	70.4	66.6	-

Critical Reflection on Financial Transparency and Resource Sustainability

The financial component of this study, while acknowledged as a secondary objective, is perhaps the most critical indicator for evaluating the core research objective of "resource efficiency" within the Policy and Resource Allocation Perspective. The findings reveal significant governance and sustainability vulnerabilities:

The Challenge of Financial Confidentiality (RQ2 & RQ4)

The researchers' decision to prioritise "friendly relationships and trust" over exhaustive financial disclosure, accepting that financial reports are "not exhaustive" and that centres were "somewhat reluctant to disclose them," is a profound methodological

limitation. Given that Selangor receives substantial federal assistance and houses the largest institutional population, the confidentiality of financial reports fundamentally undermines the State's ability to fulfil its oversight mandate and is a significant governance gap. Without verifiable data on income sources (government grants, donations, fees) and operating expenditures, it is impossible to:

- Assess resource adequacy (RQ2): The reported high annual operating cost of RM150,000 per year, particularly for large-scale complexes, cannot be critically benchmarked against actual needs or per-child costs.
- Verify resource efficiency: The reliance on donations (above RM10,000 per month) by a few large institutions (e.g., Rumah Bakti Dato' Haron, YBK Damai Dormitory) indicates a high dependence on philanthropic variability, rather than stable, coordinated state funding. This instability compromises long-term planning and the quality of essential services like payroll and activities.

Fee Structures and Sustainability Gaps

The finding that only a small number of centres charge fees, and that one centre providing specialised treatment only received an initial payment, demonstrates a structural flaw in the financial model. While the sector is non-profit, the high operational cost necessitates robust, predictable funding. Relying on intermittent donations and minimal fee collection exposes the institutions and, by extension, the children, to immediate economic vulnerability.

Linking Financial Weakness to Policy Failure

The study implicitly confirms previous findings that the management level in some welfare homes is weak and that institutions do not receive proper government support (Sofian et al., 2013). This is compounded by the fact that institutions not registered with JKM struggle to receive government assistance (Ghani et al., 2016). Therefore, the reluctance to disclose financial data, combined with a precarious funding structure and past reports of poor management, points to a vicious cycle: financial non-transparency hinders effective state resource allocation (RQ4), which in turn forces institutions to rely on unstable funding, ultimately compromising the quality and sustainability of care. The State must demand greater financial accountability to ensure equitable and efficient use of public and private resources for child development.

Table 5:

Comparison of financial resources and expenditure for the purpose of managing the operations of Residential Child Care Centres in Selangor

		Donation			Salary		Utilities		Kitchen Items			Activity Costs			Other Expenses																						
No.	%	8	RM1,001-5,000	3	RM5,001-10,000	7	RM10,000 ++	6	RM1,001-5,000	6	RM5,001-10,000	6	RM10,000 ++	4	RM500-1,000	4	RM1,001-5,000	11	RM5,000 ++	11	RM1,001-5,000	4	RM5,001-10,000	4	RM10,000 ++	10	RM1,001-3,000	1	RM3,001-5,000	6	RM5,000 ++	7	RM1,001-3,000	4	RM3,001-5,000	6	RM5,000 ++
		44.5 %		16.7 %		38.8 %		33.3 %		33.3 %		33.3 %		21.0 %		21.0 %		58.0 %		58.0 %		21.0 %		21.0 %		58.8 %		5.88 %		35.4 %		41.1 %		23.5 %		35.4 %	

DISCUSSION

The Governance Gap in Selangor's Child Welfare System

The findings of this study, analysed through the lens of the Policy and Resource Allocation Perspective, confirm the existence of a significant Governance Gap in the oversight and operational alignment of private and NGO children's welfare institutions in Selangor. While the state is a critical node in national welfare funding and institutional density, the data suggest that reliance on minimal compliance has resulted in a fragmented system with vulnerabilities in infrastructure, financial accountability, and policy execution, thereby potentially undermining the national aspiration for equity.

Disparity in Infrastructure and Operational Efficacy

The study confirms a two-tiered system of care infrastructure that is directly related to resource deployment, addressing aspects of Research Question 2 (Facility Adequacy). While a subset of large, purpose-built complexes demonstrates optimal facilities, the high reliance on converted terrace houses with "limited facilities" for the majority of centres indicates a compromise in the quality of the care environment (Chear et al., 2021). This situation, while meeting the low threshold of the Care Centres Act 1993, structurally limits the institutions' capacity to deliver scaled, high-quality, and diverse developmental programs. This disparity in infrastructure is directly linked

to the ambiguous status of premises ownership. The overlap between private ownership, rental, and waqf tenure creates a major governance challenge, making it difficult for state agencies (like JKM) to effectively plan or allocate capital improvement funds. The State's financial assistance appears to be funding a custodial model of care rather than a high-performance developmental model, resulting in an inefficient allocation of public resources that fails to guarantee equitable environments for all resident children.

Ambiguity in Management Quality and Accountability

The assessment of management and staff qualifications partially addresses Research Question 3 (Management Quality) by confirming a high baseline academic profile among operators (65.4% holding a Diploma or degree). However, this positive finding is offset by the absence of standardised, enforced criteria for managerial competency in the specialised fields of child protection, resource management, and social work pedagogy. The reliance on voluntary, part-time, or resident staff for core duties in high-density centres, coupled with the subjective definition of "experience," indicates that academic qualification is being mistakenly equated with operational accountability. This systemic ambiguity compromises the State's ability to ensure that the necessary professional expertise is consistently available to deliver the comprehensive guidance required to overcome the educational deficits faced by children in care (Awang et al., 2004; Bush et al., 2023). This points to a failure in defining and mandating the qualitative standards of personnel required to justify the significant investment of public resources.

Financial Non-Transparency and Regulatory Breakdown

The pervasive financial non-transparency observed during this study represents a significant barrier to evaluating the core research objective of resource efficiency. The researchers' inability to secure exhaustive financial data due to institutional reluctance indicates a systemic lack of accountability in a sector heavily reliant on public funds and philanthropic contributions. Because financial records remained largely inaccessible or incomplete, this study cannot definitively conclude on the efficiency of resource utilization within these centres. However, this lack of transparency is a finding in itself, directly undermining the State's ability to benchmark resource adequacy or identify potential resource diversion (RQ4). Furthermore, the discovery of operational irregularities, including expired approvals and misclassified activities (Chear et al.,

2023), signals a profound lapse in JKM's auditing capability. This regulatory breakdown creates a fiscal fog where public funds are directed into a system whose financial health cannot be verified. Robust financial sustainability is a non-negotiable prerequisite for meeting the demanding goal of preparing children for self-sufficient lives; without transparent data, the current policy framework fails to guarantee that resources are being converted into the long-term developmental stability required for future autonomy.

Policy Implications: Bridging the Governance Gap

The findings necessitate a paradigm shift from minimal compliance auditing to a focus on developmental resource efficacy. To bridge the Governance Gap, the study's primary recommendation is the urgent need for proactive, integrated state intervention by relevant agencies.

- **Mandatory Standards and Auditing:** The government must move beyond the basic provisions of Act 506 by implementing mandated, specialised audits (akin to SCFMAs) to evaluate facility quality and management proficiency relative to the number of residents, not just minimum standards.
- **Financial Accountability:** Financial disclosure for all recipient institutions must become a non-negotiable prerequisite for receiving public assistance, allowing JKM to accurately track resource flow and ensure funds are tied directly to developmental outcomes.
- **Cross-Agency Collaboration:** The State Education Department must actively track the 2.6% of non-school-attending children and enforce rigorous educational standards within all homes, fulfilling the national commitment to access and equity.

By addressing these systemic weaknesses, the State of Selangor can ensure that its substantial financial allocation translates into equitable developmental opportunities that prepare children in institutional care for successful integration into society, thereby finally aligning the policy aspirations of the PPPM with tangible social reality.

Limitation of Studies

While this study provides significant insights into the governance and resource efficacy of child welfare institutions in Selangor, several critical limitations must be

acknowledged. The most prominent limitation is the geographic exclusion of the Petaling and Klang districts. Due to significant timeline constraints and logistical complexities, these two high-density urban centres, which account for an additional 31 registered institutions, were omitted from the scope. As Petaling and Klang represent the apex of both institutional density and federal resource concentration in the state, their exclusion limits the generalisability of the findings. Probably, the "Governance Gap" identified in the more suburban and rural districts may manifest differently in these high-pressure urban environments, where administrative oversight and resource competition are likely more intense. Furthermore, the self-selection bias inherent in the 60.8% participation rate must be noted. The 18 institutions that declined to participate represent a "black box" of data; the centres most resistant to academic inquiry may be those facing the most severe governance or compliance issues. Consequently, the findings presented here likely reflect a "best-case scenario" of the care system. Future research should prioritise longitudinal studies that mandate participation through state agency cooperation, specifically targeting major urban hubs like Petaling and Klang, to provide a truly comprehensive map of the governance failures within Malaysia's child welfare landscape.

A primary limitation of this research is the restricted access to exhaustive financial documentation. Due to the reluctance of several institutions to disclose detailed operating expenses and revenue sources, a comprehensive assessment of resource efficiency, as originally intended by the research objectives, could not be fully realized. Consequently, any conclusions regarding the fiscal optimization of these centres remain speculative rather than definitive. This lack of data transparency necessitates a cautious approach to system-wide generalizations. While the patterns of non-disclosure and regulatory lapses observed in the participating 28 centres suggest a significant "Governance Gap," the evidence remains incomplete. Therefore, the findings should be interpreted as an indictment of the oversight and transparency mechanisms rather than a final verdict on the internal financial efficiency of every care centre in Selangor. Future studies should seek to partner with state audit departments to secure the mandatory financial disclosure required for a true efficiency analysis.

CONCLUSION

This study critically analyzed the operational status and resource efficiency of private/NGO children's welfare institutions in Selangor, concluding that a pervasive Governance Gap fundamentally undermines the developmental equity of children

despite significant federal funding. The system achieves only baseline compliance, operating as a custodial model rather than a robust developmental one. The analysis revealed three core deficiencies: Resource Disparity and Infrastructure created a two-tiered system where limited-facility properties alongside ambiguous ownership status hindered equitable environments and capital investment. Accountability versus Qualification showed that while managers were academically qualified, the lack of standardized professional competency criteria and the use of voluntary staff diluted the quality of care, failing to mandate the necessary managerial expertise. Finally, Regulatory and Financial Weakness was evident in the widespread lack of financial transparency and weak enforcement by the State Welfare Department (JKM), allowing unstable, donation-driven financing to compromise the sustainability of critical services. To close this gap, the study recommends pivoting from basic regulatory checks to an enforcement model focused on developmental outcomes and financial accountability. This requires the State to implement Mandatory Operational Audits that measure quality against resident numbers, enforce Financial Transparency as a condition for receiving assistance, and establish Integrated Agency Oversight to ensure cross-agency intervention guarantees children meet national educational and developmental targets.

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Author Contributions

The authors collaboratively confirm their respective contributions to this manuscript.

- Syed Lamsah: Conceptualization, Methodology Design, Data Analysis and Interpretation, Visualization, and Writing, Original Draft Preparation. Syed Lamsah serves as the corresponding author.

- Mohd Hanip Hassan, and Sri Katoningsih: Validation of Methods and Statistical Results, and critical Intellectual Input during the discussion and revision process.

Conflict of interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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