

# Malaysian Journal of Co-operative Studies



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## **MALAYSIAN JOURNAL OF CO-OPERATIVE STUDIES**

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# THE PHILIPPINE CO-OPERATIVE ENTERPRISES TOWARDS SUSTAINABLE DEVELOPMENT: A PERCEPTION STUDY

Karen P. Quilloy and Isabelita M. Pabuayon  
*University of the Philippines Los Baños*

## ABSTRACT

*In the International Co-operative Alliance 2020 Vision, co-operatives are envisioned to become the acknowledged leader in economic, social and environmental sustainability, the model preferred by people, and the fastest growing form of enterprise by 2020. With less than a decade left for this vision, it is important to realize where the co-operatives are now in terms of promoting progress towards sustainable development. This country study aimed to examine the contributions and impacts that co-operatives in the Philippines have created to advance sustainability in the four pillars of development – “people, planet, prosperity, and peace”, at micro level. Key findings showed that the co-operatives have carried out initiatives promoting sustainability among its members and their communities. However, the extent of such impacts was perceived to be limited due to some constraints, which include inadequate support services, weak organizational structure, and inadequate or lack of entrepreneurial and managerial skills. In view of these problems, strategic actions recommended were: (i) developing a definite policy framework for co-operative enterprise development; (ii) improving access to support services with focus on financial services; (iii) enhancing human resource skills through education and professionalization; and (iv) strengthening networks and linkages of the co-operative sector.*

**Key words:** co-operatives, enterprise development, sustainable development



## INTRODUCTION

Co-operatives are member-driven business enterprises that seek to strike a balance between pursuing profit and meeting the economic, social, and cultural needs and aspirations of members and their communities. With the end goal of improving the standards of living and welfare of the people, the co-operative sector works to contribute to employment generation, social integration, and ultimately, poverty reduction. In a number of ways, it has made significant efforts to help address key development issues such as environmental degradation, unstable financial sector, increasing inequality, growing global governance gap, seemingly disenfranchised younger generation, and loss of trust in political and economic organizations (International Co-operative Alliance, 2013). These development contributions are expected to continue with the increasing success of co-operatives as a viable model of sustainable socio-economic enterprises.

By 2020, the International Co-operative Alliance (ICA) (2013) envisions co-operatives to become: (1) the acknowledged leader in economic, social and environmental sustainability, (b) the model preferred by people, and (c) the fastest growing form of enterprise. In its pursuit of the 2020 Vision, building sustainability has been identified as one of the key strategies for the success of co-operative enterprise development. The multidimensional nature of co-operatives has enabled these enterprises to serve as builders of sustainability. To maintain such role, the co-operative movement has made a global effort to mainstream sustainability in co-operative development and therefore, to commit to contribute to all aspects of sustainable development, which include economic, social and environmental dimensions.

In the Philippines, sustainable development has also been emphasized as a key commitment of the co-operative sector. In line with ICA's 2020 Vision, the country's main agency for co-operatives, the Co-operative Development Authority (CDA), has crafted its corresponding national goals for its local co-operatives under the theme "Transformative Co-operatives for People, Planet, Prosperity and Peace", of which one of the main goals is to increase public awareness about co-operatives and their contributions to advance sustainable development in the country (Santiaguel, 2012). While the success of co-operatives in pursuing the goal for 2020 have been showing impressive progress in developed countries in Europe, North America, and Asia, co-operatives in developing countries like the Philippines still need to demonstrate more convincingly its positive contribution to all aspects of sustainability. With only less than a decade left before 2020, realizing whether and how far the co-operatives have adhered and contributed to the pillars of sustainable development is warranted.

In view of the foregoing, this study was undertaken to examine the contributions and impacts that the co-operatives in the Philippines have created to advance sustainable development of the country at micro level. Specifically, it sought to:

1. describe the general characteristics and financial condition of the co-operatives;
2. assess the perceived impacts of the co-operative initiatives on its members and their communities; and
3. determine the key problems and constraints confronting the co-operative enterprises.

From here, strategic directions for promoting sustainable co-operative enterprise development and for fully exploiting the role of co-operatives as builders of sustainability were identified.

## CONCEPTUAL FRAMEWORK

In the new era of development, a sustainable progress with equity and inclusiveness is generally seen as the development path for the international community. It is often associated with the concept of sustainable development, which has been defined by the World Commission on Environment and Development (1987) as development that meets the needs of people today without compromising the ability of future generations to meet their own needs. As such, sustainable development requires that the economy and society operate as a system over time and space involving multidimensional development in terms of social, economic, and environmental progress.

During the 2012 Rio+20 Conference, the need to achieve sustainable development was reaffirmed under the UN Resolution, “The Future We Want” (A/RES/66/288), which calls for advancing sustainability by “promoting sustained, inclusive and equitable economic growth, creating greater opportunities for all, reducing inequalities, raising basic standards of living, fostering equitable social development and inclusion, and promoting the integrated and sustainable management of natural resources and ecosystems.” In this resolution, the role of co-operatives and microenterprises, especially in developing countries, in contributing to social inclusion and poverty reduction through sustainable development was emphasized. Co-operative enterprises have been likewise regarded as the key to sustainable economic and social progress during the 2012 International Year of Co-operatives Conference.<sup>1</sup>

In line with the above concept of sustainable development, the Philippine co-operative sector through CDA’s Philippine International Year of Co-operatives (IYC) 2012 Steering Committee has defined sustainable development in relation to co-operatives as an integration of interconnected and mutually reinforcing pillars of development – “prosperity”, “people”, “peace” and “planet” (4Ps). The 4Ps of sustainable development are concerned with the development initiatives that a co-operative advances, which relate to economic, social, cultural and environmental progress (Table 1). These pillars, which are further discussed below, served as the main framework of the study for assessing the contributions and impacts of co-operatives on sustainable development.

<sup>1</sup> The International Year of Co-operatives Conference was held on 8-10 November 2012 in the Philippines, which was spearheaded by the Institute of Co-operatives and Bio-Enterprise Development (ICOPED), College of Economics and Management (CEM), University of the Philippines Los Banos (UPLB). The conference proceedings was published as a commemorative book entitled “Co-operative Enterprises: Key to Sustainable Economic and Social Progress” (Pabuayon, Sumalde, & Abarquez, 2013).

**Table 1: The Four Pillars (4Ps) of Sustainable Development**

People	Planet	Prosperity	Peace
<ul style="list-style-type: none"><li>• Does it promote social justice, equity, gender, sensitivity, participation, full human potential. cultural, moral and spiritual sensitivity, self-determination, sustainable population?</li></ul>	<ul style="list-style-type: none"><li>• Does it advance ecological conservation, respect for biodiversity, use of appropriate technology, promotion of community based resource management for environmental soundness and favourable work environment?</li></ul>	<ul style="list-style-type: none"><li>• Does it endorse food security, economic viability, growth with equity and greater access to opportunities of marginalized communities?</li></ul>	<ul style="list-style-type: none"><li>• Does it encourage respect for cultural diversity, national sovereignty, unity and global cooperation?</li></ul>

*Source: Santiaguel (2012)*

Economic growth (“Prosperity”) is one of the most important goals of any enterprise. Co-operative as an enterprise therefore seeks to maintain economic viability at all times to be able to improve the standards of living of its members by adequately helping them to have access to better sources of economic opportunities and to increase their incomes, thereby giving them more purchasing power for basic goods and services. Towards this end, co-operatives are expected to deliver prosperity with equity to all its members.

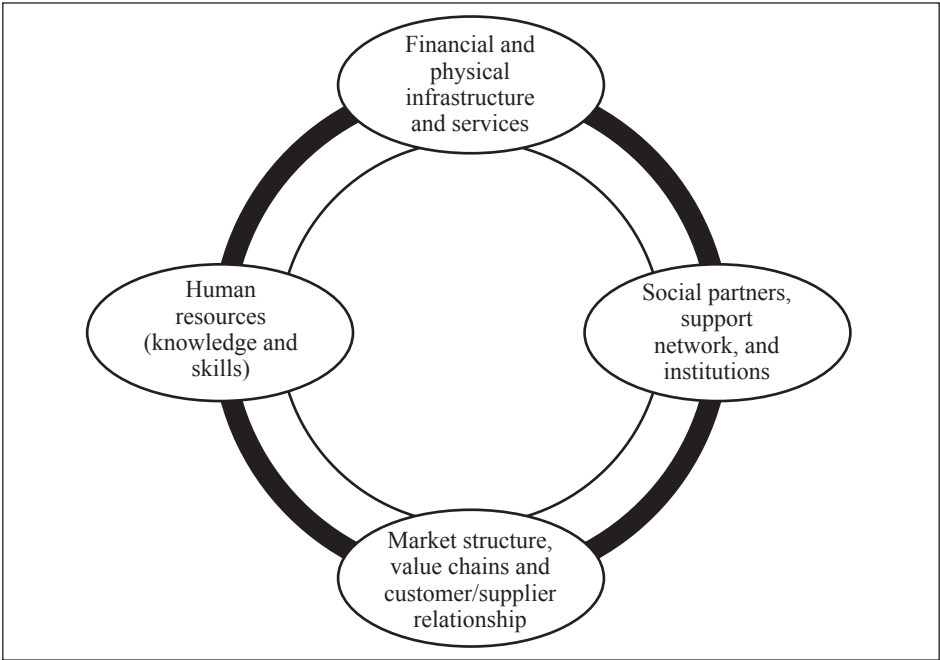
While economic affluence is often the ultimate goal of every individual and community in a society, the need to equally achieve social, environmental and cultural development goals cannot be overlooked, given their strong link with economic growth both at macro and micro levels. A basic resource for economic development is human capital (“People”). Investing in people by enhancing their knowledge and skills and enabling them to reach their full human potential will therefore give greater potential for faster socio-economic growth.

Another is the protection and conservation of the limited natural resources and the changing environment (“Planet”). Lack of collective initiatives on such component can pose serious threats to all aspects of development and thus, can impede the productivity of an enterprise, especially if it is heavily dependent on natural resources. Some of the best practices for environmental conservation and natural resource management identified by CDA include waste management, sustainable agricultural practices, reforestation, mangrove rehabilitation, tree planting, and power management (Santiaguel, 2012).

Lastly, the spirit of cooperativism (“Peace”) also plays a significant role in advancing development. Among the root causes of poverty are political conflict, instability and social unrest, which acutely prevent growth both in economic and human development. It is during this obscurity that community and global cooperation should thrive best.

In terms of analyzing the problems and constraints in the business operations of the co-operatives, the framework for sustainable enterprise development at micro level developed by the International Labour Organization (2007) has been the main basis of this study. As defined, sustainable enterprises are business entities that create a sustainable society through business activities comprehensively reflecting economic, social and environmental aspects of sustainability (Japan Business Federation, 2006 as cited in ILO, 2007). At micro level, a sustainable enterprise is one that, (i) has human resources with adequate entrepreneurial and management skills and competencies and with good workplace practices; (ii) carries out value-adding business activities, is operating in efficient value chains, and has good customer and supplier relationships; (iii) has financial and physical infrastructure and services to support its activities and management of resources; and (iv) has linkage or partnership with stakeholder support networks and institutions from the government and the private sector (Figure 1).

Given that sustainable enterprises are highly associated with sustainable development, problems and constraints hindering co-operative enterprises from operating sustainably can directly affect their ability or capacity to contribute to sustainable development. The extent of co-operative’s sustainability impacts particularly in terms of delivering its intended benefits to its members and their communities can therefore be explained by the performance of a co-operative as a sustainable enterprise.



Source: Adopted from ILO (2007)

**Figure 1:** Conceptual Framework Depicting an Integrated Approach to Sustainable Enterprise Development at Micro Level

## METHODOLOGICAL APPROACH

Primary data on the general characteristics of co-operatives in the Philippines, their impacts on the 4Ps of sustainable development, the problems and challenges they face, and their needs at policy level were gathered through a conduct of a nationwide co-operative survey. A two-stage stratified random sampling was adopted in selecting the survey respondents. At the first sampling stage, the total number of all CDA-registered co-operatives in each of the 16 Philippine regions was determined by type of service provided, using CDA's official database as of December 2011. From the total population of each co-operative type per region, a sample size of 5% was set and randomly selected to participate in the survey. At the second stage, five co-operative members (2 officer and 3 non-officer members) from the sample co-operatives drawn for each type per region were then selected at random to answer the questionnaire.

Given the sampling frame, at least 1,000 co-operatives or 5,000 member-respondents were expected to participate in the survey. However, since the questionnaire was self-administered, only 66% response rate was achieved due to refusal or failure to complete the survey of some co-operatives. In the end, the sample size included 686 co-operatives with 3,430 co-operative member-respondents. This size remained reasonable enough to well-represent all the major types of co-operatives in the Philippines.

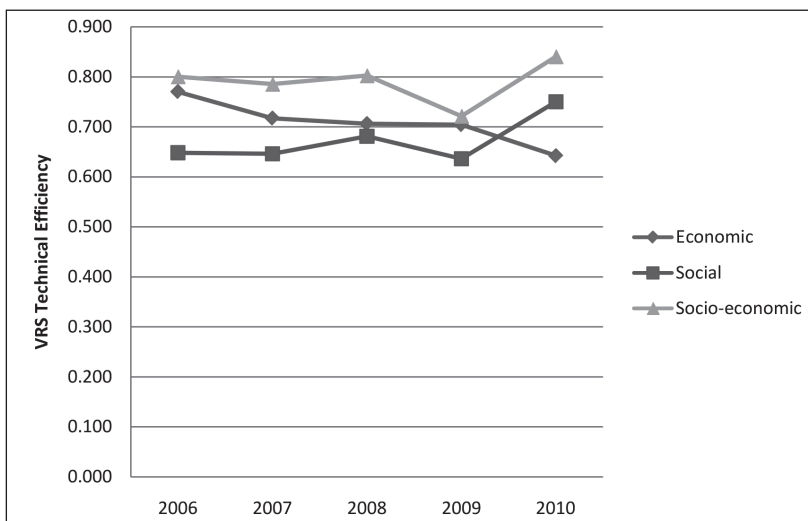
From the data gathered, descriptive analysis was employed to describe the general profile of the participating co-operatives. To assess the sustainability impacts of the co-operatives, the study adopted the participatory impact assessment (PIA). In PIA, the beneficiaries (i.e., in this case, the co-operative members) are the ones involved in assessing the impacts of their own organization since they are acknowledged as experts who are capable of identifying and measuring their own indicators of change (Catley, 1999). PIA investigates whether and to what extent the activities benefited the recipients, what problems co-operatives encounter, and what policy directions they need based on their own opinions or perceptions. These were evaluated against a set of qualitative indicators through the use of participatory ranking method and simple scoring method.

## MAJOR FINDINGS

### General Characteristics of Co-operative Respondents

Among the 686 co-operatives surveyed across the Philippines, 42% were considered micro co-operatives since their assets amount to not more than Philippine pesos (PhP) 3.0 million; 27% were medium co-operatives, having asset size between PhP15.0 million and PhP100.0 million; 22% were small co-operatives, with total assets amounting to more than PhP3.0 million but not exceeding PhP15.0 million; and only 9% were classified as large co-operatives or those with an asset size of more than PhP100.0 million (Figure 2).<sup>2</sup>

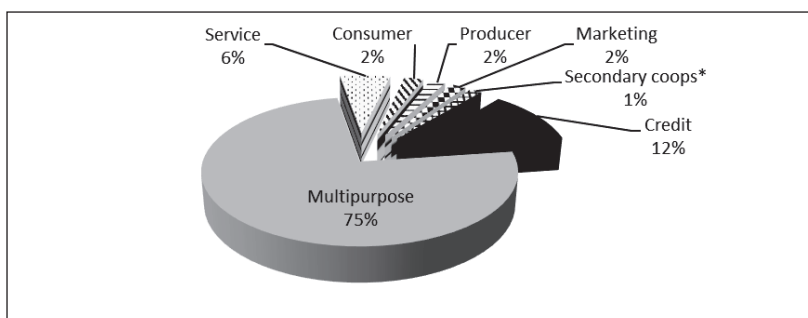
<sup>2</sup> Average exchange rate in 2011 of Philippine pesos (PhP) per U.S. dollar (US\$) was PhP43.31 (Bangko Sentral ng Pilipinas, 2014).



\*Secondary co-operatives

**Figure 2:** Distribution of Co-operative-Respondents, by Asset Size, Philippines, 2011

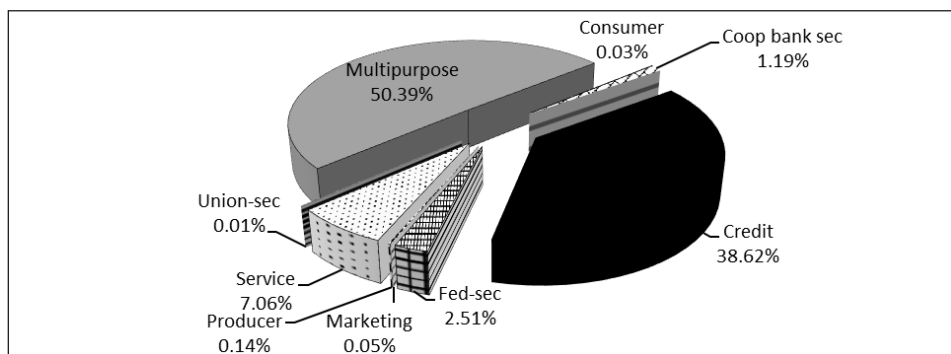
In terms of type of co-operative by product or service provided, majority of the participating primary co-operatives were multipurpose co-operatives (75%), which is expected since it is the most common type of co-operative in the country (Figure 3). Others (24%) were classified as credit, service, consumer, producer and marketing co-operatives. Secondary co-operatives were also represented well in the study, with a total of 10 co-operatives categorized as co-operative federations, co-operative unions and co-operative banks.



\*Include co-operative bank, federation and union

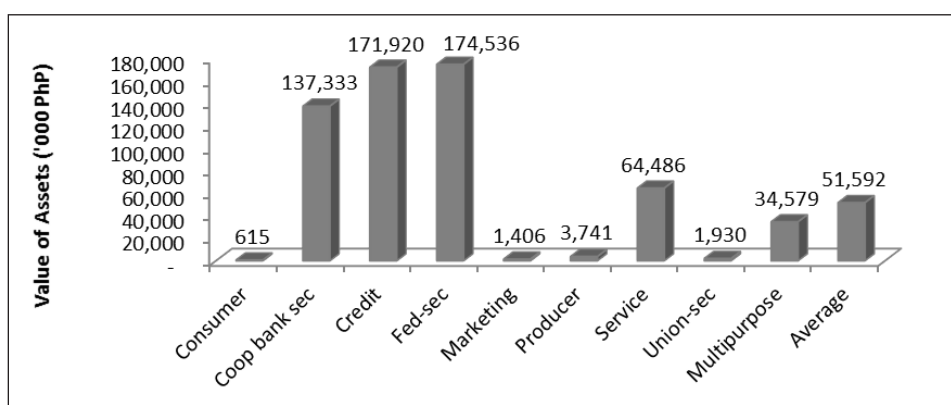
**Figure 3:** Distribution of Co-operative-Respondents by Type, Philippines, 2011

Being the highest in number, multipurpose and credit co-operatives contributed close to 90% or PhP15.2 billion to the total combined assets of all the co-operatives surveyed (Figure 4).



**Figure 4:** Asset Shares of Co-operative-Respondents, by Type, Philippines, 2011

But in terms of average asset size per individual co-operative, multipurpose co-operatives did not post the highest amount, averaging only at Php34.6 million per co-operative mainly because more than 60% of them were micro and small co-operatives<sup>3</sup> (Figure 5).

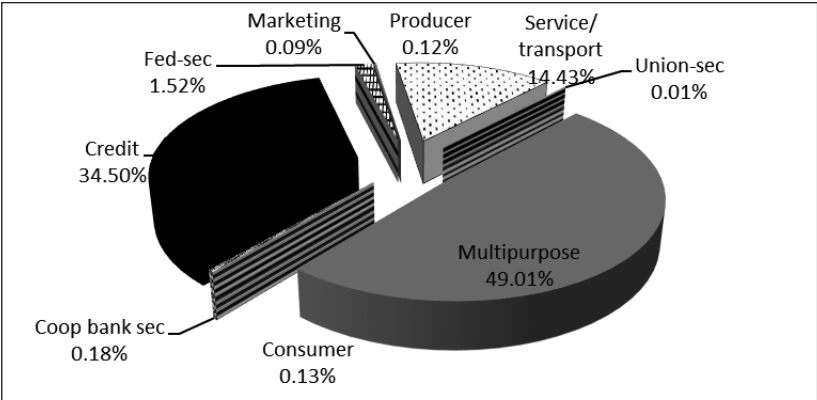


**Figure 5:** Average Assets of Co-operative-Respondents, by Type, Philippines, 2011

The credit co-operatives and co-operative banks, which are both engaged in financial services and of which only about one-third were considered micro co-operatives, were the types of primary co-operative that posted the largest average asset size per co-operative (Figure 2). For secondary co-operatives, co-operative federations had the highest average asset value among all types of co-operatives (Figure 5). On the other hand, consumer, marketing and producer co-operatives had much smaller asset size of less than Php4.0 million per co-operative, as most of them were only micro co-operatives (Figure 2).

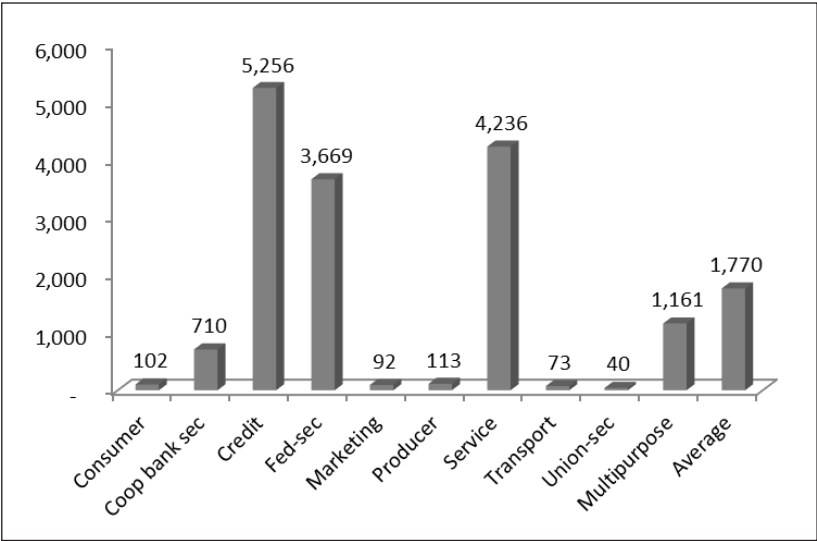
<sup>3</sup> According to Philippine Co-operative Code of 2008 (Republic Act 9520), a co-operative is categorized as micro co-operative if its total value of assets is not greater than Php3 million; as small co-operative if between Php3 million and Php15 million; medium co-operative if more than Php15 million but not greater than Php100 million; and large co-operative if the total amount of assets is more than Php100 million.

In terms of share of co-operatives to the combined total membership size of 1,203,606 of all co-operatives, multipurpose, credit and service co-operatives were the dominant types, with their respective shares of 49%, 35% and 14% (Figure 6). Other types contributed less than 1% to the total membership, except co-operative federation (secondary) with 2% share.



**Figure 6:** Membership Shares of Co-operative-Respondents, by Type, Philippines, 2011

Looking at the average membership size per co-operative, credit co-operatives had the largest membership size of 5,256 (Figure 7). This was followed by service co-operatives and co-operative federations with an average membership base of 4,236 and 3,669 members per co-operative, respectively. Co-operative union, transport, marketing, consumer and producer co-operatives were relatively smaller with only 40 to 113 members, on the average.



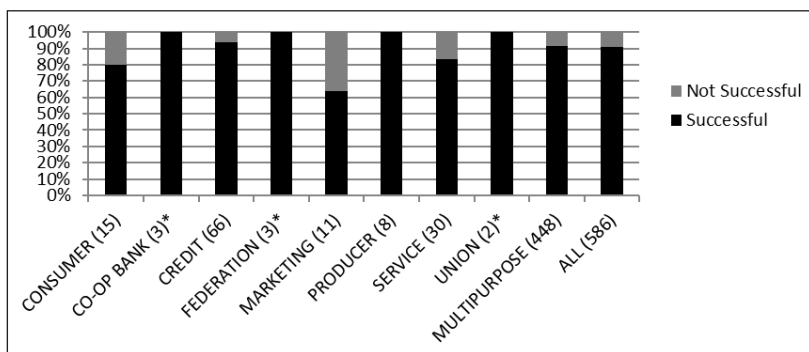
**Figure 7:** Average Membership of Co-operative-Respondents, by Type, Philippines, 2011

Financial Condition of Co-operative Respondents



A very basic and direct measure of the financial stability of a co-operative is its ability to generate net surplus. Based on the definition used in the Philippine Co-operative Code of 2008 (Republic Act 9520), net surplus is the excess of payments made by the members for their business transactions with the co-operative, including other inflows of assets resulting from its other operating activities. As it should not be construed as profit, net surplus is distributed as general reserve funds and as returns to the members as prescribed in the law.

In this study, a co-operative was described as a successful economic enterprise if it has generated a net surplus during the last 5 years or last years of operation, if less than 5 years old. Based on this indicator, findings showed that 91% of the 586 co-operatives that shared their financial data in the survey were considered successful economic enterprises while only 54 co-operatives (9%) were found to be not successful (Figure 8). All secondary co-operatives were rated successful but for primary co-operatives, only the producer co-operatives reported a 100% success rate. Marketing co-operatives posted the largest proportion of unsuccessful co-operatives (36%), followed by consumer (20%) and service co-operatives (17%). For credit and multipurpose co-operatives, less than 10% were not financially successful.



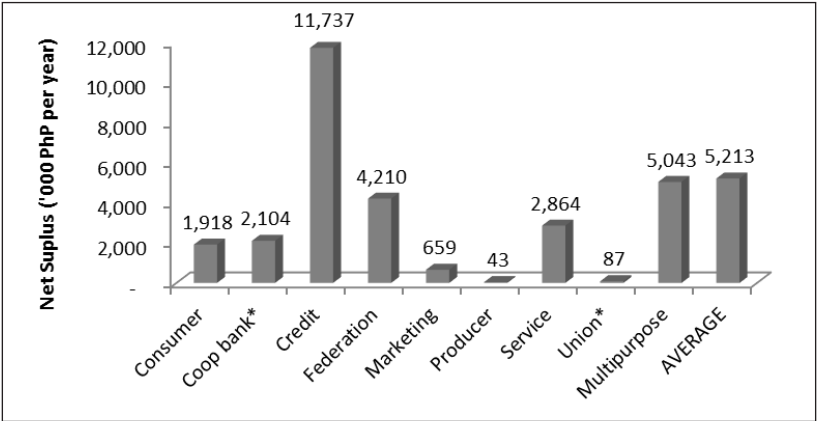
Note: Values in parentheses are total number of co-operative-respondents

\*Secondary co-operatives

**Figure 8:** Proportion of Successful Co-operatives Based on Net Surplus, by Type of Co-operative, Philippines, 2011 (586 co-operative-respondents)

The relatively lower rate of success in marketing and service co-operatives could be explained by the fact that these types of co-operative are more directly involved in business transactions such as buying and selling of products and services compared to other types of co-operative. Thus, they are often more exposed to market risks, which affect the financial stability of the co-operative.

The successful co-operatives had a combined total net surplus of PhP2.77 billion or an average of PhP5.21 million per co-operative (Figure 9). By type of co-operative, credit co-operatives had the highest average net surplus of PhP11.7 million per co-operative in 2011.

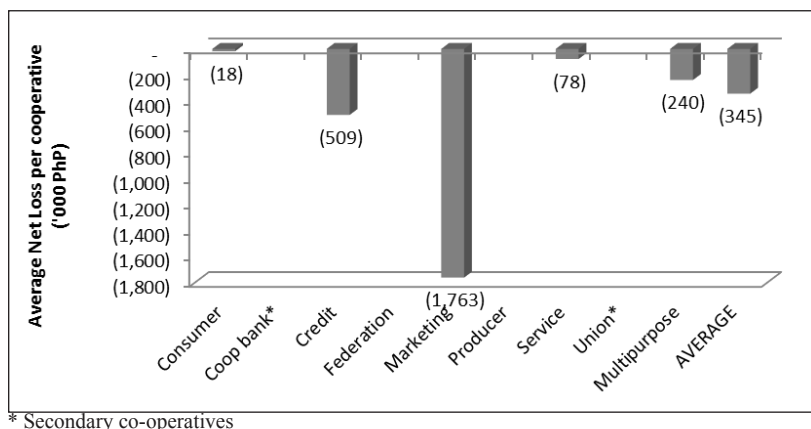


\* Secondary co-operatives

**Figure 9:** Average Net Surplus of Successful Co-operatives, by Type, Philippines, 2011 (532 co-operative-respondents)

This denotes the large volume of profitable business transactions in credit co-operatives, which is expected, since almost half of them are categorized as either medium or large co-operatives. Besides, credit co-operatives had the largest membership base among all types of co-operatives, hence, great economic participation in their co-operative could be expected. Multipurpose co-operatives and federations followed with an average net surplus of PhP5.0 million and PhP4.2 million, respectively. The rest, which are mostly micro co-operatives, if not all, generated a relatively smaller net surplus, especially the co-operative unions, producer and marketing co-operatives, which earned less than a million pesos in 2011.

In contrast, the combined total net losses of the 54 co-operatives that were considered financially unsuccessful amounted to PhP18.65 million in 2011 or an average of PhP345,000 net loss per co-operative (Figure 10). Marketing co-operatives reported the highest net loss, averaging PhP1.8 million while service and consumer co-operatives had the least with respective losses of PhP78,000 and PhP18,000 during the same year.

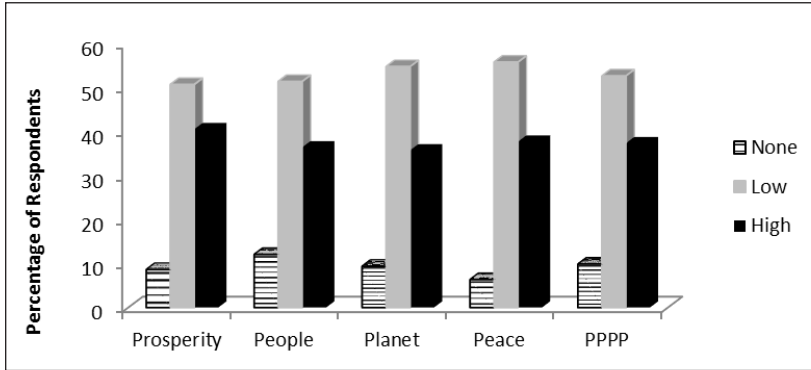


**Figure 10:** Average Net Loss by Type of Co-operative, Philippines, 2011  
(n=54 co-operatives)

### Perceived Impacts of Co-operatives on People, Planet, Prosperity and Peace

Using a set of indicators for the 4Ps of sustainable development – People, Planet, Prosperity, and Peace (PPPP), members from the participating co-operatives were asked to rate the development impacts or contributions of their co-operatives at micro level or at the level of its members and their communities. The following impact ratings were used: “high” (high impact) if the co-operative is undertaking major activities that create significant impact on the indicator considered; “low” (low impact) if the co-operative has very limited activities contributing to the indicator considered; and “none” (no impact) if the co-operative does not undertake any related activity.

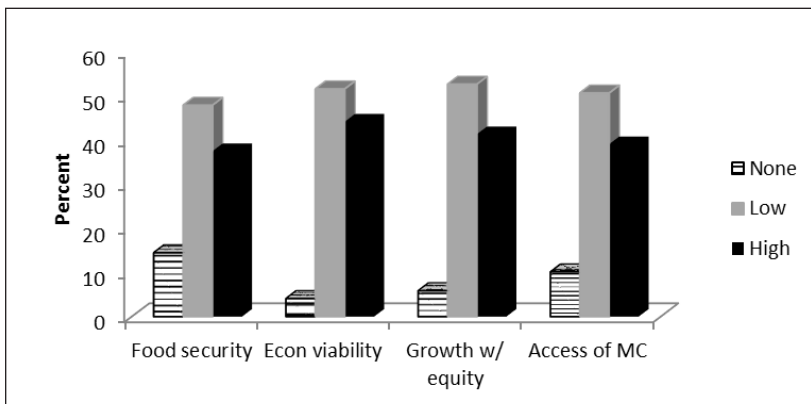
About 90% of the co-operative members perceived that their co-operative has created positive impacts in terms of PPPP while only 10% believed that their co-operative has no contribution to sustainability (Figure 11). Among those who recognized the contributory initiatives of their co-operatives, 37% gave their co-operatives a high rating. However, 53% of the respondents believed that the activities implemented by their co-operatives to promote sustainable development are still very limited.



**Figure 11:** Perceived Prosperity-People-Planet-Peace (PPPP) Impacts of Selected Co-operatives, Philippines, 2011

Particularly, among the PPPP indicators, the co-operative members recognized the high impact of their activities on prosperity (41%) followed by peace (38%), and lastly, on people (36%) and planet (36%). This shows that the co-operatives remain more focused on its role as business enterprise and still consider net surplus generation as the key driver for improving the living standards of its members. Surprisingly, the co-operatives were relatively less concerned on shaping the members' social well-being, as reflected in the largest proportion of respondents (12%) who indicated no impact on 'people' development.

Looking at each development pillar, Figure 12 shows that at least 86% of the respondents recognized the contribution of their co-operatives to 'prosperity', particularly in terms of advancing economic viability, promoting growth with equity, providing access to opportunities of marginalized communities, and improving food security. However, overall, more than half of them perceived that their contributions are still limited.

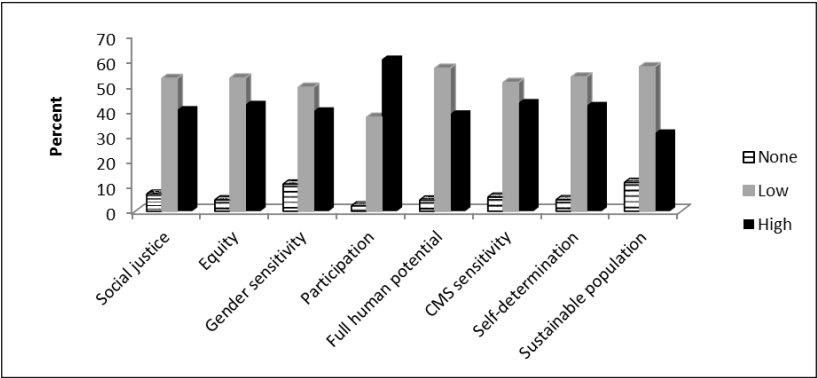


Note: Access of MC = access to opportunities of marginalized communities

**Figure 12:** Perceived Prosperity Impacts of Selected Co-operatives, Philippines, 2011

Similarly, majority of the respondents (49%-58%) acknowledged positive but limited impacts of their co-operatives in terms of ‘people’ indicators, except for “promoting member participation” which received a high impact rating from 60% of the respondents. This implies that co-operatives remain to be more concerned about adhering to the principles of democratic member control and member economic participation but tend to overlook the other aspects of molding full human potential (Figure 13).

On the other hand, activities specifically aimed to maintain sustainable population and gender sensitivity were relatively not a major focus of the co-operatives, possibly because it already naturally happens, given the nature of the co-operatives as an open and voluntary



Note: CMS sensitivity = cultural, moral and spiritual sensitivity

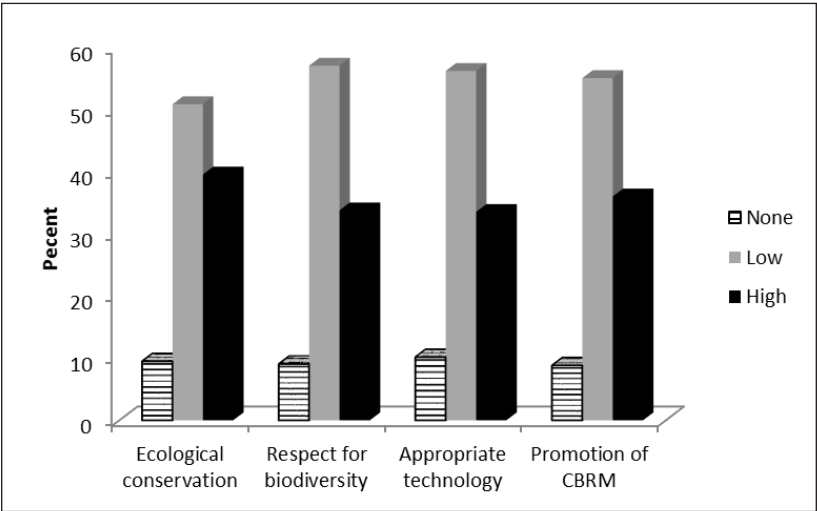
**Figure 13:** Perceived People Impacts of Selected Co-operatives, Philippines, 2011

member-driven enterprise. Thus, these indicators received the most “no impact” ratings (11-12%) and the least “high impact” ratings (40%). Contribution of the co-operatives in promoting social justice was also found to be relatively limited.

The same trend was observed for the ‘planet’ indicators. More than half of the respondents perceived that their co-operatives have positive but limited contribution to advance environmental (planet) sustainability while at least 9% of them did not see any ‘planet’ impact (Figure 14). In particular, across the four indicators of ‘planet’ development, ecological conservation received a “high impact” rating from the most number of respondents (40%). This was followed by “promotion of community-based resource management for environmental soundness and favorable work environment”, receiving a “high impact” rating from 36% of the respondents; and “respect for biodiversity” and “use of appropriate technology”, which both got “high impact” rating from 34% of the respondents.

It is impressive that the co-operative sector continues to recognize the importance of environmental sustainability although encouragement is still needed to make its contributory efforts more significant. Greater improvement is expected in the next few years, considering the

more aggressive promotion of environmental sustainability of co-operatives both at global and national levels. One of the significant initiatives of the country towards promoting



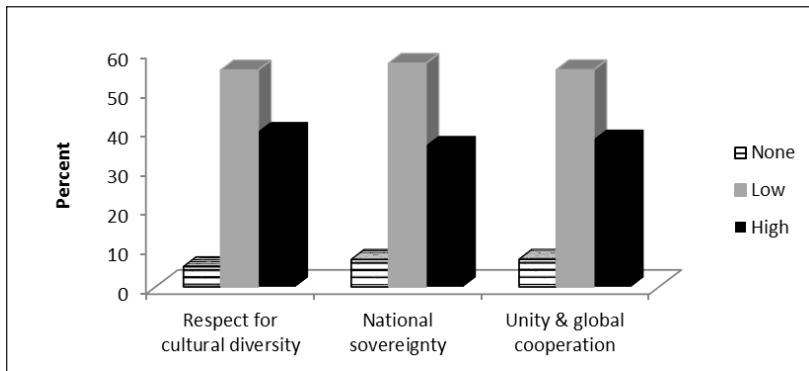
Note: Promotion of CBRM = Promotion of community-based resource management for environmental soundness and favorable work environment

**Figure 14:** Perceived Planet Impacts of Selected Co-operatives, Philippines, 2011

environmental sustainability was the conduct of the National Conference on Co-operatives<sup>4</sup> in 2012, which revolved around the theme “Green Co-operatives for Sustainable Bio-Enterprise Development.” The conference provided a venue for sharing and exchange of a wide range of knowledge and experiences on the importance of environmental aspect in sustainable co-operative development.

Lastly, for the ‘peace’ impacts, based on the three indicators shown in Figure 15, respect for cultural diversity was where co-operatives were perceived to contribute the most, which got a “high impact” rating from 40% of the respondents and a “no impact” rating from only 5% of them. For the other two indicators – unity and global cooperation and national sovereignty, about 7% perceived that their co-operative did not have any activity or contribution related to it while at least 36% of them believed that their co-operatives have high impact on ‘peace’.

<sup>4</sup> The First National Conference on Co-operatives (NCC) of the Philippines was held on 7 November 2013 at the University of the Philippines Los Banos (UPLB), College, Laguna and was spearheaded by the Institute of Co-operatives and Bio-Enterprise Development (ICOPED), College of Economics and Management (CEM).

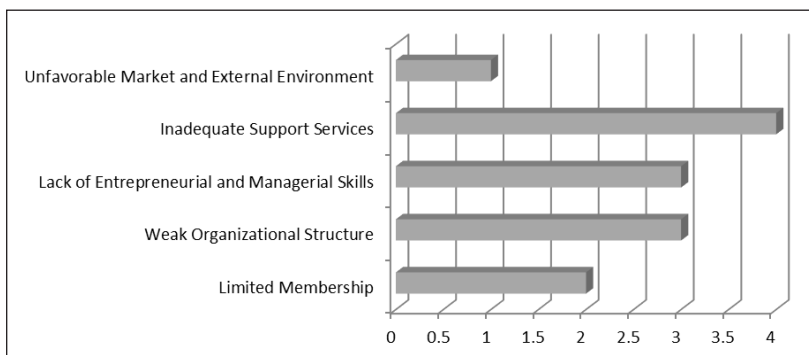


**Figure 15:** Perceived Peace Impacts of Selected Co-operatives, Philippines, 2011

### Problems and Constraints in Co-operative Business Operations

The Philippine co-operative sector has generally made positive impacts on its members and their communities in terms of all aspects of sustainable development. However, the extent and depth of its contribution were found to be still very limited. At macro level, co-operatives have a meager contribution to the gross domestic product of the country, having a share of only 4.87% as of 2012 (Geron, 2014). Reasons for this cannot be disassociated from the problems and constraints that the co-operative enterprises encounter. The most common reasons for the failure of co-operative enterprises revolve around the issues and constraints that hinder a co-operative from becoming a sustainable enterprise. Relating to the four elements of sustainable enterprise (Figure 1), the constraints identified concern the adequacy of support services, the skills and expertise in entrepreneurship and management, the organizational structure and membership, and the market and external environment.

The co-operative members from the 54 co-operatives that were found to be financially unsuccessful ranked the inadequate support services for financing, technology, markets and information as the most serious (ranking highest) constraint (Figure 16).



**Figure 16:** Ranking of Constraints in Co-operative Business Operations, high (4) to low (1) ranking Philippines, 2011

Although cooperativism aims to teach the value of self-responsibility and self-reliance, local co-operatives, especially the micro co-operatives can only do so much to support their activities and growth as business enterprises because of their limited financial capability. This was followed by the lack of entrepreneurial and managerial skills of the co-operative officers and staff and the poor leadership of the officers or more generally, the weak organizational structure, which all boils down to inadequate education, training and information – the most common reason for co-operative failure in the country (Sibal, 2011).

These results imply that the co-operative members were aware of their need for financial and physical infrastructure and services to facilitate and sustain their business operations. Human resources with adequate management skills and entrepreneurial mindset were also recognized as a critical factor that will enable a co-operative to operate efficiently and effectively. It should be noted that co-operative literacy and formal education system have likewise been identified by UN (2012), during the global forum on “Harnessing the Co-operative Advantage to Build a Better World” as highly important in the development of strong co-operatives.

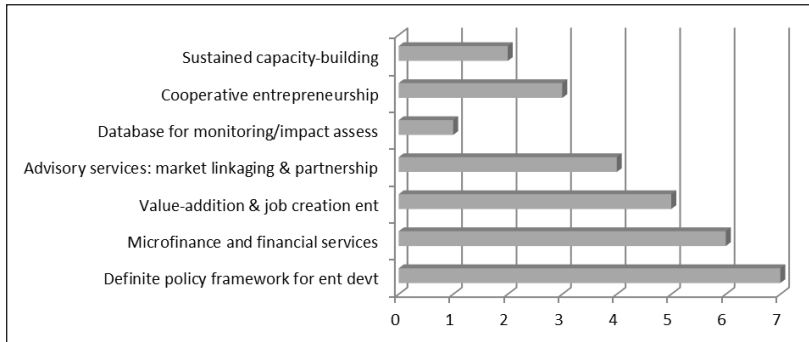
In contrast, considered relatively less serious (ranking lowest) was the limited membership and scale of operation due to member recruitment difficulties. Having an unfavorable market and external environment was also relatively not a major concern for co-operatives since many of them are often not yet operating at high market levels, thus do not have too many market requirements and are not usually directly affected by macroeconomic and international market policies.

Overall, the problems and constraints identified in this study coincide with the findings of Castillo et al. (2011) and Pabuayon (2012), which identified lack of budget for co-operative development, inadequate financing for co-operatives, and lack of entrepreneurial and managerial skills as some of the major problems facing the co-operatives.

### **Policy Directions for Co-operative Enterprise Development**

Given the issues and constraints confronting the co-operatives, the most important policy directions that can contribute to improving the prerequisites for attaining a sustainable co-operative enterprise were identified based on the respondents’ ranking. Among the suggested policy directions, the need to develop a definite policy framework for co-operative enterprise development were perceived as the most urgent need of co-operatives (Figure 17).





**Figure 17:** Suggested Policy Directions for Co-operative Enterprise Development, high (7) to low (1) ranking, Philippines, 2011

While the Philippine Co-operative Medium Term Development Plan for 2011-2016 aims to build integrated businesses imbued with co-operative values through a transformative co-operative system (CDA, 2011), there are no specific strategic actions identified yet towards co-operative development as a viable enterprise model, despite the stated policy directions on providing an enabling environment for the strengthening and development of co-operatives and on ensuring local and global competitiveness of co-operatives.

Other policy actions that were considered important include those relating to (1) microfinance and financial services, (2) developing co-operatives with focus on value addition and employment and wealth creation, and (3) advisory services for market linkages and business partnerships (Figure 17). Common to these three policy directions is their relation to the major constraint concerning the co-operatives, which is the inadequacy in support services, hence, could be the reason for its prioritization. It could also be related to the fact that the co-operatives were found to be most concerned about creating prosperity impacts, particularly on contributing to economic viability and growth with equity. Therefore, such policy suggestions, which have the potential to immediately improve net surplus generation, were regarded as important by the co-operative enterprises.

Despite pinpointing weak organizational structure and lack of entrepreneurial and management skills as critical issues in co-operative enterprise development, policy directions related to these were not found to be an immediate concern of the co-operatives. Likewise, database for monitoring and impact assessment were considered of relatively less importance. A plausible reason for this could be because strategic actions on these areas may not be capable of providing instant and tangible results in the short run.

## CONCLUSION AND RECOMMENDATIONS

This study set out to provide insights on the general trends and challenges of co-operative enterprises towards sustainable development. Being a descriptive research, the major findings in this study were based on the perceptions of co-operative members. Given this limitation, an in-depth investigation on the topic using quantitative analytical tools would be more appropriate if one has to achieve more specific and robust findings about the impacts and contributions of co-operatives to sustainable development.

This paper provides some evidence based on descriptive analysis that the Philippine co-operative sector is working towards sustainable development and is contributing to the pillars of sustainability goals of the country. It has shown that the multidimensional and flexible nature of co-operatives as a social and economic enterprise could allow the co-operatives to promote progress in terms of economic, social, cultural or environmental sustainability through its activities that create positive impacts on its members and their communities.

However, key findings showed that the Philippine co-operatives have not yet fully exploited their potentials in becoming sustainable enterprises and in making significant impacts on sustainable development as indicated by the perceived limited contribution of the co-operatives due to some problems and issues confronting them. While most of the co-operatives were found to be financially stable, many small co-operatives were still constrained by the problems identified related to inadequacy of support services to the co-operative sector, particularly from the government, weak organizational structure and lack of leadership, managerial and entrepreneurial skills of co-operative officers. To help address these constraints, the following strategic actions are recommended:

### **Developing A Definite Policy Framework for Co-operative Enterprise Development**

Emphasis on the urgent need for a definite policy framework for co-operative enterprise development is what emerges strongly from the survey. The policy framework is expected to set the pace for co-operative enterprise development by fostering responsible and sustainable practices in business operations and defining the respective roles of the government, the co-operative sector, and the private sector in this endeavor. In particular, fostering co-operative entrepreneurship as a new approach to enterprise development can be a major focus of the strategic plan. Such model that integrates social values of the co-operative system with the entrepreneurship and business development features of the capitalist system will help the co-operative enterprises to strengthen their contributions to employment generation, resource mobilization, innovation, and wealth creation for all sectors of the society.

### **Improving Access to Support Services with Focus on Financial Services**

Complementing the above is the need for enabling mechanisms that will put the strategic plans into actions. Co-operatives face a very dynamic business environment that requires more productive resources to develop them into a resilient and stable form of business. Hence, as the co-operative-respondents conveyed in the survey, particular attention should be given to improving the access of co-operatives to adequate support services, particularly financing, because more financial capital enables growth in human and social capital. Several credit facilitation services and microfinance programs already exist in the country, however, accessibility and affordability remain an unresolved issue for micro-co-operatives, particularly for agri-based co-operatives. Hence, revisiting the credit and financing policies may be necessary to determine new strategies for strengthening financial services and making them more conducive to micro co-operatives. Greater participation of private financial institutions in the financial markets, in collaboration with government banks should be encouraged further since public-private partnership has the potential to accelerate public financing mobilization for small enterprises like co-operatives.

### **Enhancing Human Resource Skills Through Education and Professionalization**

The new and evolving structures of the business environment demand a more adaptive and competitive co-operative enterprises, of which capable and responsive human resources are a critical element. Continuing education and training investments, particularly focused on enhancing capacity in management system, business development and entrepreneurship, are therefore essential for the survival and growth of co-operative enterprises. Professionalization of management and enterprise-specific skills will equip the co-operative leaders and managers with knowledge necessary for the enhancement of their co-operative business functioning and managerial efficiency, which short-term trainings can only provide to a limited extent. This is especially needed by medium and large co-operatives as they need to successfully compete with large corporations and private business enterprises. The ASEAN economic integration in 2015 brings to the fore an even more compelling reason for co-operative enterprises to be competitive. To this end, co-operative education system in the Philippines must therefore be aggressively developed and promoted as spearheaded by the government in cooperation with the educational institutions in the country. Review and restructuring of the existing co-operative training programs prescribed by CDA may also be needed to come up with a more flexible and conducive training design for micro and small co-operatives.

## **Strengthening Networks and Linkages of the Co-operative Sector**

All the previous action points are viewed to provide enabling conditions for sustainable co-operative enterprises and in implementing these, neither the government nor the co-operative apex organization can be the sole player. Responsibilities should be shared among the government, co-operatives, social partners and the private sector. Partnership with stakeholder support networks and public and private institutions is emphasized as a key element for sustainable enterprises, thus a strategic alliance and strengthening networking practices with key institutional players in the co-operative and business environment should be forged and strengthened.

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# THE RESILIENCE CONCEPT OF ISLAMIC ENTREPRENEUR AND THE PROMOTING OF ISLAMIC FINANCING PRODUCTS TO CREDIT CO-OPERATIVES IN MALAYSIA

Mustapa Kamal Maulut  
*Co-operative Ukhwah Malaysia Berhad*

Norsaadah Mustafa  
*Institute of Al-Quran Tijarah, Malaysia*

Prof. Dr. Abdul Jumaat Muhajar  
*Sultan Idris Education University, Malaysia*

## ABSTRACT

*Credit Co-operatives serve to stabilize the global economy and played a vital role in Malaysian economic. There are a total of 10,087 registered co-operatives in Malaysia, with a total membership of more than 7 millions people. The purpose of this research is to identify outstanding entrepreneurial attitudes possessed by the Members of the Board of excellent credit co-operatives which are parallel to Muhammad p.b.u.h. as a pioneering entrepreneur. The method used in this study is a questionnaire survey using the instruments that were mainly developed based on a study by Paige (1999) entitled Entrepreneurs' Perception of Success Inventory. There are only 35 credit co-operatives which listed in the category of best 100 co-operatives by Co-operative Commission of Malaysia, which represented by a total number of 350 Credit Co-operative Board members. Variables tested were the phenomenon of credit co-operatives success as the dependent variable while the independent variables were the eight dimensions with an addition of Islamic financing product. Data were analyzed using SPSS version 21. Through correlation analysis test, the results found that there were significant correlations between the successful credit co-operatives with goal-setting, personality, motivation, knowledge and Islamic financing product. It makes way to promote Islamic financing product.*

**Keywords:** *Muhammad p.b.u.h. as a pioneering entrepreneur; Entrepreneurs' Perception of Success Inventory (EPSI), 35 excellent credit co-operatives, Islamic financing product*



## INTRODUCTION

*The general co-operatives principles are in consistent with Islamic perspectives*

The awareness of co-operative is flourishing among the Islamic Malay community. This is in accordance to the words of Allah SWT:

*“... and help each other in righteousness and piety, and help not one another in sin and transgression and remain fearing Allah...” (Al-Maidah: 2)*

Hatta (1960) said, co-operative is intended as a method against capitalism and attempt to help lift people from poverty and destitution, and society is the basis of the economy of the people, and the ambition struggle against the occupation since the beginning of the 20<sup>th</sup> century. Zulkarnain (2007) mentioned that the basic co-operative principles were taken from Rochdale Co-operative Principles (*Rochdale Principles*) through the first co-operative formed by 28 labor looms in a factory in Rochdale, England in 1844. The 8 Rochdale Principles said that: (i) democratic control, (ii) open membership, (iii) limited interest on capital, (iv) the distribution of surplus in dividen to the members in proportion to the purchases, (v) trading strictly on cash basis, (vi) selling only pure and undelaterated goods, (vii) providing for the education of the members in Co-operative principles as well as for mutual trading, (viii) political and religious neutrality. But the 8 Rochadale Principles has the similarities and differences with the principles embodied in Malaysia Co-operative Societies Act 1993 which outlines 7 principles: (i) open membership, (ii) democratic control by members, (iii) economic participation by members, (iv) autonomy and independence, (v) education training information, (vi) cooperation among co-operatives, and (vii) community conscious. Slight differences do not affect the main and prominent goal of the co-operatives movement.

## OBJECTIVES OF THE STUDY

### General Objective

To identify the factors that influences the success of credit co-operatives in facing competitions and tribulations of business.

### Definite Objectives

To ensure the general objective can be successfully achieved, five definite objectives as stated below have been identified:

1. To identify a relationship between goal-setting with the phenomenon of success of credit co-operatives.

2. To identify a relationship between personality with the phenomenon of success of credit co-operatives.
3. To identify a relationship between knowledge with the phenomenon of success of credit co-operatives.
4. To identify a relationship between motivation with the phenomenon of success of credit co-operatives.
5. To identify a relationship between Islamic financing product with the phenomenon of success of credit co-operatives.

## RESEARCH QUESTIONS

Based on the comments made on the problem and the purpose of the study, there are some questions that can be used as the basis of this study. The questions that arise are:

1. To what extent the existence of relationship between goal-setting with the phenomenon of success of credit co-operatives.
2. To what extent the existence of relationship between personality with the phenomenon of success of credit co-operatives.
3. To what extent the existence of relationship between knowledge with the phenomenon of success of credit co-operatives.
4. To what extent the existence of relationship between motivation with the phenomenon of success of credit co-operatives.
5. To what extent the existence of relationship Islamic financing product with the phenomenon of success of credit co-operatives.

## PROBLEM STATEMENT

Though competition from companies that are not co-operative and other financial institutions perceived as a threat to the business of credit co-operatives such as Malaysian Building Society (MBSB, 2011), Coshare Company Holdings Berhad (2011), and Bank Rakyat Malaysia Berhad (Bank Rakyat, 2011). They can offer better term such as payment to customers (payout) is 100%, the customer may be able to get more cash from the net when they make loan from them, interest rate loans very low between 3.5% to 4.3% and a long repayment period of 25 years. This phenomenon enables credit co-operative to compete with these institutions in the market.

Royal Malaysian Customs Department (Zaleha, 2013), said the newly Goods and Sales Tax (GST) launched by the Government is also imposed to the co-operative society. It involves 6% tax on co-operatives loan processing fees, 6% tax payable is additional the charge by ANGKASA when the current tax already between 0.6% to 2% . Moreover, the 6% GST is also imposed to co-operative membership monthly fees, which at least RM30 per month (Co-

operative Act, 1993). Therefore, Goods Sales Tax (GST) brings more financial burden to the members of the credit co-operatives and creates anxiousness among the public to make loan to the credit co-operatives since other financial institution do not charge the borrower with GST nor the membership fees.

### **The implications**

All the issues created great problem to the co-operative sectors such as unequal competition causing the co-operative products to be uncompetitive. GST tax on credit co-operative is a threat to people of lower and middle class income since the co-operatives main objective is to promote thrifty and saving. Future saving should not be burdened with tax. Furthermore, saving has its own obligation that is to pay yearly "zakat" and yearly tax by Inland Revenue (LHDN). The loan and saving scheme offered by the co-operatives are for the lower and middle income group to overcome the poverty in the society. Since financial institution do not charge the borrower with GST nor the membership fees, this will cost the loss of sales opportunities to co-operative and the difficulties may trap the people into the loan sharks. When the income becomes less, consequently the co-operative still has to bear the burden of salaries and operational cost and bank repayment and the whole business of the co-operatives will fall.

### **SIGNIFICANCE OF THE STUDY**

According to Malaysian Co-operative Commission (2012) in Table 1, the total number of registered co-operatives in Malaysia is 10,087. Co-operative with the most members is the credit co-operatives with 1.7 millions members, the number is more than the members of Bank Rakyat. School co-operatives are uncountable, since the members are automatically come from the secondary schools' students. Even though, credit co-operatives have the most number of members but they are only represented by 558 registered credit co-operatives compare to the total number of registered co-operatives in Malaysia (10,087). From the total credit co-operatives (558), the category of big size credit co-operative has more than 1.2 million memberships (Table 2), that is 70.6%. Meanwhile source from the Public service commission of Malaysia (JPA, 2012) said that more than 1.2 millions government servants are using the service of credit co-operatives to get their personal loans. From these significant statistics on credit co-operatives, a study should have been done on the factors contributing to the success of the excellent credit co-operatives.

**Table 1:** General Statistic on the Function of the Co-operatives until 31 December 2012

No.	Function	No Of Co-operative	Membership
1	Banking	2	1,008,631
2	Credit	588	1,736,078
3	Agriculture – Adult	2,142	448,021
4	Agriculture – School	6	403
5	Housing	159	128,076
6	Industry	201	17,044
7	Consumer – Adult	2,172	573,029
8	Consumer – School	2,244	2,125,379
9	Construction	163	123,960
10	Transportation	435	147,479
11	Service	1,975	720,615
	Total	10,087	7,028,715

*Source: Malaysia Co-operative Societies Commision, 2012*

A study on global entrepreneurial activity found that level of national entrepreneurial activity is positively related to the level of economic growth. Additionally, it is also found that the establishment of Small and Medium Enterprises (SMEs) and its growth is significantly associated with job opportunities, increasing productivity and innovation (Acs, 1999; Kuratko & Hodgetts, 1995; Reynolds & White, 1997). Mohd Khairuddin (2007) states that one of the reasons why SMEs is important because it represents the majority of business in many countries and in Malaysia, their significant contribution to the economy is through creating jobs opportunities, generating income, productivity of goods and services.

For reasons explained above, it is very important to study the success factors of credit co-operatives in Malaysia through entrepreneurial perspective to help understand what contributes to success and this can be further boosted to ensure the co-operative sector continues to grow rapidly to continue to drive country economic growth.

## LITERATURE REVIEW

### Muhammad pbuh. As a Pioneering Entrepreneur Example

Nor Adila and Salmiah (2011), stated that entrepreneurial history of Islam started since Prophet Muhammad p.b.u.h. was at a very tender age. At that time, he worked as a shepherd. Then, he became a merchant and was appointed by Siti Khadijah as a managing director of her trading company. When he was at about 24 years old, Siti Khadijah's trust on Muhammad increased when she found out that Muhammad pbuh had experience in the business since the age of 12 years. After the death of Abdul Muttalib, the Prophet's grandfather, was reared by his uncle, Abu Talib (the father of 'Ali), a well known and prominent corporate figure in the Arabian Peninsula.

He has trained the Prophet in business (al-Misri, 1993) led him to Syria, Iraq and other Middle Eastern countries to do business.

The Prophet's wisdom and know-how in matters relating to trade and commerce has led some of his uncles, comprising ignorant corporate leaders such as Abu Lahab, Abu Sufyan and other members of the board of directors of Bani Hashim family-owned company had met and decided to provide capital to the Prophet. When the offer was made, he refused to accept because the offer had exploitation motive and requested the Prophet Muhammad pbuh to acknowledge Latta and Uzza as god.

The refusal was done because the Prophet Muhammad p.b.u.h. did not want to be manipulated by the feudal corporate for their personal gain. Unlike Siti Khadijah who gave him the freedom to manage the business without conditions. The Prophet Muhammad pbuh accepted the offer because of his nature as an honest and has humanitarian responsibility. Because of his honesty and humanitarian attitude that he finally became famous not only in Mecca and the Arabian Peninsula, but also at the international level as corporate leaders of al-Amin (the trustworthy).

The Prophet Muhammad pbuh's name, descendant and personality had become well-known and had enabled him to get the title of 'al-Amin', the trustworthy. He possessed a very tranquil and pleasant character. Once he was appointed as a messenger, it was very easy for both, friends and foes, to accept and acknowledge the truth. Thus, this was the wisdom for the prophet Muhammad pbuh as a Prophet and leader (al-Misri, A. S. 1993). Therefore, it is clear that the Islamic business management concept is based on the Islamic ethics such as 'al-Amin' or trustworthy since it really made the Prophet Muhammad pbuh as a famous and successful Muslim entrepreneur icon of today's world.

According to Buerah, T and Hussin. S. (2011), Islam encourages legitimate business because the business is the largest source of income compared with other sources of income such as a public servant or working with others. The Prophet Muhammad pbuh himself was a trader before he was appointed as a messenger. Similarly, many Prophet's Companions made business as their source of income and even became famous millionaires and helped finance the struggle for Islam such as Abdul Rahman bin Auf ra, Usman bin Affan ra, Siti Khadijah bint Khuwaylid and Umar al Khattab r.a. Because of its importance, Islam has put business efforts in a proper place of human life. This is stated in the Quran:

*"...and when the prayer has been concluded, disperse within the land and seek from the bounty of Allah, and remember Allah often that you may succeed..." (Al-Jumu'ah: 10)*

Business activities are allowed during the pilgrimage season, while other activities are not allowed. This demonstrates the importance of such activities. The civilization and progress of a nation can be seen through the progress of its business. Business development will enable the country to achieve substantial progress and can give prosperity to its people. Meanwhile, in the

context of the Islamic development, trade can be used to spread and develop (Mustafa, 1994). Ibn Khaldun in his book *al-Muqaddimah* states that the business world is wide and is the main cause of economic prosperity of a society. Business activities are also a source of cultural growth of a nation or a culture where the community will grow and develop in humans to meet and engage in activities that bring satisfaction (Ibn.Khaldun, 1995).

The importance of business ventures can also be observed from Hijrah of Prophet Muhammad pbuh and his companions from Mecca to Medina. The main thing that was done by the Prophet Muhammad pbuh after the migration to Medina was to establish two important institutions that was very basis for Muslims, the mosque and the market. The mosque as a center of worship in a definite meaning while the market was the center of trade and economic activity in a general meaning of worship (Sobri, 1988; Mustafa, 1994; Abdullah, 1999). This shows that business and commerce is important in Islam.

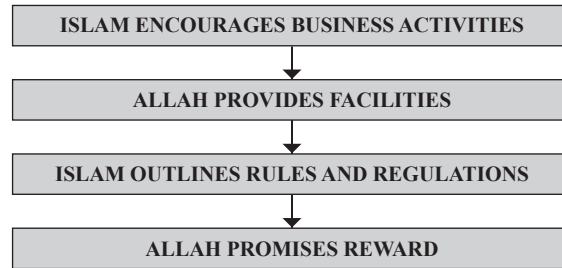
During the era of the companions of the Prophet Muhammad pbuh, Islam had grown and had formed the strongest government and the most extensive territory in the world. The peaceful country had helped boost business and trade up to a city like Medina, Kufa, Basra, Damascus and Mosul as the center of the busiest international trade with its trading activities. Industrial center that produced paper, silk worm, pottery, steel, leather goods, carpets and textiles were established to allow the goods to be exported worldwide (Mustafa, 1994). This development has made the Islamic state as the richest country in the world at that time. For example, during the reign of Caliph Umar bin Abdul Aziz, not even one citizen who was below the poverty line even though his reign was only for a period of about two and a half years. The evident was during the performing of zakat. Every citizen was to pay the zakat while it was very difficult to get the poor who were eligible to receive zakat. This incident illustrates that the majority of Muslims had a high standard of living. Increased trading business is one of the important factors that contribute to the advancement of Islamic countries at the time.

Business and trade efforts to meet the needs of human beings nowadays are more demanding and Muslims could not separate themselves from the need to increase the involvement in business and trade. These demands are becoming more important to meet the obligatory kifayah to meet the needs of Muslims. However, at the same time Muslims need a guideline in the course of trade and economic efforts. Thus the question of values and ethics play an important role in every aspect of the business and trade in Islam.

### **Islamic Entrepreneurship Model**

The forte of entrepreneurship in Islam is to have a complete and comprehensive model. Islamic entrepreneurship mode encourages business activities, providing facilities, outlines rules and guidelines as well as promising profits and reward now and in hereafter. Diagram 1 shows the Islamic entrepreneurship model by Alias (1992).

**Diagram 1: Islamic Entrepreneurship Model**



Source: Alias (1992)

Encouragement by Islam to involve in trading are mentioned several times in the Quran, such as in Surah Al -Baqarah: 198 and Al - Muzammil: 20, and some scholars such as al - Qaradawi linked it directly to business. Allah, the Al Mighty, has provided for man to do business and trade and has been clearly shown by Allah in the holy Quran. All these are signs of Allah, His mercy and His Pleasure towards business activities. Some of Allah's blessings are the sea as roads, boats for transportation, wind as power of direction and purpose, peaceful and conducive environment that encourage trade, season and protection. Islam also has set some rules and guidelines to ensure that the business can run properly and profitable for all parties. Alias (1992) says, the regulation is divided into three, namely macro refers to the policy that benefit all parties and individuals refers to the characteristics of individual behavior such as honesty (Surah Al-An'am: 152):

*"...and do not approach the orphan's property except in a way that is best until he reaches maturity. And give full measure and weight in justice. We do not charge any soul except [with that within] its capacity. And when you testify, be just, even if [it concerns] a near relative. And the covenant of Allah fulfill. This has He instructed you that you may remember."*

According to Devine (2002), profit is an important criteria for the entrepreneur's success while Paige (1999), and Frese et al., (2002), emphasized on the importance of putting in other components such as freedom and the control of people's life. Though, the Co-operative Act 1993 also claimed that concerned towards societies is also included in co-operatives principles.

The goal-setting theory by Locke (1968), suggested that a proper acceptance of a difficult and clear goal will turn the individual performance to a better level. Kuhl (1982), and Kuhl (1985), also that claimed individual with action-oriented personality is tend to act faster and more proactive in handling their weaknesses than the individual with condition-oriented personality. Fatin and Hisham (2011), said that Muslim entrepreneurs have to be equipped with both type of knowledge which are; the knowledge of business and the knowledge that develop good manner in entrepreneur's behaviour. According to Birchall & Simmons (2004), in the theory of "Mutual

Incentive Theory” (MIT), the motivational aspect for the participation is not assuming that human in a normal condition is being cooperate to each other and being self-centered but the motive of their cooperation is because of other people and self-benefits.

Emanuel (2009), said that the microcredit activities should synchronize their business activities with the Malaysian cultural values. Furthermore, the most important thing is Malaysia is an Islamic country and the majority of the citizens are Muslim. Conroy (2002), also emphasized that the micro financing loan must be sensitive to the Muslim customers by only charging the service charge for the micro financing product and not applying any interest on the product.

However, Islamic financing contracts can not be enforced in countries that secular constitution and often contract would accept defeat in a civil court trial. Shariah court in Malaysia has not provided the jurisdiction of Islamic Muamalat (economic), only to the extent of family affairs and Islamic Law of Inheritance. Khalid (2007), in the Kuala Lumpur High Court case of Bank Islam Malaysia Berhad (Plaintiff) with Tan Sri Khalid Ibrahim (Defendant), in which the Islamic Bank, among others, claiming debts of Islamic financing contract (BBA Facility Agreements) on the defendant. Defendant rejected the argument that the BBA Facility Agreements products offered by Islamic banks are not authorized to offer these products in accordance with the Islamic Banking Act 1983 and the BBA Facility is not in accordance with the teachings of Islam, with the Islamic Bank was violating the truth as the Islamic Banking Act 1983. The High Court rejected the Plaintiff claim and Justice Zawawi Salleh ordered the case to be referred to the Advisory Commission of Bank Negara Malaysia (the Shariah Advisory Council of Bank Negara Malaysia, SAC). Islamic financing contract can not be enforceable in the civil courts in Malaysia, so there should be efforts to draft a contract that can be enforced in both the Civil and Syariah courts. Shirley (2006), stated that the main challenge is to draft a contract agreement with *Shari'a compliant* and at the same time ensuring that the contract should be enforced in secular court. Ernst (2008), in German secular stated that legislature should be enacted and not all parties are given the freedom to agree with the contract as they want. For the purpose of establishing Islamic Banking and enforcing the Islamic contract in German court, process analysis and identifying the products must be done carefully, then choose the appropriate secular legal clauses to conform to Islamic financing contracts. Draft contract manufacturing is very important to solve these *Shari'a compliant* problems, yet there are still many loopholes in Islamic financing contract agreement when the contract is tabled in Malaysian court.

Most financial institutions and credit co-operatives in Malaysia offer Islamic financing products, but not all the features are the same as each of them depends on the scholarly consultant in the financial institution called the Board of Syariah. Hanif (2008), states that the interpretation of Sharia Board is in accordance with their skills in four major sects of Islam fiqh (schools of thought); the Shafi sect, Hambali sect, Hanafi sect and Maliki sect. Thus, the composition of the Syariah Board should include scholars who are proficient in all four schools of thoughts in the interpretation of Islamic products so that the output is agreed and accepted by all Muslims from all sects and localities. However, according to the study by The International Monetary Fund



(Juan, 2007) noted that many scholars are invited as referral specialists to occupy the Syariah Board in a country as well as abroad, thus creating consistency in the interpretation of Islamic financing products even if issued by different financial institutions. Ernst (2008), stated that in Germany, it is not enacted that every financial institution is required to have the Syariah Board but it is their own initiative to have one for the purposes of Islamic financing credibility and gaining the trust of Islamic products from customers. There are financial products in the existing banking system in Germany actually has fulfilled Syariah guidelines and there are also products that can be categorized as complying with Syariah guidelines by amending or adding some clauses.

In contrast, in the Netherlands, the law requires the sale contract to be stated in detail the payment of the debt and the interest (Israel, 2006). Thus, the interest will be clearly stated in the contract but consequently there are a few legal obstacles arise. The Islamic contracts require two sales transactions, it will be more expensive because customer has to pay stamp duty twice. Good move has been made in the UK, where the former Chancellor of the Exchequer, Gordon Brown, had abolished double stamp tax in the 2003 Budget (Han, 2007). But other barriers are quite hard to be ignored for example the conventional housing loans in the UK are at risk of 50% under the Basle bankruptcy act and in the case where the financier (bank) holding of property, the risk rises to 100%. Thus, the interest has become one major element that could cause bankruptcy. In Malaysia there are many customers who are not obsessed with either the product is syariah compliant as it will extend the processing time and increase the costs. When the Islamic financing products was first introduced in the United Kingdom, Dar Humayon (2004), conducted a survey to see the interest of Muslims on the products. Surprisingly, only a small handful of Muslims in the UK were interested in Islamic financing products; from 500 Muslims in the UK, only 5% are very interested in Islamic finance, while 23% are interested in housing loans (mortgages) if only the rate is competitive with the conventional interest-based mortgage. Oakley (2007), states that mortgage is growing in the UK, and is expected to reach a value of £850 million a year to customers amounted to 8,000 people when conventional financing totaling more than £1,000 billion, and the rate of increase is in double digits.

## HYPOTHESES

The following hypotheses are developed based on the explanation of the variables.

- Ho 1: There is no significant relation between goal setting with the phenomenon of success of credit co-operatives*
- Ho 2: There is no significant relation between personality with the phenomenon of success of credit co-operatives*
- Ho 3: There is no significant relation between knowledge with the phenomenon of success of credit co-operatives*

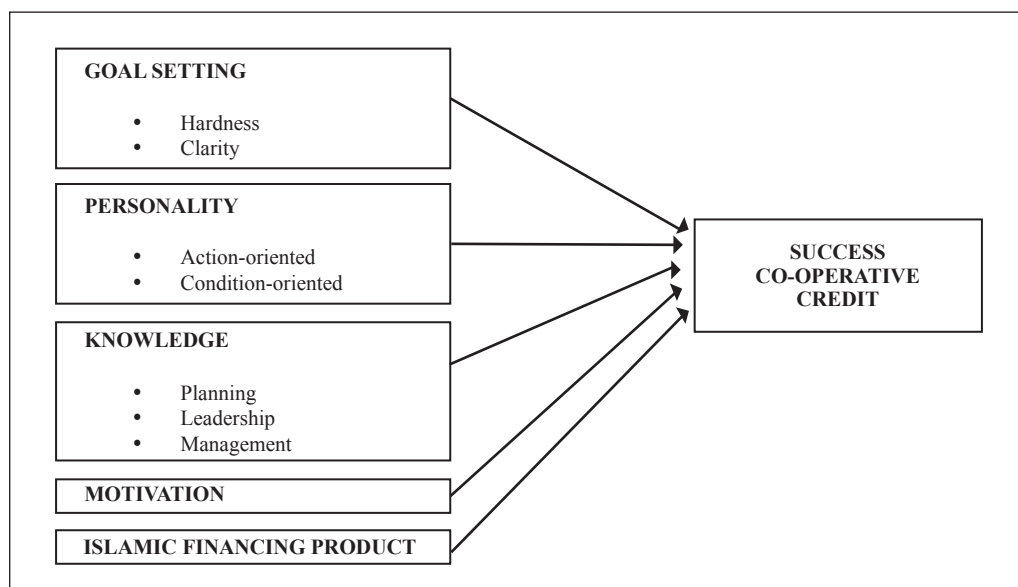
*Ho 4: There is no significant relation between motivation with the phenomenon of success of credit co-operatives*

*Ho 5: There is no significant relation between Islamic financing product with the phenomenon of success of credit co-operatives*

## STUDY FRAMEWORK

Based on Diagram 2, the study involved nine independent variables, there are goal-setting hardness and clarity personality action oriented and condition oriented, knowledge for planning, leadership and management, motivation and Islamic financing product, while success for co-operative credit is the dependent variable.

**Diagram 2:** Research Framework



*Source: Yurkiewicz (1996), Sun (2003), Valdez (2009) and Zahiruddin (2011)*

## RESEARCH METHODOLOGY

In order to conduct this research, the researcher took the opinion from Fraenkel & Wallen (1996) that suggest the quantitative method based on survey can provide information which will be able to identify the relation between the succes phenomenon of credit co-operatives with the predictors tested in this research; the goal- setting, personality, knowledge, motivation and Islamic financing product.

Research was done to the total number of population of 350 respondents from 35 credit co-operatives which were listed in top 100 co-operatives in Malaysia for the year 2012 by Co-operatives Commission of Malaysia. The sampling method employed was comprised of nine board of directors with an addition of one senior manager from all the 35 credit co-operatives. Thus the total population was 350 respondents. Consequently, 190 completed and answered questionnaire were return back to the researcher. Methods used in the study was the questionnaire survey using instruments adapted from “*Entrepreneurs’ Perception of Success Inventory*” (EPSI) questionnaire by Paige (1999). The original survey is from the questionnaire created by Yurkiewicz (1996), Sun (2003), Valdez (2009) and Zahiruddin (2011) which originally in Malay while the survey on Islamic financing product was based on Kamisan (2004) which was available in English and had been translated to Malay and checked by two senior lecturers from Universiti Malaya, Malaysia.

Questionnaire type is a multiple choice questions and Likert scale of 7. According to Table 3, the questionnaire is designed in two parts, A and B, which contains of 67 items. Part A contains 14 demographic items and Part B contains the factors that influence the success of co-operative credit (4 items for success; 9 items for goal setting, 8 items for personalities, 23 Items for knowledge; 5 items for motivation and 4 items for Islamic financing product).

**Table 3: Number of Questionnaires**

No	Factor	Item
1.	Demografy	14
2.	Success Factor	4
3.	Goal Setting	9
4.	Personality	8
5.	Knowledge	23
6.	Motivation	5
7.	Islamic Financing	4
Total		67

## DATA ANALYSIS - CORRELATION ANALYSIS

The correlation test is to identify the relationship between independent variables with the phenomenon of success among credit co-operatives. Table 4 shows the results of correlation of the data.

Descriptive statistic results were based on the collected data from 190 respondents. The data had been analysed and the results were as follows. For the Highest Academic Qualification variable, data showed that 16 respondent (8.4%) qualified with SPM, 44 (23.2%) with STPM, 14 (7.4%)

with Diplome, 50 ( 26.3%) with First Degree, 45 (23.7%) with Master's in Science Degree, 15 (7.9%) with Master's in Art Degree and 6 (3.2%) with Doctor in Philosophy (PhD). The total of male respondents were 143 (75.3%) while 47 (24.7%) were female.

Three respondents (1.6%) were between 18 to 25 years old, 36 (18.9%) between 26 to 33, 32 (16.8%) between 34 to 41, 65 (34.2%) between 42 to 50 and 54 (28.4%) respondents were 51 years old and above. From the total of 190 respondents, 20 (10.5%) were Presidents, 31 (16.3 %) were Co-Presidents, 32 (16.8%) were Secretaries, 27 (14.2%) were Treasurers, 51 (26.8%) were Co-operatives Members of Board and 29 (15.3%) were the Credit Managers. The respondents were comprised of 187 (98.4%) Malays, a Chinese and another two persons which came from other races. The number of co-operatives that have been registered in less than 5 years were 3 co-operatives (1.6%), between 5 to 10 years was 1(0.5%) co-operative, between 11 to 15 years were 4 co-operatives (2.1%) and more than 15 years were 182 co-operatives (95.8%).

From 190 co-operatives, 45 co-operatives (23.7%), were having staffs less than 10 person, 3 co-operatives (1.6%) were having between 11 to 20 staffs, 49 co-operatives (25.8%) were having 21 to 30 staffs, 54 co-operatives (28.4%) were having between 31 to 40 staffs, while the co-operatives which were having more than 40 staffs were 39 (20.5%).

**Table 4:** Correlation between Success (Dependent Variables) and Independent Variables

	Variables	Pearson Correlation	Sig. (1- tailed)	Hypotheses	McBurney (2001) Definition of Correlation
1.	Goal Setting Clarity	.500	.000	Reject <i>H<sub>0</sub></i>	Moderate
2.	Condition-Oriented Personality	.302	.000	Reject <i>H<sub>0</sub></i>	Weak
3.	Planning Knowledge	.282	.000	Reject <i>H<sub>0</sub></i>	Weak
4.	Leadership Knowledge	.323	.000	Reject <i>H<sub>0</sub></i>	Weak
5.	Management Knowledge	.321	.000	Reject <i>H<sub>0</sub></i>	Weak
6.	Motivation	.139	.028	Reject <i>H<sub>0</sub></i>	Weak
7.	Islamic Financing	.183	.006	Reject <i>H<sub>0</sub></i>	Weak
8.	Goal Setting-Hardness	-.065	.188	<b>Accept <i>H<sub>0</sub></i></b>	-
9.	Action-Oriented Personality	.112	.061	<b>Accept <i>H<sub>0</sub></i></b>	-

The results showed variable correlation clarity of goal setting, personality-oriented situation, knowledge of planning, leadership and management, motivation and Islamic financing are connected with the phenomenon of success in credit co-operatives. Meanwhile, the difficulty of goal setting and action-oriented personality have no a significant bearing on the success of the phenomenon in credit co-operatives.

## RESULT OF HYPOTHESES

The null hypothesis were rejected and draw the meaning of:

- a. There is a significant relationship between the clarity of goal setting and the phenomenon of success of the credit co-operatives.
- b. There is also a significant relationship between condition-oriented personality and the phenomenon of success of the credit co-operatives.
- c. There is a significant relationship between planning knowledge, leadership and management and the phenomenon of success of the credit co-operatives.
- d. There is a significant relationship between motivation and the phenomenon of success of the credit co-operatives.
- e. There is a significant relationship between the Islamic financing product and the phenomenon of success of the credit co-operatives.

## DISCUSSION

Results obtained in this study showed that goal-setting is significantly related to the success phenomenon in credit co-operatives. This is consistent with the attitudes and determination of the Prophet Muhammad pbuh in his business activities until he was able to bring his companions together in his succesful journey. During the era of the companions of the Prophet Muhammad pbuh, Islam had grown and had formed the strongest government and the most extensive territory in the world.

The result also showed that knowledge is among the important factors for credit co-operatives success. This is related to the values brought by the Prophet Muhammad pbuh which encourages the entrepreneurs to increase their effort in business. This is also related with what have been done by Prophet Muhammad pbuh's uncle Abu Talib who had trained the Prophet in business (al-Misri, 1993) which led him to Syria, Iraq and other Middle Eastern countries to do business. In co-operatives succes, knowledge is also important since it is proven that the Prophet's wisdom and know-how in matters relating to trade and commerce has led some of his uncles, comprising ignorance corporate leaders such as Abu Lahab, Abu Sufyan and other members of the board of directors of Bani Hashim's family-owned company had met and decided to provide capital to the Prophet Muhammad pbuh.

The result also showed that Rasulullah pbuh has been the best example to his followers (ummah) from the side of manners (akhlak) and his commitment in business. Because of honesty and humanitarian attitude, Rasulullah pbuh finally became famous not only in Mecca and the Arabian

Peninsula, but also at the international level as corporate leaders of *al-Amin* (the trustworthy). The Prophet Muhammad pbuh name, descendant and personality had become well known and had enabled him to get the title of ‘al-Amin’, the trustworthy. He is also possessed a very tranquil and pleasant character. Therefore, it is clear that business planning, leadership and management concept based on the Islamic ethics made the Prophet Muhammad pbuh as a famous and successful Muslim entrepreneur icon of today’s world.

The result of this research also showed that a higher level of motivation from the members of the board in co-operatives was significantly related to the success of credit co-operatives. This is compatible with Rasulullah pbuh’s method in which he motivates his followers (ummah) to excel in business since it will gain the *duniawi’s* and *ukhrawi’s* profit because of Islamic rules compliance in business.

Results showed that Islamic financing product is also among the important factors for credit co-operatives success. Allah SWT encourages the people to do trading wisely and properly and did not correlate it with interest (*riba’*). Allah SWT has also told us that syariah practices in trading will lead us to the success in business. Encouragement by Islam to involve in trading are mentioned several times in the Quran, such as in Surah Al -Baqarah: 198 and Al - Muzammil: 20.

*“It is no crime in you if ye seek of the bounty of your Lord (during pilgrimage). Then when ye pour down from (Mount) Arafat, celebrate the praises of Allah at the Sacred Monument, and celebrate His praises as He has directed you, even though, before this, ye went astray.”*  
(Surah Al -Baqarah: 198)

*“...read ye, therefore, of the Quran as much as may be easy for you. He knoweth that there may be (some) among you in ill-health others travelling through the land, seeking of Allah’s bounty yet others fighting in Allah’s Cause, read ye, therefore, as much of the Quran as may be easy (for you) and establish regular Prayer and give regular Charity and loan to Allah a Beautiful Loan. And whatever good ye send forth for your souls ye shall find it in Allah’s Presence, - yea, better and greater, in Reward and seek ye the Grace of Allah. for Allah is Oft-Forgiving, Most Merciful.”* (Al - Muzammil: 20)

The results show that credit co-operatives which provide Islamic financing products will experience a continuous success rate. This is in line with the opinion of Conroy (2002), Maghoul (2004), and Emanuel (2009). Similarly, the rights of Malaysians such as in Article 11 of the Constitution of Malaysia will be satisfied where the people are given the right to choose an Islamic financing products that are proven to have a significant relationship with the phenomenon of the success of credit co-operatives. Although the interpretation of McBurney (2001), says that the relevance rate is weak, but this interpretation carries two implications, first, Islamic financing products is newly introduced by credit co-operatives, and second all parties need to redouble efforts to promote Islamic finance products.

The entrepreneurial spirit shown by a cooperator shows a significant correlation to the success of credit co-operatives. The spirit is to have a clear goal, a response to the personality, planning knowledge, leadership knowledge, management knowledge, motivation and Islamic financing products. These are the prominent knowledge contributed by the researcher in this study.

## RECOMMENDATIONS

Discovery on the good characteristics such as setting clear goal, condition-oriented personality, knowledge in planning, knowledge in leadership, knowledge in management as well as the high level of motivation are the attitudes needed for a members of the board in co-operatives. This is because, this study has proved that those characters and attitudes are significantly correlated with the success phenomenon in credit co-operatives. Therefore, the co-operatives should organize various programs such as conferences, workshops and courses in order to build those specific characters for the members. The aim of emphasizing those characters is to improve the members' competency to handle the co-operatives activities.

Similarly, the authorities of the affairs of the co-operatives, namely Malaysia Co-operative Societies Commission (SKM) and the Ministry of Domestic Trade, Co-operatives and Consumerism (Ministry) can make this study as a platform to nurture and support other co-operatives and enable them to take the right approach in managing the organizations.

The offering of Islamic financing product shows a significant link to the phenomenon of success of credit co-operatives, but the conscious among the community to select the product is still unwavering. Credit co-operatives, banks and financial institutions take this advantage by offering both types of products, Islamic finance and conventional products based on usury or interest calculation. Customers are looking for products for which a loan approval is given faster except for a group of Muslim customers who are very loyal to the Islamic financing products. The non-Muslim customers will subscribe to Islamic products after having a long-term argument that will not be overwritten investment losses though the inflation will occur. This is because the Islamic product profit rate is fixed and sealed *aqad* agreement for the whole value of the contract and will not vary whatever the risk is. Therefore, the researcher strongly recommends Muslims in Malaysia and globally to support and subscribe to Islamic financing products issued by financial institutions and credit co-operatives because by doing so could be a significant correlation to the success of credit co-operative.

## CONCLUSION

This study provides many significant breakthrough in terms of ensuring the phenomenon of success of credit co-operatives. In addition, this study successfully apply the entrepreneurs characteristic to verify the success phenomenon of 35 excellent credit co-operatives in Malaysia. Thus this study can serve as a reference in the future. It is hoped that this study will be a guide to credit co-operatives which are not selected as a respondent to take appropriate action such as enhancing the capability of the board of director according to the characteristic of those from excellent credit co-operatives.

This study is also relevant to organizations such as banks and other financial institutions, the statutory body of government loans (loans to business), the franchise organizations such as the oil company and restaurant chain, may benefit in term of to assist them in making decision to assess the potential of co-operatives and determine which co-operatives would be selected to be nurtured and supported.

If the members of the board have the selected characteristics as stated above, the co-operatives have great potential to develop and excellent. On the other hand, the observation to the boards members who do not practice the good characters, would indicates that this co-operatives would not perform excellent. This would be the indicator to the authority body to take an alert on those co-operatives.

Last but not least, the study is expected to arouse the interest of other related studies to further contribute to the understanding of the behavior of credit co-operatives and other co-operative functions. This study is also an opener towards more significant study of human behavior and the professionalism, with the goal of enhancing co-operative sector as a third effective and successful contributor to the Malaysia's GDP.



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# THE EFFECTIVENESS OF TRAINING PROGRAMS AMONG CO-OPERATIVE MEMBERS IN SARAWAK

Azra Alhafidz Azmi

Jati Kasuma

*Faculty of Business Management, Universiti Teknologi MARA (UiTM), Sarawak*

Yusman Yacob

*Co-operative College of Malaysia (Sarawak)*

## ABSTRACT

*This study focused on the effectiveness of training programs among members of co-operative in Sarawak. The study framework used Kirkpatrick's Model in which employees' reaction, learning, behavior, results and transfer of training will be examined. The study also examined the transfer of training in the context after being trained and to explore the training effectiveness by looking at how the transfer of training is applied. A survey was conducted in the Co-operative College of Malaysia Sarawak Branch Campus in year 2013 where a total of 351 questionnaires were distributed in order to evaluate the training effectiveness, factors and relationship between factors that affect training effectiveness. With the returned questionnaires of 299, the result shows at the reaction level, most of the respondents were satisfied with the training programs. This reflects the appreciation of training from the participants. At the learning level, majority of the respondents learned the skills taught. It is stated that the respondents use the new skills on the job at the behavior level. At the outcome level, the findings revealed that the training program was productive and cost effective to measure the change in the result of the organization. Overall, only 41.6 percent of the independent variables explained the impact to the training effectiveness. The highest beta value indicates that learning is the strongest factor among the others in relation to training effectiveness. This study will help related parties in the Co-operative sector to have a better understanding in measuring the effectiveness of training programs conducted and to identify what are the areas they can improve for the future development of the co-operative in the country.*

**Keywords:** *Training Effectiveness, Co-operative Members, Sarawak*

## INTRODUCTION

Training and development has become crucial attention of the organization nowadays. A good training will create a great asset in terms of human resource to the organization. Through training and development, the organization can compete with competitors. According to Cheng and Ho (2001), however, stated that training and development is an expensive investment. One of the oft cited reasons for considering training and development as an unnecessary and expensive expenditure is that most of the organizations are unsure of the contributions of training and development towards the organization's overall performance due to lack of evaluation (Bramley and Kitson, 1994).

Training evaluation can be defined as a systematic collection of descriptive and judgmental information necessary to make effective training decisions related to the selection, adoption, value and modification of various instructional activities (Werner and De Simone, 2006). This definition mentions both descriptive and summative information which are available and equally present in any given training and development intervention. According to Merwin (1992), training evaluation is the means used to determine the worth or value of the training. It is a process of assessing the results or outcomes of training. It determines the significance of the training including to what extent and how well the training met the individual or organizational needs. Every training program must be evaluated since there is no alternative way of ensuring that investments on training are worthwhile without doing evaluation.

Without evaluation, the organization would not know whether the participants are getting inputs from the training program. Evaluation is a difficult process to implement but it must be attempted in order to improve the standard and effectiveness of the programs being offered (Aminuddin, 1997). It must occur throughout the training programs in order to achieve training goals. The experts of training evaluation believed that the evaluation is not just another element of the training program but must be incorporated within any training process in order to examine the effectiveness of the training program (Kirkpatrick, 1998). As such, training evaluation cannot be ignored.

Effective training will indicate not only finding out whether the training was being well done but also to identify what has been achieved and whether it was worthwhile for the organization to be sponsoring it (Bramley, 1997). Therefore, to ensure the training is effective, the HR and training literatures stress that the organizations need to adopt a systematic approach to training which often includes identifying needs, planning, delivery and evaluation.

## PROBLEM STATEMENT

Malaysia placed a lot of emphasis on the development of human resource in the co-operative sector. Through various training programs and education that has been conducted, Co-operative College of Malaysia (CCM) as a co-operative training institution is not only conveying the knowledge to the co-operative members' but is also responsible to improve their intellectual and ability in managing their organization better. This is in line with the objectives of CCM as a co-operative training provider to create knowledgeable and skillful co-operative community in the country.

The increase in number of co-operatives over the years may reflect the growing acceptance of this sector among the public. As more members are joining co-operatives, the effort to manage the co-operative should be given attention by the management of the co-operative. The changing nature of the co-operatives requires capability of the employees and managers to revisit types of knowledge and skills they require in the future. According to Sanchez (2002), this represents competencies of the co-operatives such that all intellectual abilities possessed by employees as well as their capacity to learn and acquire knowledge is geared towards effectiveness of the sector.

The participants who attended training programs conducted by the CCM come from various levels, backgrounds and positions. Constraints occur when the training programs they attended do not fit their task requirements. For example, members of Board Directors of the co-operatives are required by government regulation to attend management courses and on the other hand they delegate the responsibility to their ordinary members. The most important aspect for the training program to be effective, relevant and meeting the objectives, is the proper selection of participant attending the training program. For example, different level of participants will need different level of training program.

Government intervention has brought lots of benefit to the co-operative members. In order to enhance this sector, the government encourages the public to be involved in the co-operative sector. But then, there is a problem which will affect the future growth of the co-operative itself, where the quality of co-operative members has increased and the co-operative performance has decreased. The Malaysia National Co-operative Policy has set a target that the co-operative sector will contribute 5 percent to the Gross Domestic Products of the country in year 2013 (SKM, 2007). However, the government could not achieve it if the co-operative members were still not concerned with the future direction of the movement. According to Das (2007), Co-operative institutions were treated as if these were part and parcel of the administrative set up of the government. Government interference thus became an essential element in the

working of the institutions. As a result, people's enthusiasm for the movement did not grow. Even today it is often deemed that the co-operative societies are imposed upon the people. This does bring an increase in the membership of the societies. But the spirit of cooperation cannot fully implemented in these circumstances. Neither its growth took place according to any plan nor did it become a people's movement. It just grew very slowly and that too haphazardly. The co-operative became a state driven institution.

As a dynamic institution, Co-operative College of Malaysia feels that research needs to be carried out in order to evaluate the effectiveness of the training programs that have been conducted. This is a very crucial task knowing the impact of the training program towards enhancing human resource in the co-operative sector.

## **OBJECTIVE OF THE STUDY**

This research generally is to evaluate the effectiveness of training programs and to measure the perception towards the effectiveness of training programs that have been provided by Co-operative College of Malaysia (CCM) Sarawak Branch Campus. To be more specific the objectives of the research are:

**RO1:** To evaluate the effectiveness of the training programs that have been conducted by Co-operative College of Malaysia

**RO2:** To evaluate factors that will affect the training effectiveness and the relationship between the factors and training effectiveness.

## **SCOPE OF STUDY**

The scope of this study involves co-operative members' attending courses provided by Co-operative College of Malaysia (CCM) Sarawak Branch Campus in the year 2013.

## **LITERATURE REVIEW**

### **Importance of Training**

In Malaysia, the importance of training and development is seen through various policies implemented by the government and the large amount of money invested. In relation to the public sector, the government policy is to provide a minimum of seven days training per year for every employee as cited in the Public Service Department Service Circular, 2005. It happens that training and development in Malaysia's civil service take place as an event. In order to create a positive value from the training and development in the organization, it must be elevated to a high status, and measured on its effectiveness.

Training can be defined as a systematic acquisition of skills, rules, concepts, or attitudes that should result in improved performance of the trainee (Aamodt, 2007). Training involved large amount of cash to the organization. Some organizations can no longer afford to provide training that has not been evaluated for its contribution to the organization's strategic goals and mission and its effectiveness and use on the job to the development of the organization: giving employees the knowledge and skills they need to perform their jobs effectively (Noeand, 1986). In order to initiate an effective training, organizations need to look at the training and development system and it must be aligned with the strategy of the organization and at what is being done to make sure that the training and development activities produce positive impact to the organization.

## **Reaction**

Employee reactions to training are the most frequently collected data for assessing training effectiveness. Despite their popularity, the use of trainee reactions for evaluation purpose is often criticized because of lack of evidence that trainee reactions are related to trainee learning, knowledge acquisition and retention, and skill behavior demonstration or to broader organizational outcomes (Swanso, 2001).

## **Learning**

Learning is where the participant knows how to use the knowledge that they gain from the training program. As conceptualized here, learning is a cognitive process referring to the acquisition of knowledge. Learning maybe manifested in the amount of knowledge acquired, or in the structure of the knowledge acquired (Goldsmith, Johnson, et. al, 1991). Learning does not imply that the trainee can perform a task differently, but simply that he/she has acquired knowledge with which to perform a task differently. The cognitive psychology and learning literatures have delineated different aspects of the learning process, including the acquisition of declarative knowledge, procedural knowledge, and conditional knowledge (Anderson, 1985). These may be assessed at the learning level of training effectiveness by constructing knowledge tests, or they may be assessed as part of behavior change. Kyllonen and Shute (1989), presented taxonomy of learning skills that may be of value in considering the types of learning that can be measured.

## **Behavior**

Trainees' attitudes may affect the effectiveness of training. Attitudes are likely to be influenced by participant's experience of training and in turn affect trainee's perspectives about the evaluation of training (Rigg, 1989:57). Noe (1986), argues, the attitudes, interests, values, and expectations of trainees may enhance the effectiveness of training. He also suggests that if we are to have an understanding of how to enhance the likelihood that participation in training program will lead to behavior change and performance improvement, it is important to determine specific individual characteristics that affect training effectiveness. In his training effectiveness model, he identifies participants' attitudes concerning their jobs and careers and their perception of the work environment may have an effect on training outcomes. Testing this model, Noe and



Schmitt (1986), found that participants were more motivated to learn and transfer their skills to the work environment when they were highly involved in their jobs. The findings from Santos and Stuart's (2003), case study also provide strong empirical support for Noe's (1986) contention that employee will transfer skills and knowledge to the workplace if training is associated with rewards. Nonetheless, they pointed out that the applicability and usefulness of Noe's model remains underdeveloped although the logic behind it is clear. Indeed, empirical investigations of personality, motivational and environmental factors impact on training effectiveness remain limited (Baldwin and Ford, 1988).

## **Result**

Result refers to quantifiable changes in related outcomes as a result of trainees' behavioral changes. For example, a trainee could return to his/her job and perform a particular machining task differently (Transfer Behaviors), resulting in reduced waste (Results). However, it is possible that behavioral changes may not yield changes in results, or may yield undesirable changes in results. According to Kirkpatrick (1976), other examples of results are reduced grievances, increased quantity, reduced turnover (also noted by Horrigan, 1979), and reduced costs. Safety may be either behavior or a result, depending upon how it is measured. Reber and Wallin (1984), used safety as a measure of behavior change by observing and recording the incidence of specific safety behaviors. Alternatively, an examination of increases or decreases in the number of accidents would be a safety measure that corresponds to the Results criterion of training effectiveness.

What is implied by Kirkpatrick's Results category is that the appropriate results have been identified, and that the results are in fact related to Organizational Effectiveness. We want to make this assumption more explicit, since it has implications for the conclusions that are drawn regarding training effectiveness. If training is designed to be consistent with, and support the attainment of, organizational results, and these results are actually important to organizational effectiveness, then improvement in organization-level variables as a function of training can be expected.

## **Transfer of Training**

Training transfer generally refers to the use of trained knowledge and skills back on the job. Baldwin and Magjuka (1998), mentioned that for transfer to occur, "learned behavior must be generalized to the job context and maintained over a period of time on the job". Meanwhile, Saks and Haccoun, 2007 view training transfer as the generalization of knowledge and skills learned in training on the job and the maintenance of acquired knowledge and skills over time.

According to the transfer of training framework by Saks and Haccoun (2007), the transfer of training activities could be segregated into three phases which is before, during, and after training to facilitate and improve the transfer of training. However, for the purpose of this study, only transfer of training after training is being applied. In this case, the management must ensure

that trainees have immediate and frequent opportunities to practice and apply what they learn in training on the job. The management should also encourage and reinforce trainees' application of new skills on the job. There are many other things that managers do to facilitate transfer such as develop an action plan with trainees for transfer and show support by reducing job pressures and workload, arrange practice sessions, publicize transfer successes, give promotional preference to employees who have received training and transfer, and evaluate employees' use of trained skills on the job (Wexley and Baldwin, 1986).

### **Training Effectiveness**

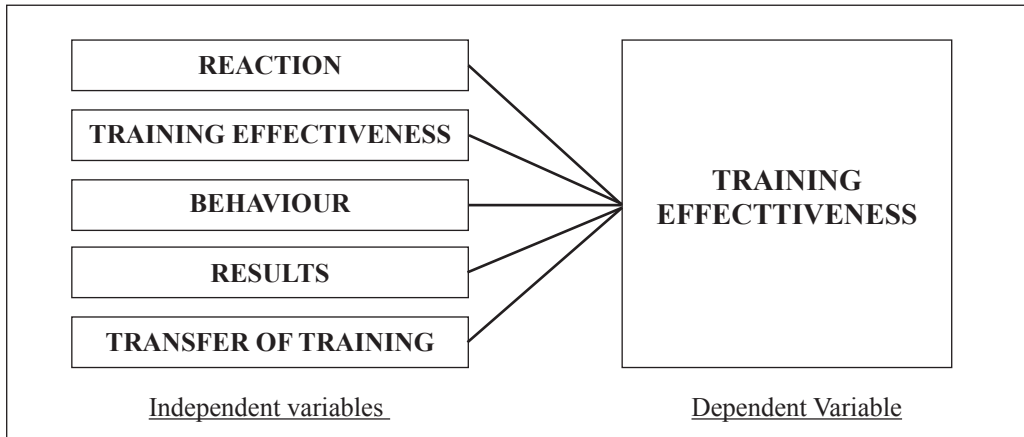
In this dynamic and ever changing environment, organizations both public and private must create an awareness on the importance of employees' learning and development skills. This indicates that putting investment in the employees training program can bring employers a favorable return in the future but rarely the benefit analysis of this expenditure being assessed. A study suggests that most of the training and development activities were implemented on blind faith with only the hope that they will resist (Arthur, Bennett, Edens & Bell, 2003); According to Broad and Newstrom (1992); Robinson and Robinson (1989), seldom the training programs rigorously being evaluated to determine their effect on the behavior or job performance of the participants. One of the more optimistic estimates suggests that no more than 15 percent of learning transfers to the job (Cromwell and Kolb, 2004). Other studies of transfer rates find they typically average only in the 10 to 40 percent range (Baldwin and Ford, 1988; Burke and Hutchins, 2007; Fitzpatrick, 2001; Ford and Kozlowski, 1997). Therefore, it is important to explore methods to encourage transfer of learning in order to achieve greater training impact on human resource practices. Previous studies (Mayfield, 2011) suggested that training effectiveness is a good predictor of employee job behavior. This association suggests that when employee have been trained in a training program, the training effectiveness is likely to be followed by job behavior (Pelham, 2009). Previous studies also suggest that demographic variables such as age, education background, and experience were related to training impact in some studies (Devins, Johnson and Sutherland, 2004).

### **RESEARCH FRAMEWORK**

The framework is based on Kirkpatrick's model, in which employees' reaction, learning, behavior, results and transfer of training will be examined. The second part of the study will examine the transfer of training but only in the context of after training and to explore the effectiveness of the training by looking at how the transfer of training being applied after training. The final part of the study will examine other factors that can influence the effectiveness of training and development.

Bassi et al (1996), discovered that 96% of companies surveyed used some form of the Kirkpatrick framework to evaluate training and development programs.

### Conceptual Framework



**Figure 1:** Research Framework partly adopted from D. Kirkpatrick Model (1982)

The first level is the reaction level in which the reactions of the trainees are understood to mean the way in which they perceive and subjectively evaluate the relevance and quality of training. It attempts to answer questions regarding the participants' perceptions – Did they like it? Was the material relevant to their work? This type of evaluation is often called a “smiley sheet”. According to Kirkpatrick, every programs should at least be evaluated at this level to provide improvement of the training program.

Learning can be described as the extent to which the attitudes of the participants change, their knowledge increases or their skills are broadened as a consequence of the training. This is a second level of evaluation of learning behavior whereby evaluation is intended to measure the progress made in terms of knowledge, skills or attitudes. In other words, evaluation tests the participants to see whether new skills have been acquired. At this point, evaluation can relate to the method used to transfer the knowledge, skills and attitudes.

A third evaluation level is the changes in job behavior or performance. This involves studying the change in job behavior which takes place as a result of the training. Evaluating at this level attempts to answer the question – Are the newly acquired skills, knowledge, or attitude being used in the everyday environment of the learner? At this point, evaluation sees whether tasks are performed differently before and after the training.

Level four evaluation attempts to assess training in terms of organizational results. At this point, evaluation checks how the results were evaluated at the end of the training initiatives. An evaluation of the results therefore measures the progress made at the organizational level.

## RESEARCH METHODOLOGY

The methodology used for this study is based on a survey questionnaire adopted from previous studies. The questionnaire consists of four parts namely demographic profile, training evaluation on reaction, learning, behavior, and result, evaluation on transfer of training, evaluation on training effectiveness and open ended questions. Five points Likert scales were used as a measurement for the respondents with scoring of 1 (Strongly Disagree) to 5 (Strongly Agree). The questionnaire was prepared in both English and Malay language. Simple random sampling was used to collect data among participants who had attended training programs conducted by Co-operative College of Malaysia (CCM) in Sarawak. The data collected consisting of those attended selected training programs in 2013. The sampling method of Krejcie and Morgan (1970), was applied and the table helps to simplify the sample size by providing the table that ensured as accurate sampling size decision methods.

Questionnaire was distributed to a sample size of 351 respondents; however only 299 respondents provided valid returns. Sekaran (2000), agrees with Roscoe (1975), that for most studies, a sample size between 30 and 500 would be sufficient. Data was then analyzed using SPSS with frequency, reliability, regression and correlation used to interpret the demographic, evaluation on the training effectiveness, factors that affect the training effectiveness and the relationship between factors that affect the training effectiveness.

## FINDINGS AND DISCUSSION

**Table 1.1:** Demographic Profile

DEMOGRAPHIC PROFILE			FREQUENCY	%
1.	Gender	Male	128	42.8
		Female	171	57.2
2.	Marital Status	Single	107	35.8
		Married	179	59.9
		Divorce	12	4.0
		Separated	1	0.3
3.	Races	Malay	182	60.9
		Iban	22	7.4
		Chinese	33	11.0
		Melanau	21	7.0
		Bidayuh	30	10.0
		Orang Ulu	6	2.0
		Others	5	1.7

4.	Age	18-25 years	56	18.7
		26-35 years	90	30.1
		36-45 years	55	18.4
		45 and above	97	32.4
5.	Education Background	Lower Secondary	14	4.7
		LCE/SRP/PMR	33	11.0
		MCE/SPM/SPMV	102	34.1
		STPM/Diploma	50	16.7
		Bachelor Degree	56	18.7
		Master	38	12.7
		Others	6	2.0

From the Table 1.1, 42.8 percent of the respondents were male and 57.2 percent were female. Majority of the respondents were Malay with percentage of 60.9 percent while the second highest were Chinese 11 percent, 10 percent of the respondents were Bidayuh and 7.4 percent were Iban, Melanau, Orang Ulu and others with the score of 7 percent, 2 percent and 1.7 percent respectively. The average age of the respondents ranged from 45 and above (32.4%), followed by 36-45 years old (18.4%), 26-35 years (30.1%) and 18-25 years (18.7%). In terms of education, majority of the respondents are SPM holders with the percentage of 34.1 percent while the second highest of percentage representing the Bachelor Degree holders (18.7%), 16.7 percent STPM holders, 12.7 percent Master holders, PMR, Lower Secondary and others with the score 11 percent, 4.7 percent and 2 percent respectively.

**Table 1.2:** Perception After Attending the Program

Perception After Attending the Program		Mean	Std. Deviation
1.	This program is really worth for me	<b>4.27</b>	.620
2.	This program directly relate with my job in the cooperation.	4.04	.708
3.	This program is enough to help me to accomplish a job in the organization.	4.01	.693
4.	Teaching method is suitable.	4.15	.521
5.	I feel satisfied with the overall training program.	4.23	.530
6.	I will recommend this training program to the other.	4.21	.597

The effectiveness of the training programs were evaluated from the perception of respondents after they have attended the training programs in year 2013. This involves 12 training programs selected from month of April until June 2013. From the Table 1.2. Respondents mostly prefer the training programs and found that they were really worth for them to undergo the programs with the highest mean score of 4.27. The mean score of 4.23 indicates that the respondents were satisfied with overall training programs. The perception of the respondents showed that they will

recommend the training programs to others and the teaching methods used were suitable which resulted mean score of 4.21 and 4.15 respectively. They also feel that the training programs are related to their job task which represented by mean score 4.04.

**Table 1.3:** Facilitator Evaluation

<b>Facilitator Evaluation</b>		Mean	Std. Deviation
1.	I was satisfied with the instructor's fluency and presentation	4.32	.530
2.	The facilitator was knowledgeable about the topic.	4.40	.543
3.	The facilitator established a friendly relationship with trainees	<b>4.41</b>	.552
4.	The facilitator eager to answer the trainee's questions.	<b>4.41</b>	.552

For the facilitator evaluation in Table 1.3, respondents found the facilitator has established friendly relationship with trainees and the facilitator were eager to answer the trainee's questions with the highest mean score which is 4.41. Second highest mean score is 4.23 where respondents found facilitators were knowledgeable about the topic. The lowest mean score is 4.32 which they feel satisfied with the instructor's fluency and presentation.

**Table 1.4:** Factor Affects Training Effectiveness

<b>Factors</b>	<b>Average Mean Score</b>
Reaction	4.08
<b>Learning</b>	<b>4.195</b>
Behavior	3.965
Result	3.63
Transfer of training	2.28

Learning has been found to be the most significant factor that affects the training effectiveness conducted by Co-operative College of Malaysia with the average mean score of 4.195. Second highest factor is Reaction with 4.08. For the behavior and result, the mean scores are 3.965 and 3.63 respectively while the least influencing training effectiveness is the transfer of training with mean score 2.28. Since all the scores are above 3, these indicate that the items or factors listed are between neutral and reaching agree and for the transfer of training is more to disagree.

**Table 1.5: Correlation Analysis between Factors**

		reaction	learning	behavior	result	tot
Reaction	Pearson Correlation	1	.712**	.656**	.514**	-.204**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	299	299	299	299	297
Learning	Pearson Correlation	.712**	1	.645**	.523**	-.133*
	Sig. (2-tailed)	.000		.000	.000	.022
	N	299	299	299	299	297
Behavior	Pearson Correlation	.656**	.645**	1	.595**	-.131*
	Sig. (2-tailed)	.000	.000		.000	.023
	N	299	299	299	299	297
Result	Pearson Correlation	.514**	.523**	.595**	1	-.110
	Sig. (2-tailed)	.000	.000	.000		.058
	N	299	299	299	299	297
Transfer Of Training	Pearson Correlation	-.204**	-.133*	-.131*	-.110	1
	Sig. (2-tailed)	.000	.022	.023	.058	
	N	297	297	297	297	297
**. Correlation is significant at the 0.01 level (2-tailed) Dependent Variable: Training Effectiveness						

By using the Kirkpatrick's model, there are positive correlation between each variable with the highest is reaction and learning with 0.712. We can conclude that the relationship between the variables were strong. The factor on transfer of training between all the variables has a negative correlation with the lowest mean score -0.204. The transfer of training has a negative relationship between all the variables as most of the respondents are disagree with the factors that can distract the ability of them to transfer the training. It has been supported by previous research by (Noordin N, 2006).

**Table 1.6: Regression Analysis**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.645 <sup>a</sup>	.416	.404	.31388
a. Predictors: (Constant), tot, result, learning, behavior, reaction				
b. Dependent: Training Effectiveness				

From the Table 1.6, the value of R-square = 0.416 means that the variables could explain 41.6 percent of variances in the training effectiveness. The other 58.4 percent is effect by other factors. It is been supported by other research where it explained on the other factors that influence the effectiveness of the training and development in the organization. One of them has been identified by Haywood (1992), is the human resource policy.

**Table 1.7:** Relationship between Variable

<b>Coefficients<sup>a</sup></b>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.564	.248		6.312	.000
	reaction	.076	.068	.079	1.122	.263
	learning	.290	.060	.329	4.819	.000
	behavior	.124	.063	.137	1.965	.051
	result	.166	.042	.233	3.905	.000
	tot	-.005	.034	-.007	-.148	.882
a. Dependent Variable: effective						

According to Sekaran (2006), the significant below of  $p < 0.05$  is generally accepted conventional level in social science research. Based on the unstandardized coefficients from table 1.7 Learning represents the highest beta value of 0.290 followed by Result and Behavior with 0.166 and 0.124 respectively.

## CONCLUSION

This study examined the evaluation framework and transfer of training elements in relation to the effectiveness of training and development in the co-operative sector. The demographic profile of the respondents indicated, majority of them were male, Malay and aged between 26-35 years. In terms of educational background, most of them SPM holder.

The findings revealed that most of the respondents were satisfied with the training programs and found it was really worth for them. They also will strongly recommend the training program to others and feel that the teaching methods were suitable. It shows that the appreciation of training by participants, thus gaining insight into the usefulness of training and progress of learning process. Apart from that, the respondents found that the facilitators has a strong friendly relationship with the trainees which resulted highest mean score.



As learning was found to be the most significant factor that affected the training effectiveness, this indicate that the participant knows how to use the knowledge they acquire from the training program. Second highest factor is reaction, followed by behaviour and result no doubt were important factors that contribute towards training effectiveness. But, the transfer of training among them resulted a low mean score which means the respondents were disagree the factors that can distract the ability of them to transfer the training. It can be concluded here, as overall, only 41.6 percent of the independent variables explained the impact to the training effectiveness. The highest beta value indicates that learning is the strongest factor among the others in relation to training effectiveness.

As training and education is important element to enhance the organizational effectiveness, related parties such as Co-operative Commission of Malaysia, Co-operative College of Malaysia, Angkasa (Apex Co-operative Body) and the movement itself must work hand in hand to provide lots of beneficial and more impactful design training programs. This will ensure that a skillful and knowledgeable co-operative community can be established for the future growth of the country.

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# **PURCHASE INTENTION OF HALAL PRODUCTS: A STUDY AMONG NON-MUSLIM MEMBER OF CO-OPERATIVES**

Douglas Chupong

Jati Kasuma

Ratnawate Panie

*Faculty of Business Management, Universiti Teknologi MARA (UiTM), Sarawak*

Yusman Yacob

*Co-operative College of Malaysia (Sarawak)*

## **Abstract**

*This study focused on the purchased intention of halal products among Co-operatives' non-Muslim members. The study aims to understand the relationship between attitude, subjective norms and perceived behavioral control on purchase intention. A survey was conducted in Kuching City where a total of 338 questionnaires were distributed to gather information on willingness to purchase halal products among non-Muslim member of co-operatives. With the returned questionnaires of 166, the result shows that the respondents are aware of the existence of halal products and are willing to purchase halal products. The results also indicate that the Perceived Behavior Control is the most important factor in influencing non-Muslim's halal purchase intention, followed by Subjective Norms and Attitude. Furthermore, in determining category of halal products purchased, halal food and beverages were found to be the major category of halal products that counted high willingness of purchases, followed by halal toiletries products, halal cosmetics products, and halal pharmaceutical products. This study provides halal industries with a greater understanding of the consumer behavior relating to halal products thus creating an understanding on halal principles that will influence their perceptions and attitudes towards halal products.*

**Keywords:** *Halal, Non-Muslim, Purchase intention, Co-operative members, Kuching City*

## INTRODUCTION

Purchase intention is used to demonstrate intention of buyers to buy goods or services (Armstrong, Morwitz, & Kumar, 2000). Intentions are assumed to capture the motivational factors that influence a behavior; they are indications of how hard people are willing to try, of how much of an effort they are planning to exert, in order to perform the behavior (Ajzen, 1991). Purchasing behavior depends on specific social, cultural, economic, legal, and political contexts, which may differ significantly between countries and even regional areas that limit the generalization of research results from one country's to another country's contexts (Alam & Sayuti, 2011). Scholars often use brand attitude to predict the purchase intention and purchasing behavior of consumers (Tseng & Lee, 2012).

Halal purchase intention can be linked to religious fervor and beliefs that it is cleaner, healthier, and tastier (Burgmann, 2007). For instance, consumer's decision is based on a complex set of factors such as quality, value, and satisfaction, which can directly influence behavioral intention (Joseph, Brandy, & Hult, 2000). For Muslims, the halal standard indicates the halalness of the products and for non-Muslims it stands for not only just and fair business transactions but also for caring for animals, the environment, sustainability, social justice and animal welfare (Golnaz, Zainalabidin & Mad, 2012).

Halal products are the products that were monitored under the Islamic guidelines. According to Latif (2011), halal products cannot contain any parts or products of animal that are non-halal by Syariah Law or any parts or products of animal which are not slaughtered according to Syariah Law. It is not just in term of food, but also any tangible and intangible products, which was permitted to use or consume according to the Islamic law. Tangible goods are merchandise that exist in a physical form that we can put on hands. Intangible goods are products cannot be seen or touched. Halal products and services are universal, fit for Muslims as well as non-Muslims (Latif, 2011). There is a need for the authority to enforce standards to ensure *halal* particularly when the products and services are sold, made, and prepared. Co-operatives are social enterprises that are formed and owned by a group of individuals for the purpose of improving their standard of living. The underlying philosophy of co-operatives is essentially service and the well-being of members and as such, co-operatives are non profit oriented and will always put the welfare of the members as a priority when making key decision (Tchami, 2007). As a member based organizations, members' involvement in their co-operation is of paramount is important for the survival and success of the co-operatives for example on consumer buying behavior in co-operatives.

## PROBLEM STATEMENT

Most of non-Muslim consumers does not mindful and does not care on what type of products that they choose and purchase. The level of understanding regarding the halal principles among them is still low. Non-Muslim customers still look at halal food products from a religious perspective

and see it mainly as the way an animal has been slaughtered (Golnaz et al., 2012). According to Golnaz et al., (2010), non-Muslim consumers are less likely to purchase halal food products given the argument that non-Muslim most likely view Islamic slaughtering as undue cruelty to animals. This statement reflects that non-Muslim also does not realize that halal principles and practices also concerned about the animal welfare rather than just concerned about food contents and vice versa. In this situation, they might concern about the animal welfare and the environment, but still does not know what appropriate action to be taken. Halal products are known for their beneficial attributes that are not only to be enjoyed by Muslim consumers but also by non-Muslim consumers.

Implementing halal requirements will produce better quality products compared to those that only implement the conventional standards (Talib & Ali, 2009). Halal requirements meet many of the conventional quality standards. The halal standards and procedures definitions are not only confined to fulfilling the Islamic rituals but also on the cleanliness and quality control (Yaakob et. al, 2007). The values can be realized among non-Muslim consumers if the society at large is made to be more conscious of issues concerning health, hygiene, safety, environment, social justice, and animal welfare that come along with the halal ways. In a multi-racial and culturally diverse society it is imperative for non-Muslims to understand the cultural and religious taboos of their Muslims counterparts (Golnaz et al., 2012).

Halal concept strongly emphasizes on cleanliness especially in the context of food and drink. For food and drink, the product must be approved for consumption it must conform to the Islamic dietary laws as specified in the Qur'an. Raw materials and ingredients that are non-halal sometimes have bad side effect to the body due to unmonitored by the authority. Manufacturer that does not practice halal concept might simply mix up some contents and ingredients that might be dangerous to be consumed. Most of non-Muslim customers also do not understand about the concept of slaughtered according to Islamic rites. The rituals specify that the slaughtering must be performed by a mentally sound Muslim. The process involved severing the blood and respiratory channels of the animal, using a sharp cutting tool such as a knife.

In addition, comments and opinions from an preliminary interview conducted by the researcher found that the younger age non-Muslim consumer are more aware and understand about the halal principles compared to the older non-Muslim consumer. According to Golnaz et al., (2010) shows the variable age, which has been classified into two groups (40 years and above, less than 40 years) when the respondents grow older; their level of awareness towards the advantages of consuming Halal food products is 2.71 times less compared to the younger group. The younger consumers have positive understanding and not looking on these issues based on the religiosity perception, but view it as an important manner to choose or purchase products. They were concerned with the criteria such as clean and safe products to use and consume. Meanwhile, the older consumers undertake halal products as a brand and view in religiosity way. They will purchase halal products only for a reason and if only they have no choice.



Thus, based on above argument there is a need for the researcher to investigate further on the influence of attitude, subjective norms and perceived behavioral control towards the purchase intention of halal products among non-Muslim member of co-operatives in Kuching city, Sarawak. The study can help consumers especially the non-Muslim consumers, to have a better understanding towards halal products. It encourages them to make smarter decision in purchasing and consuming products. The scope of study is non-Muslim who are members of co-operatives who attended courses provided by MKM in Kuching. They are the consumers who consume products and services by their business co-operative.

## **OBJECTIVES OF THE STUDY**

The study generally is to answer the intention of member of co-operatives to purchase halal products. The first objective is to determine which factors strongly influences the intention of non-Muslim member of co-operatives to purchase halal products. The second objective is to determine what type of halal products that mostly purchase among non-Muslim member of co-operatives.

## **LITERATURE REVIEW**

Purchase or behavioural intention is used to demonstrate intention of buyers to buy goods or services (Armstrong, Morwitz, & Kumar, 2000). Intentions are assumed to capture the motivational factors that influence a behaviour; they are indications of how hard people are willing to try, of how much of an effort they are planning to exert, in order to perform the behaviour (Ajzen I., "Theory of planned behaviour", 1991). Consumers' purchase intention is subject to the influence of various factors, the most common of which are others' recommendation and advertisement (Tseng et al., 2012). For example, consumers' attitude towards brand would influence their purchase intention (Mitchell & Oslon, 1981).

The laws affecting Muslims consumption behavior are governed by the Quranic philosophy of what is permissible (Halal) and what is not permissible (Haram) for a believer (Berry, 2000). The Halal product has to follow the conditions that the ingredients or components do not contain any parts from animal that is not Halal to be eaten or used by the Muslims (Jamal & Nur, 2010). These include liquor, pork, interest on money, blood of animals and the meat of animal sacrificed in the name of other than Allah (Al-Qadawi, 1999). Products that are made of/or contain liquor, pork and blood of dead animal Haram for most of the Muslims (Ford, LaTour, & Honeycutt, 1997). The core issue of Halal products resides on the religious beliefs of Muslims. Nonetheless, individual as in most cases also differ in their attitudes, intentions and behavior when it comes to religion and religious implications (Fam, Waller, & Erdogan, 2004).

According to Department of Islamic Development Malaysia (JAKIM) the Halal certificate is not just a religious requirement and Malaysia is currently active in becoming the Halal Hub

for Southeast Asia region, and one of the vital steps to it is with the development of Halal standard for foods, MS 1500:2004 by Department of Standards Malaysia. Some of the local brands appear to capture their own niches by projecting themselves as “Islamic” brands via their creative packaging and labeling (Alam & Sayuti, 2011). This Halal product certification covers the examination of food processes, from the preparation, slaughtering, ingredients used, cleaning, handling and processing, right down to transportation and distribution (Jamal & Nur, 2010).

Islam provides rules and regulations over foods and products so that it is produced and prepared according to God’s commandment, and meeting the safety, quality and nutritional needs, similar concerns are shown by non-Muslims over the issues (Asyraf, Wan, Mohd & Zainab, 2011). The Halal products are also growing in popularity among non-Muslim consumers due to humane animal treatment concerns and the perception that Halal products are healthier and safer (Golnaz et al., 2010). The non-Muslim have all right to produce non-halal products as long as they do not label their product as halal (Hayati et al., 2008). For example, non-Muslim Russians made purchases from Muslim stores because they believe the products are fresh, safe and infection free, and had confidence that Muslims would adhere to their religious belief not to cheat (Golnaz et al., 2010).

Malaysia is multicultural and multiracial country, which is forecasted to be a growing halal market (Sudin, Geoffrey & Hanudin, 2009). In a multi-racial and culturally diverse society it is imperative for non-Muslims to understand the cultural and religious taboos of their Muslim counterparts (Golnaz et al., 2012). Non-Muslim was primarily eating vegetarian dishes and it might be easier for them to find a halal restaurant but when they’re looking for a prepared meal, it is been very limited (Marcella, 2011). There is crossover appeal for halal products and many non-Muslim consumers already choose to buy halal products, especially meat offerings (Azizah, 2011). The Halal concept is not unfamiliar to non-Muslims, especially those in Muslim countries (Golnaz et al., 2010).

It is no longer a concept confined or restricted to the slaughtering of animals for the consumption of Muslims but encompasses products and services of the highest quality that meet the ever increasing awareness and needs of non-Muslim consumers in a demanding market (Golnaz et al., 2010). One reason is because halal is widely known to have higher standards of quality (Azizah, 2011). The consumption of Halal food for non-Muslims is quite different from the consumption of “regular” food or other foods for non-Muslims (Golnaz et al., 2010).

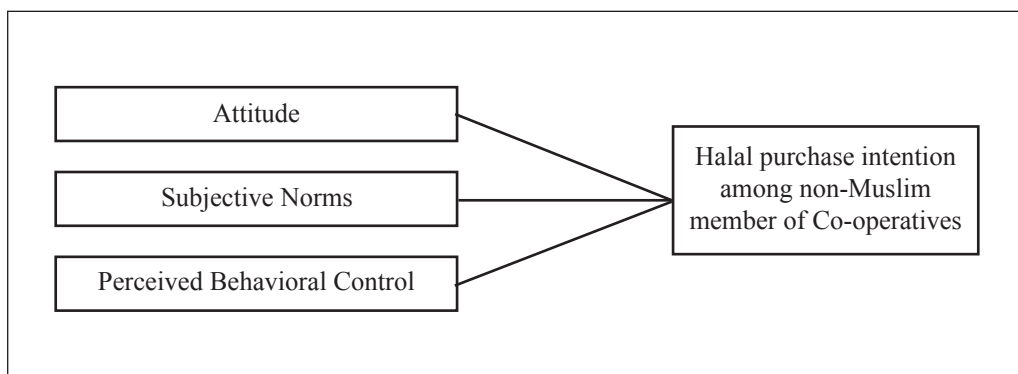
Lack of knowledge among non-Muslims on Halal principles and insufficient information on the benefits of the Halal process, Halal principles have not become a major element in the fabric of non-Muslims lives (Golnaz et al., 2012). Halal products should be recognized as a symbol of cleanliness, safety and high quality among non-Muslim consumers in Malaysia (Yuhanis & Chok, 2012). Non-Muslim consumers are less likely to purchase Halal food products given the argument that non-Muslim most likely view Islamic slaughtering as undue cruelty to animals (Golnaz et al., 2010). In-depth understanding of the non-Muslim consumers’ purchase behaviour

can strengthen the position among the halal marketplace (Yuhanis and Chok, 2012). Thus, non-Muslim consumers still look at Halal food products from a religious perspective and see it mainly as the way an animal has been slaughtered (Golnaz et al., 2012).

## RESEARCH FRAMEWORK

The Theory of Planned Behavior (TPB; Ajzen, 1985, 1991) is commonly used to investigate consumer behavior and purchase intention behavior. This theory postulates three conceptually independent determinants of behavioral intention: attitude, subjective norm and perceived behavioral control (Bonne, Vermeir, Bergeaud-Blackler, & Verbeke, 2007). Attitudes, subjective norms, and perceived behavioral control are shown to be related to appropriate sets of salient behavioral, normative, and control beliefs about the behavior, but the exact nature of these relations is still uncertain (Ajzen, 1991).

Attitude towards the target behavior and subjective norms about engaging in the behavior are thought to influence intention halal food purchasing behavior, and TPB includes perceived behavior control over engaging in the behavior as a factor influencing intention and purchasing behavior (Syed & Nazura, 2011). An attitude towards a behavior is a positive or negative evaluation of performing that behavior and perceived behavioral control is informed by beliefs about the individual's possession of the opportunities and resources needed to engage in the behavior (Ajzen, 1991). Perceived behavioral control in TPB representing a person's belief about how easy it is to perform the behavior is important in predicting behavior (Syed & Nazura, 2011). The relative importance of attitude, subjective norm, and perceived behavioral control in the prediction of intention is expected to vary across behaviors and situations (Ajzen, 1991). The research framework that was adopted from Theory of Planned Behavior by Ajzen (1991) is further illustrated in Figure 1.



**Figure 1:** Research Framework

Based on the research framework above, three hypotheses were also developed and tested based on the three independent variables.

**Attitude:** Attitude refers to the degree to which a person has favorable or unfavorable evaluation or appraisal of the behavior in question (Syed et al., 2011). It is the evaluation of performing a particular behavior involving the attitude object, such as buying the product (Blackwell, Paul & James, 2006). By applying these statements the first hypothesis developed is:

H1: There is significant relationship between attitude of non-Muslim member of co-operatives and their halal purchase intention.

**Subjective Norms:** The predictor social factor termed subjective norm is the perceived social pressure to comply with expectations about engaging in the behavior, which should influence the individual's intention to perform, or not to the behavior (Syed & Nazura, 2011). As such, a second hypothesis is developed:

H2: There is significant relationship between the subjective norms of non-Muslim member of co-operatives and their halal purchase intention.

**Perceived Behavioral Control:** Perceived behavioral control is the extent to which a person feels able to engage in the behavior (Ajzen, 1991). Perceived behavioral control of the focal person in a decision-making situation may affect his/her behavioral intentions (Jyh-Shen, 1998). Therefore, the third hypothesis is proposed:

H3: There is significant relationship between perceived behavioral control of non-Muslim member of co-operatives and their halal purchase intention.

## **RESEARCH METHODOLOGY**

The methodology used for this study is based on a survey questionnaire adopted from previous studies. The studies were from Golnaz et. al, (2009), "Concern of halalness of halal-labelled food products among Muslim Consumers in Malaysia: Evaluating of Selected Demographic Factors", Jamil & Nur (2011), "Dimension of Halal Purchase Intention: A Preliminary Study" and Suddin & Hanudin (2009), "Predicting Intention To Choose Halal Products Using Thoery of Reasoned Action". The questionnaire consists of four parts namely demographic profile, factors that influence the intention of non-Muslim member of co-operatives to purchase halal products and purchase intention. Five points Likert scales were used as a measurement for the respondents with scoring of 1 (Strongly Disagree) to 5 (Strongly Agree). The questionnaire was prepared in both English and Malay language. Simple random sampling technique was used to collect the data among non-Muslim member of co-operatives in Kuching. Respondents from a main city center of Pending and Padungan was selected due to the areas was located in center of Kuching and majority of the population were made out of non-Muslim. The sampling method

of Krejcie and Morgan (1970), was applied and it greatly helps to simplify the sample size by providing the table that ensured as accurate sampling size decision methods.

Questionnaire was distributed to a sample size of 338 respondents; however only 166 respondents provided valid returns. Sekaran (2000), agrees with Roscoe (1975), that for most studies, a sample size between 30 and 500 would be sufficient. Data was then analyzed using SPSS with frequency, reliability and correlation used to explain the demographic, factor that influences the intention of non-Muslim member of co-operatives to purchase halal products and hypotheses.

## **FINDINGS AND DISCUSSION**

Overall, 45.2 percent of the respondents were male respondents, and 54.8 percent were female. The average age of the respondents ranged from 51 years old and above (34.3%), followed by 20 – 30 years old and 31 – 40 years old (21.7%) respectively, 41 – 50 years old (20.5%), whereas, 19 years old and below made up the smallest group at only 1.8 percent. In terms of religion, majority of respondents (43.4%) were Christian Catholic. Most of the respondents were SPM and below and earned RM1000 and below monthly.

The most reliable variables is Perceived Behavioral Control, which has 3.73 mean value, followed by Subjective Norms 3.14, and the lowest is Attitude with 3.69. Perceived Behavioral Control is the strongest factor that influences the intention of non-Muslim member of co-operatives to purchase halal products. Therefore, this argument corresponds with the agreement from past researcher whereas according to Syed & Nazura (2011), there is a significant and positive relationship between perceived behavior control and intention to purchase halal food products.

Majority of non-Muslim member of co-operatives purchased halal food and beverages with (52.4%), followed by halal toiletries products (1.8%), halal cosmetics products (1.2%), and halal pharmaceutical products (0.8%). Meanwhile, there were (44%) of non-Muslim members choosing not to purchase any of halal products in the market. Out of 56% respondents who purchased halal product, 52.4% purchased halal food and beverages. This result is answering the second objective of this study. Therefore, this argument disagree with the agreement from past researcher whereas according to Golnaz et al. (2010), non-Muslim consumers are less likely to purchase halal food products given the argument that non-Muslim most likely view Islamic slaughtering as undue cruelty to animals. This is due to the difference in demographic factor as the past researcher had conducted the survey on non-Muslim consumer in West Malaysia.

**Table 1: Correlation Analysis**

Dimension	Relationship	Attitude	Subjective Norms	Perceived Behavior Control
<b>Attitude</b>	Pearson Correlation Sig.(2-tailed)	1		
<b>Subjective Norms</b>	Pearson Correlation Sig.(2-tailed)	.444** 0.000	1	
<b>Perceived Behavioral Control</b>	Pearson Correlation Sig.(2-tailed)	.534** 0.000	.644** 0.000	1

n = 166

All dimensions are at significant of  $p \leq 0.05$

\*\* Correlation is significant at the 0.01 level (2-tailed).

Cohen (1988), suggested that,  $r=0.10$  to  $0.29$ /  $r = -0.10$  to  $-0.29$  the strength of relationship is low; on the other hand,  $r = 0.30$  to  $0.49$ /  $r = -0.30$  to  $-0.49$  the strength shows a medium relation; meanwhile if the  $r = 0.50$  to  $1.0$ /  $r = -0.50$  to  $-0.10$  then the relation strength is high.

The validity was evaluated by the results of the correlation analysis. Based on Table 1, all correlation values between the variables are less than 0.8. Thus, all are acceptable. Measurement scale used in this research was generally valid and reliable, which enable the researcher to draw further discussion on assessing the relationship between independent variables (Attitude, Subjective Norms and Perceived Behavioral Control) and dependent variables (Halal purchase intention among non-Muslim consumers).

The total values of Pearson correlation for attitude were 0.444 with subjective norms and 0.534 with perceived behavioral control. Both of the dimension were significant with attitude as the results were below than the significant level of 0.05. Thus, attitude has an averagely moderate relationship with both subjective norms and perceived behavioral control.

Next, subjective norms have a significant relationship with both attitude and perceived behavioral control as both of the significant values were below 0.05. The total values of Pearson correlation for subjective norms were 0.44 with attitude and 0.644 with perceived behavioral control. Based on Guttman's Rule of Thumb, subjective norms has a strong relationship with perceived behavioral control, meanwhile it has a moderate relationship with attitude.

The third dimension was perceived behavioral control which has a total values Pearson correlation of 0.534 with attitude and 0.644 with subjective norms. It has a strong relationship with subjective norms and moderate relationship with attitude. Both of the dimensions were significant with perceived behavioral control as the results were below than the significant level of 0.05.

These results supported by previous study by Ajzen (1991), whereby the intentions to perform behaviours of different kinds can be predicted with high accuracy from attitudes toward behavior, subjective norms, and perceived behavioral control; and these intentions, together with the perceptions of behavioral control, account for considerable variance in actual behavior.

Based on the correlation analysis, all three variables are significant. The  $R^2$  result shows that attitude ( $\bullet = 0.000$ ,  $p < 0.05$ ), subjective norms ( $\bullet = 0.000$ ,  $p < 0.05$ ) and perceived behavioral control ( $\bullet = 0.000$ ,  $p < 0.05$ ) were significant factors in halal purchase intention among non-Muslim member of co-operatives. As a result, hypotheses H1, H2 and H3 were supported.

## CONCLUSION

From the analysis that has been carried out, it can be concluded that non-Muslims member of co-operatives with high perceived behavioral control will be more willing to purchase halal products. In other word, it reflects their self-confidence and product knowledge influence their intention in purchasing products. Their products knowledge may shape their information and decision-making actions. For example, the demonstration of product's performance in order to develop consumers' confidences. It explained that non-Muslim member of co-operatives behavior are strongly influenced by their self-belief in their capability to execute them.

Halal food and beverages products are now capturing the market for both Muslim and non-Muslims. It clearly shows that most of the non-Muslim consumers are aware of the benefits that they get from consuming halal food and beverages because of their positive perceptions. These benefits are the strength of halal food and beverages to pull and influence non-Muslim consumers thus, creating a new generation of halal user among non-Muslim is not an impossible task.

Manufacturers of halal products should produce high quality halal products that can satisfy both Muslim and non-Muslim consumers and have competitive advantage over the conventional products. According to Hayati et al., (2008), manufacturers must take advantage of the reputation and credibility of the Malaysian halal standards, halal certification and label, which has received a worldwide acknowledgement and recognition. Manufactures that have halal certificate should produce variety type of halal food and beverages products. This is to ensure that all consumers both of Muslim and non-Muslim consumers will have many choice to choose halal products and beverages that they want.

According to Golnaz et al., (2012), the non-Muslim food manufactures and producers that produce halal product are on the rise considering the Malaysian Government's vision of making Malaysia a world Halal hub for food production and manufacturing industries and the ever increasing demand of halal products in the market both domestic and in the global market.



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# PROGRAM TRANSFORMASI KEDAI RUNCIT KOPERASI: ANALISIS PENCAPAIAN PENGURUSAN PERNIAGAAN

Noranita Mohd Nor

Norhayati Abdul Rahman

Nur Faeza Yahya

*Maktab Koperasi Malaysia (Co-operative College of Malaysia)*

Roshidi Hassan

*Universiti Teknologi MARA*

## ABSTRAK

*Program Transformasi Kedai Runcit (TUKAR) diperkenalkan pada tahun 2011 oleh kerajaan Malaysia untuk mengubah konsep tradisional kedai runcit kepada konsep yang lebih moden. Analisis perbandingan sebelum dan selepas TUKAR diperlukan untuk melihat pencapaian sebenar hasil daripada program TUKAR. Justeru, matlamat kajian ini secara khusus bertujuan untuk mengenal pasti sama ada terdapat peningkatan dari segi pencapaian pengurusan perniagaan kedai koperasi sebelum dan selepas program TUKAR dilaksanakan. Soal selidik telah diedarkan menggunakan kaedah pensampelan strata secara rawak dan sebanyak 102 orang (65.8%) Ahli Lembaga Koperasi dan Pengurus Koperasi yang mewakili kedai Coop Mart di seluruh Malaysia telah dianalisis menggunakan kaedah analisis deskriptif. Dapatan kajian menunjukkan semua aspek pengurusan perniagaan meningkat dengan ketara terutamanya aspek pengurusan kewangan. Ini membuktikan program TUKAR berjaya, berdaya maju dan wajar diteruskan.*

**Kata kunci:** Program Transformasi Kedai Runcit ( TUKAR ), Program Transformasi Ekonomi, Entry Point Project (EPP) , Pengurusan Perniagaan, Coop Mart

## PENGENALAN

Industri pemborongan dan peruncitan di Malaysia merupakan salah satu sektor penyumbang kepada Pendapatan Negara Kasar (PNK). Pada tahun 2010 dan 2011 sahaja industri pemborongan dan peruncitan telah menyumbang sebanyak RM100.6 bilion dan RM114.4 bilion daripada PNK (Laporan Tahunan ETP, 2012) selain daripada menyediakan peluang pekerjaan kepada rakyat Malaysia. Di bawah Program Transformasi Ekonomi (ETP) juga, kerajaan telah mengenal pasti sektor pemborongan dan peruncitan sebagai salah satu sektor yang berupaya menyumbang sebanyak RM156 bilion Pendapatan Negara Kasar (PNK) menjelang tahun 2020 serta menyediakan 454,190 peluang pekerjaan baru dalam tempoh sepuluh (10) tahun akan datang. Sektor ini dijangka akan terus mengalami pertumbuhan pada kadar enam (6) peratus *Compound Annual Growth Rate* (CAGR) bagi tempoh 2010 hingga 2020 seperti yang diunjurkan bagi rantau Asia (Laporan Tahunan ETP, 2012).

Melihat kepada kepentingan industri peruncitan kepada pertumbuhan PNK negara, sektor ini telah ditetapkan sebagai satu Bidang Ekonomi Utama Negara (NKEA) dan menyasarkan pencapaian lebih dari dua kali ganda sumbangan kepada PNK menjelang 2020. Di bawah NKEA, aktiviti peruncitan merangkumi semua aspek perdagangan seperti yang telah ditakrifkan oleh Kementerian Perdagangan Dalam Negeri Koperasi dan Kepenggunaan (KPDNKK). Mengikut takrifan KPDNKK, perniagaan runcit meliputi jenis perniagaan kedai barangan runcit seperti pasar raya besar, pasar raya, kedai diskaun, kedai runcit kecil, kedai makanan dan lain - lain perniagaan runcit.

Oleh yang demikian, kerajaan membangun dan melaksanakan program transformasi perniagaan peruncitan iaitu perniagaan runcit yang dijalankan secara tradisional dan kecil - kecilan diubah kepada satu bentuk perniagaan runcit yang lebih moden dan sistematik. Justeru, dalam usaha memodenkan perniagaan runcit bersaiz kecil di Malaysia, kerajaan di bawah Program Transformasi Ekonomi (ETP) telah menyenaraikan 131 *Entry Point Project* (EPP). Menurut laporan KPDNKK (2012), Program Transformasi Kedai Runcit atau TUKAR merupakan EPP kedua di bawah sektor pemborongan dan peruncitan. TUKAR bertujuan untuk memodenkan kedai runcit tradisional bagi meningkatkan tahap daya saing dalam persekitaran perniagaan peruncitan yang kompetitif.

Projek transformasi yang dikenali sebagai projek Transformasi Kedai Runcit (TUKAR) telah bermula pada Februari 2011 dengan kerjasama beberapa agensi pelaksana. Projek ini terbahagi kepada dua (2) kategori perniagaan runcit iaitu:

1. Perniagaan runcit yang diusahakan oleh peniaga - peniaga persendirian
2. Perniagaan runcit yang diusahakan oleh koperasi.

Coop Mart ialah jenama yang diguna pakai bagi kedai koperasi yang mengikuti program TUKAR dibawah SKM. Tujuan utama program ini adalah untuk menaik taraf kedai runcit atau pasar mini koperasi yang sedia ada kepada kedai runcit yang lebih moden, teratur, sistematik dan seragam.

## **PENYATAAN MASALAH**

Menurut kajian yang telah dijalankan oleh Norazlan et. al. (2010), ke atas koperasi pengguna di Malaysia yang menjalankan aktiviti peruncitan, terdapat pelbagai masalah yang telah dihadapi oleh koperasi. Antara masalah utama adalah:

1. Persaingan dari sektor swasta yang menjalankan perniagaan peruncitan;
2. Ahli Lembaga Koperasi kurang pengetahuan dan kemahiran dalam bidang peruncitan;
3. Saiz kedai koperasi yang kecil;
4. Kebanyakan kemudahan kredit yang diberikan oleh pembekal adalah dalam tempoh yang pendek;
5. Kesukaran mendapatkan kakitangan kedai koperasi yang berkelayakan dan berkemahiran;
6. Kebanyakan pilihan barangan yang dijual di kedai koperasi adalah terhad;
7. Kekurangan modal pusingan di kedai koperasi;
8. Kos keseluruhan pengendalian kedai koperasi yang tinggi (seperti kos operasi, kos tetap, kos berubah dan lain-lain);
9. Kebanyakan harga belian stok kedai koperasi yang tinggi; dan
10. Kebanyakan pelanggan yang membeli di kedai koperasi adalah bukan anggota koperasi.

Pencapaian kedai koperasi menurut kajian ini juga dari segi bilangan anggota, modal syer, aset dan keuntungan masih lagi rendah jika dibandingkan dengan jumlah keuntungan koperasi dewasa. Walau bagaimanapun, dapatan kajian Norazlan et. al. (2010), adalah dijalankan sebelum program Transformasi Kedai Runcit (TUKAR) dilaksanakan.

Berdasarkan sorotan kajian, sehingga kini tiada lagi kajian yang dibuat untuk melihat pencapaian kedai Coop Mart sejak program TUKAR dilaksanakan pada tahun 2011. Sehubungan dengan itu, kajian ini akan melihat pencapaian kedai koperasi atau Coop Mart sebelum dan selepas menyertai program TUKAR. Pencapaian kedai koperasi akan dikaji melalui aspek pengurusan perniagaan koperasi. Kajian ini juga akan melihat kepada permasalahan yang timbul dalam program TUKAR khususnya kedai Coop Mart dan seterusnya memberikan cadangan-cadangan bagi meningkatkan prestasi dan pencapaian kedai.

## **OBJEKTIF KAJIAN**

Kajian ini bertujuan untuk menganalisis profil kedai Coop Mart sebelum dan selepas tahun 2011 dan mengenal pasti pencapaian pengurusan perniagaan kedai Coop Mart dari sudut pengurusan kewangan, operasi, pemasaran dan sumber manusia.



## **SOROTAN KAJIAN**

### **Pengurusan Kewangan**

Pengurusan kewangan adalah cara bagaimana untuk menguruskan wang dengan sebaik – baiknya (Abu Bakar, 2001) dan sesebuah perniagaan amat memerlukan wang untuk membayar gaji, membayar sewa, modal operasi dan sebagainya. Dapatan kajian terhadap pengurusan perniagaan di kalangan usahawan perniagaan kenderaan terpakai di kawasan Seberang Perai dan Sungai Petani mendapati bahawa sekiranya peniaga mengamalkan pengurusan kewangan yang baik mampu membantu peniaga mengembangkan lagi perniagaan (Hasnah, 2003). Pengurusan kewangan adalah bermula dari sumber memperoleh modal perniagaan, mengurus wang, membelanjakan wang, melabur wang, memperoleh keuntungan dan peniaga yang bijak menguruskan kadar pusingan modal dengan cekap mampu membantu perniagaan berada dengan lebih kukuh dan stabil (Faudziah et al, 2005).

### **Pengurusan Operasi dan Pengeluaran**

Pengurusan operasi perniagaan dan pengeluaran adalah suatu proses yang menggabungkan sumber – sumber perniagaan yakni sumber manusia, kewangan, mesin bagi menghasilkan sesuatu barang dan perkhidmatan kepada pengguna akhir (Zafir, 2004). Pengurusan operasi dalam perniagaan runcit adalah sesuatu aktiviti perniagaan yang bermula dari memperoleh barang niaga dari pembekal, memecah pukal, membungkus, menyimpan, menjual kepada pengguna akhir. Kebijaksanaan peniaga mengurus operasi perniagaan runcit amat memberi kesan kepada kejayaan perniagaan tersebut dan ini adalah kerana dengan adanya pengurusan operasi yang lancar dapat memenuhi kehendak dan keperluan pada masa, tempat dan kuantiti yang tepat.

### **Pengurusan Pemasaran**

Aktiviti pemasaran merupakan tulang belakang kepada kejayaan sesebuah perniagaan kerana sesuatu barangan tidak dapat terjual dengan sendirinya tanpa dibantu dengan aktiviti pemasaran yang utama iaitu pembungkusan, hiasan, kualiti, promosi, layanan pelanggan dan juga aspek nama perniagaan. Pemasaran merangkumi aktiviti sosial yang membantu pengaliran barangan dan perkhidmatan daripada pengeluar (peniaga) kepada pengguna dalam masa sama memenuhi permintaan pengguna dan matlamat perniagaan (McCarthy & Perreault, 2005). Dalam kajian ini mendapati bahawa dalam apa jua senario, memasarkan produk menjadi satu masalah yang sering diperkatakan oleh kebanyakan peniaga dan apabila produk yang diperolehi daripada pembekal akan disimpan di dalam stor dalam satu jangka masa yang lama.

Konsep asas pemasaran ialah bersandarkan kepada keperluan, keinginan dan permintaan pelanggan terhadap sesebuah perniagaan. Kotler (2000), merujuk pemasaran kepada satu proses sosial dan pengurusan iaitu individu memperoleh apa yang dikehendaki dan diperlukan sama ada menciptakannya sendiri ataupun melalui pertukaran produk atau nilai dengan pihak yang lain.

## Pengurusan Sumber Manusia

Follet (1996), menyatakan bahawa pengurusan adalah sebagai seni mencapai sesuatu matlamat melalui orang lain. Berdasarkan definisi berikut, bagi mencapai matlamat atau objektif sesebuah perniagaan, pengusaha memerlukan tenaga sumber manusia dalam merealisasikan hasrat perniagaan. Pernyataan ini disokong oleh Henry Gantt (1919), yang memberi penekanan terhadap aspek kemanusiaan seperti menekankan aspek kepentingan latihan dalam melahirkan kakitangan yang mahir di samping turut memperkenalkan sistem bonus dan penjadualan kerja yang sistematik.

Secara tradisional, pekerja hanya dilihat sebagai tenaga kerja untuk melaksanakan kerja dan tugas harian, dan kini melalui revolusi pengurusan, pekerja tidak lagi hanya dipandang sebagai tenaga kerja malahan sebagai sumber dan aset utama sesebuah perniagaan dan merupakan faktor penting yang menjadi kekuatan kepada sesebuah perniagaan.

## METODOLOGI

Data sekunder diperoleh melalui pangkalan data *online* dan kajian lepas yang berkaitan dengan bidang kajian ini. Selain itu, laporan-laporan daripada SKM, majalah SKM dan ANGKASA, cetakan-cetakan yang disimpan di koperasi dan agensi-agensi lain yang berkaitan juga dijadikan sebagai maklumat kajian. Laporan kewangan tahunan koperasi dari 2009 hingga 2012 serta bahan-bahan lain yang berkaitan dengan penyelidikan ini telah dijadikan sebagai rujukan. Pasukan penyelidik telah mengumpul data primer melalui borang soal selidik secara pos dan temu bual bersemuka. Borang soal selidik terbahagi kepada dua set iaitu set yang pertama untuk dijawab oleh pengurus atau ALK, dan set yang kedua pula dijawab oleh pelanggan kedai Coop Mart. Borang soal selidik ini telah dihantar kepada 155 buah kedai TUKAR di seluruh Malaysia. Setiap koperasi dibekalkan sebanyak enam (6) salinan borang soal selidik untuk diisi oleh seorang pengurus kedai atau ALK dan lima orang pelanggan. Para penyelidik telah melantik salah seorang daripada ALK atau pengurus untuk mengumpul data yang diperlukan. Pembangunan instrumen soal selidik mengandungi tiga (3) bahagian bagi setiap set borang iaitu bahagian A, B dan C. Bahagian A komponen soal selidik bagi pengurusan koperasi dan pelanggan kedai Coop Mart mengandungi soalan berbentuk pilihan jawapan. Bahagian B pula menggunakan '*likert scale*' untuk mengesan tahap pelaksanaan tatacara pengurusan perniagaan kedai serta tahap kepuasan pelanggan terhadap kedai Coop Mart, manakala Bahagian C mempunyai soalan "open-ended" bagi mendapatkan pandangan cara meningkatkan lagi prestasi kedai Coop Mart.

Populasi kajian ini terdiri daripada koperasi yang mempunyai kedai TUKAR dan didaftarkan di bawah Suruhanjaya Koperasi Malaysia sehingga 2012. Sehingga 31 Disember 2012, terdapat 251 buah koperasi yang mempunyai kedai TUKAR koperasi. Kajian ini menggunakan kaedah pensampelan strata secara rawak. Dengan menggunakan populasi kedai TUKAR koperasi sebanyak 251 buah, 155 buah kedai telah diambil dalam kajian ini berdasarkan jadual saiz sampel mengikut populasi yang disarankan oleh Sekaran dan Bougie (2010). Daripada 155 buah kedai TUKAR yang

dipilih, sebanyak 102 borang daripada pengurusan koperasi dan sebanyak 510 borang daripada pelanggan telah menjawab dan mengembalikan borang soal selidik dengan lengkap. Keseluruhan borang soal selidik yang diperoleh telah melalui proses *data cleaning*, dan didapati kesemuanya boleh diguna pakai untuk dianalisis. Kaedah analisis deskriptif telah digunapakai dalam kajian ini.

## PERBINCANGAN DAN ANALISIS

### Profil Koperasi

Koperasi yang menyertai program TUKAR majoritinya adalah fungsi pengguna dan perkhidmatan (36.3%). Koperasi turut menjalankan aktiviti perkhidmatan dan sewaan dengan peratusan sebanyak 50.0%. Diikuti dengan aktiviti kerja-kerja kontrak (20.0%) dan masing-masing sebanyak 10.0% bagi aktiviti kedai alat tulis, aktiviti kredit dan kafe/ IT. Koperasi telah beroperasi selama 16 tahun dan ke atas (31.4%). Jumlah anggotanya adalah seramai 500 dan ke bawah (65.6%) dan sebanyak 34.4% mempunyai keahlian melebihi 500 anggota. Dari segi jualan tahunan pada tahun 2011 dan 2012, kedai Coop Mart telah mencatatkan purata jualan sebanyak RM 100,001 hingga RM 500,000 (54.9% dan 56.9%). Manakala, untung bersih pada tahun 2011 dan 2012 pula adalah sebanyak RM 150 hingga RM 50,000 (53.9% dan 54.9%). Ini dapat dilihat di Jadual 1.

**Jadual 1:** Profil koperasi

Profil koperasi	Perkara	Peratus
<b>Fungsi Koperasi</b>	Perbankan	1.0
	Kredit/ Kewangan	12.7
	Perladangan	5.9
	Perindustrian	3.9
	Pengguna	36.3
	Pengangkutan	3.9
	Perkhidmatan	36.3
<b>Aktiviti Koperasi selain Coop Mart</b>	Perkhidmatan dan Sewaan	50.0
	Kerja-kerja Kontrak	20.0
	Kedai Alat tulis	10.0
	Aktiviti Kredit	10.0
	Kafe/ IT	10.0
<b>Tempoh Koperasi Beroperasi</b>	Sehingga 3 tahun	18.6
	4-6 tahun	13.7
	7-9 tahun	9.8
	10-12 tahun	12.7
	13-15 tahun	13.7
	16 tahun dan ke atas	31.4

Profil koperasi	Perkara	Peratus
<b>Tempoh Menyertai Program TUKAR</b>	Kurang 6 bulan	15.7
	6 bulan – 1 tahun	46.1
	1 tahun 1 bulan – 1 tahun 6 bulan	18.6
	1 tahun 7 bulan – 2 tahun	19.6
<b>Jumlah Anggota Koperasi</b>	Kurang dari 100	12.7
	100 hingga 300	38.2
	301 hingga 500	14.7
	501 hingga 700	7.8
	701 hingga 900	5.9
	Lebih dari 900	20.6
<b>Jualan Tahunan(RM) (2011)</b>	10,000 – 50,000	4.9
	50,001 – 100,000	17.6
	100,001 – 500,000	54.9
	500,001 – 1juta	13.7
	Lebih dari 1juta	8.8
<b>Jualan Tahunan(RM) (2012)</b>	10,000 – 50,000	3.9
	50,001 – 100,000	14.7
	100,001 – 500,000	56.9
	500,001 – 1juta	14.7
	Lebih dari 1juta	9.8
<b>Untung Bersih (RM) (2011)</b>	Kurang dari 0	4.9
	150 – 50,000	53.9
	50,001 – 100,000	24.5
	100,001 – 500,000	16.7
<b>Untung Bersih (RM) 2012)</b>	Kurang dari 0	2.0
	150 – 50,000	54.9
	50,001 – 100,000	27.5
	100,001 – 500,000	15.7

### Pengurusan Perniagaan

Empat aspek telah dikaji dalam pengurusan perniagaan iaitu:

1. Pengurusan kewangan,
2. Pengurusan operasi,
3. Pengurusan pemasaran dan
4. Pengurusan sumber manusia.

Berdasarkan Jadual 2, terdapat peningkatan yang ketara dalam aspek pengurusan kewangan kedai Coop Mart di bawah program TUKAR. Peningkatan peratusan adalah dari serendah 18.6% sehingga 39.2%. Peningkatan yang paling tinggi di antara faktor pengurusan kewangan kedai Coop Mart adalah mudah mendapatkan pembiayaan kewangan, manakala peningkatan yang terendah adalah mudah mendapatkan pulangan modal semula. Di samping itu, terdapat juga peningkatan dalam pengetahuan pengurusan kewangan dan berpuas hati dengan sistem pengurusan kewangan kedai iaitu sebanyak 21.6%. dan 22.5%. Walau bagaimanapun, terdapat penurunan peratusan sebanyak 15.7% pada kos keseluruhan pengendalian kedai Coop Mart yang rendah (kos operasi, kos tetap, kos berubah dan lain-lain). Kos pengendalian kedai telah dikatakan meningkat selepas mengikuti program TUKAR berbanding sebelumnya.

**Jadual 2: Pengurusan Kewangan Kedai Coop Mart**

BIL	PENGURUSAN KEWANGAN	SEBELUM TUKAR		SELEPAS TUKAR		PENINGKATAN/ (PENURUNAN)
		BIL	%	BIL	%	%
1	Mudah mendapatkan pembiayaan kewangan	51	50	91	89.2	39.2
2	Modal pusingan yang mencukupi di kedai Coop Mart	59	57.8	87	85.3	27.5
3	Kos keseluruhan pengendalian kedai Coop Mart yang rendah (kos operasi, kos tetap, kos berubah dan lain-lain)	40	39.2	24	23.5	(15.7)
4	Mudah mendapatkan pulangan modal semula	61	59.8	80	78.4	18.6
5	Menyemak rekod kewangan seminggu sekali	67	65.7	91	89.2	23.5
6	Peningkatan pengetahuan pengurusan kewangan	72	70.6	94	92.2	21.6
7	Berpuas hati dengan sistem pengurusan kewangan kedai	72	70.6	95	93.1	22.5
<b>Purata Pengurusan Kewangan Keseluruhan</b>		-	<b>59.1</b>	-	<b>78.7</b>	<b>19.6</b>

Jadual 3 menunjukkan pengurusan operasi kedai Coop Mart. Secara keseluruhannya terdapat peningkatan peratusan dalam setiap faktor. Sistem urus niaga di kedai Coop Mart yang menggunakan sistem pos menunjukkan peningkatan yang tertinggi sebanyak 49.0%. Manakala, keberkesanan sistem pos yang digunakan mencatat peningkatan kedua tertinggi sebanyak 36.3%. Penurunan peratusan yang agak kecil (1% hingga 7.8%) pada tiga faktor iaitu harga jualan di kedai Coop Mart ditentukan oleh koperasi sendiri. Pembekal utama memberikan perkhidmatan yang baik dan pembekal mahu menanggung risiko jika sesuatu produk itu tidak laku. Ini menunjukkan bahawa selepas mengikuti program TUKAR, terdapat pembekal yang masih mahu menanggung risiko walaupun terdapat sedikit penurunan serta risiko produk yang tidak laku adalah bertambah berbanding sebelum TUKAR.

**Jadual 3:** Pengurusan Operasi Kedai Coop Mart

BIL	PENGURUSAN OPERASI	SEBELUM TUKAR		SELEPAS TUKAR		PENINGKATAN/ (PENURUNAN)
		BIL	%	BIL	%	%
1.	Jumlah pembekal sentiasa bertambah dari tahun ke tahun	72	70.6	91	89.2	18.6
2.	Kemudahan kredit yang diberikan oleh pembekal adalah dalam tempoh masa yang mencukupi	76	74.5	99	97.1	22.6
3.	Harga jualan di kedai Coop Mart adalah ditentukan oleh koperasi sendiri	92	90.2	88	86.3	(3.9)
4.	Kebanyakan harga belian stok untuk kedai Coop Mart adalah rendah	44	43.1	49	48	4.9
5.	Stok barangan mencukupi	71	69.6	74	72.5	2.9
6.	Penghantaran barangan oleh pembekal mengikut jadual	67	65.7	84	82.4	16.7
7.	Sistem urus niaga di kedai Coop Mart menggunakan sistem POS	27	26.5	77	75.5	49.0
8.	Sistem pos yang digunakan di kedai Coop Mart adalah berkesan	29	28.4	66	64.7	36.3
9.	Syarat-syarat pesanan barangan yang ditetapkan oleh pembekal adalah munasabah	81	79.4	84	82.4	3.0
10.	Pembelian barangan daripada pembekal mengikut keperluan bagi sesuatu tempoh urus niaga	94	92.2	94	92.2	0.0

BIL	PENGURUSAN OPERASI	SEBELUM TUKAR		SELEPAS TUKAR		PENINGKATAN/ (PENURUNAN)
		BIL	%	BIL	%	%
11.	Pembekal utama memberikan perkhidmatan yang baik	91	89.2	90	88.2	(1.0)
12.	Pembekal mahu menanggung risiko jika sesuatu produk itu tidak laku.	64	62.7	56	54.9	(7.8)
13.	Risiko produk tidak laku adalah rendah	50	49	51	50	1.0
<b>Purata Pengurusan Operasi Keseluruhan</b>		-	<b>32.9</b>	-	<b>39.1</b>	<b>6.2</b>

Dari aspek pengurusan pemasaran seperti di Jadual 4, kesemua faktor menunjukkan peningkatan yang positif. Sentiasa menjalankan aktiviti promosi di kedai Coop Mart (18.7%) merupakan faktor tertinggi, diikuti dengan kepelbagaian rangkaian produk yang dijual di kedai Coop Mart (18.6%). Manakala peratusan yang terendah adalah faktor sentiasa menjaga kualiti barangan yang dijual (4.9%). Walau bagaimanapun, selepas mengikuti program TUKAR, terdapat penurunan dari segi peratus sebanyak 13.7% pada faktor barangan yang dijual di kedai Coop Mart menepati kehendak pelanggan. Ini kerana, terdapat beberapa barangan tidak mendapat tempat di hati pelanggan ada dijual di kedai Coop Mart.

**Jadual 4:** Pengurusan Pemasaran Kedai Coop Mart

BIL	PENGURUSAN PEMASARAN	SEBELUM TUKAR		SELEPAS TUKAR		PENINGKATAN/ (PENURUNAN)
		BIL	%	BIL	%	%
1.	Kesemua jenama yang dijual di kedai Coop Mart mendapat tempat di hati pelanggan	69	67.6	81	79.4	11.8
2.	Barangan yang dijual di kedai Coop Mart menepati kehendak pelanggan	54	52.9	40	39.2	(13.7)
3.	Terdapat kepelbagaian rangkaian produk yang dijual di kedai Coop Mart	77	75.5	96	94.1	18.6
4.	Sentiasa menjalankan aktiviti promosi di kedai Coop Mart	59	57.8	78	76.5	18.7
5.	Harga yang ditawarkan kepada pelanggan adalah berpatutan	89	87.3	98	96.1	8.8

BIL	PENGURUSAN PEMASARAN	SEBELUM TUKAR		SELEPAS TUKAR		PENINGKATAN/ (PENURUNAN)
		BIL	%	BIL	%	%
6.	Sentiasa menjaga kualiti barangan yang dijual	93	91.2	98	96.1	4.9
7.	Meletakkan tanda harga pada kesemua jenis barangan	86	84.3	98	96.1	11.8
8.	Memastikan barangan jualan sentiasa kelihatan baik dan tersusun	94	92.2	102	100	7.8
9.	Layanan yang baik menjadi keutamaan kepada pelanggan	95	93.1	102	100	6.9
10.	Menyediakan perkhidmatan penghantaran barangan ke rumah pelanggan	30	29.4	42	41.2	11.8
<b>Purata Pengurusan Pemasaran Keseluruhan</b>		-	<b>53.5</b>	-	<b>60.6</b>	<b>7.1</b>

Jadual 5 merupakan analisis aspek pengurusan sumber manusia. Secara keseluruhannya, ia menunjukkan peningkatan peratusan sebelum dan selepas program TUKAR. Peratusan tertinggi adalah kakitangan kedai mempunyai kelayakan dan berkemahiran kakitangan serta sentiasa diberi latihan dari masa ke semasa (15.7%), seterusnya komitmen kakitangan kedai dalam menjalankan tugas (12.8%). Manakala, kadar pemberhentian kakitangan kedai Coop Mart adalah berkurangan selepas program TUKAR (4.9%).

**Jadual 5:** Pengurusan Sumber Manusia Kedai Coop Mart

BIL	PENGURUSAN SUMBER MANUSIA	SEBELUM TUKAR		SELEPAS TUKAR		PENINGKATAN/ (PENURUNAN)
		BIL	%	BIL	%	%
1	Kakitangan kedai sangat komited dalam menjalankan tugas	85	83.3	99	97.1	13.8
2	Kakitangan kedai mempunyai kelayakan dan berkemahiran	82	80.4	98	96.1	15.7
3	Kadar kakitangan kedai yang kerap berhenti adalah sedikit	68	66.7	73	71.6	4.9
4	Kakitangan sentiasa diberi latihan dari masa ke semasa	73	71.6	89	87.3	15.7



BIL	PENGURUSAN SUMBER MANUSIA	SEBELUM TUKAR		SELEPAS TUKAR		PENINGKATAN/ (PENURUNAN)
		BIL	%	BIL	%	%
5	Sistem ganjaran (gaji, bonus dan lain-lain) yang ditawarkan oleh koperasi adalah kompetitif	73	71.6	86	84.3	12.7
6	Kebajikan pekerja sentiasa diberi perhatian	88	86.3	94	92.2	5.9
7	Pengurusan sumber manusia adalah sistematik	77	75.5	89	87.3	11.8
<b>Purata Pengurusan Sumber Manusia Keseluruhan</b>		-	<b>76.5</b>	-	<b>88.0</b>	<b>11.5</b>

Secara keseluruhannya, keempat-empat faktor pengurusan perniagaan telah menunjukkan peningkatan yang positif selepas menyertai program TUKAR. Aspek pengurusan kewangan (19.6%) menunjukkan peningkatan tertinggi diikuti dengan pengurusan sumber manusia (11.5%), pengurusan pemasaran (7.1%) dan pengurusan operasi (6.2%).

## RUMUSAN DAN CADANGAN

Secara keseluruhannya, terdapat peningkatan prestasi yang ketara di kedai Coop Mart selepas program TUKAR dilaksanakan. Ini boleh dilihat berdasarkan pada jumlah peratusan jualan tahunan melebihi RM500,000 telah meningkat sebanyak 24.5 peratus pada tahun 2012 berbanding tahun sebelumnya iaitu sebanyak 21.5 peratus. Begitu juga dengan peningkatan jumlah peratusan untung bersih tahunan yang melebihi RM50,000 telah meningkat sebanyak 43.1 peratus pada tahun 2012 berbanding tahun sebelumnya iaitu 36.3 peratus. Semua faktor pengurusan perniagaan koperasi iaitu pengurusan kewangan, operasi, pemasaran dan sumber manusia juga menunjukkan peningkatan pengurusan kedai yang lebih efisien selepas menyertai program TUKAR. Peningkatan yang paling ketara selepas program TUKAR adalah dari segi pengurusan kewangan kedai. Ini disebabkan oleh rekod dan sistem kewangan yang lebih lancar dan sistematik serta kekerapan latihan yang diikuti dalam bidang ini oleh kakitangan koperasi.

Walau bagaimanapun, program TUKAR ini akan lebih maju dan berdaya saing pada masa akan datang dengan membuat beberapa penambahbaikan seperti menambah peruntukan geran, membuat pemantauan yang kerap, melantik lebih ramai pembekal, melaksanakan program mentor, mewujudkan pengurusan setempat kedai Coop Mart, meningkatkan aktiviti promosi dan kekerapan mengikuti kursus serta meningkatkan kualiti produk Coop 1Malaysia. Penyelidik mencadangkan agar kajian pencapaian kedai TUKAR ini dibuat dalam jangka masa tiga tahun akan datang bagi melihat impak yang lebih besar terhadap program yang dilaksanakan ini.

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# MEASURING ECONOMIC AND SOCIAL EFFICIENCIES OF AREA FARMERS ORGANIZATION IN MALAYSIA

Anuar Mat Esa

*Farmers' Organization Authority*

## ABSTRACT

*To fulfill highly expectations of the government and to retain continuous supports from the members, Area Farmers Organization (AFOs) is anticipated to be an efficient organization. Hence, one way to measure the ability of an organization is through efficiency measurement. Therefore, this paper examines the technical efficiency (TE) of AFOs and determinant factors of efficiency; from 2006 to 2010. The efficiency is measured through three different dimensions namely as economic, social and socio-economic. For the purpose of the study, a two stage Data Envelopment Analysis (DEA) is used. In the first stage, DEA applied to measure the efficiency score of 56 AFOs. In the second stage, the efficiency score obtained and regressed by using Tobit model. Based on previous study, determinant factors such as assets, location, year of operation, types of business, manager's education, size of business and size of membership serve as independent variables. The efficiency analysis in the study reveals most of the AFOs are plagued with inefficiency. The average technical efficiency scores recorded at 0.708, 0.672 and 0.790 under economic, social and socio-economic dimensions respectively. As for determinant factors, the variables liked location, age of operation, size of business and membership are found to have a positive relationship with efficiency level.*

**Key words:** *Technical Efficiency, Area Farmers Organization (AFOs)*

## INTRODUCTION

Malaysia has come a long way, since the agriculture-based economy in the 1960s to the industrial-based economy in the 1980s and recently the government has embarked on ambitious plan to develop the country towards the service-based economy. The roles of the public and private sector are still important to transform the economy to the highest level. Besides these two dominant sectors, co-operative institutions are expected to be the third engine of economic development in Malaysia and the government has targeted a contribution of 4 % towards Gross Domestic Product (GDP) in 2013. The numbers of co-operative are projected to increase from 6,084 in year 2008 to 10,000 by the year 2013 with an average turnover for each co-operative anticipated between RM 80,000 to RM 1.5 million. In contrast, agricultural co-operatives performance is not quite promising when compared to the other sectors. Although the importance of the agricultural sector has been slowly decreasing over the years, the contribution of this sector should not be ignored as proven when the prices of food commodity increases during the oil price hike, OECD (2008).

One of the most promising schemes which had been silently active and successful in the agriculture sector abroad is through the co-operatives organizations, as demonstrated in Japan (Nonaka, 2006). Therefore, the performance of agricultural co-operatives such as Farmers Organizations (FOs) is relevant to be put under study.

### Background of the Farmers Organization

The history of co-operative movement in Malaysia started about 90 years ago. Similar to some other countries, the formation of co-operatives served as the tool to overcome the poverty of the society. The British government formed the co-operative in 1922 with the purpose of tackling widespread poverty of rural farmers and government servants. Since then, the movement has expanded and grown.

An important aspect of Farmers Organization (FOs) is that it could also be categorized as agriculture co-operatives, under the jurisdiction of Farmers Organization Authority (FOA). Thus, FOs was established along the principles, values and aspiration of co-operatives. As its name implies, FOs is owned by farmers as members and managed by a selected board of directors as policy makers to carry out a wide range of economic and social activities. The Farmers Organization Act 1973 was enacted to properly place the farmers associations and agro-based co-operatives. Through the Act, the government acknowledges the role of FOs to assist the government in developing the economic and social status of the farmer's community in Malaysia.

However, the co-operative as well as FOs need to innovate to cope more successfully with the pressure of globalization. The evaluation of co-operative performance is vital to ensure the ability of co-operative to survive, compete, grow and meet the member's aspirations. As for the FOs, the success or the failure was determined by the ability of FOs to maximize and utilize the resources to fulfill the needs of the member's. Under section 6 of 109 Act, FOs has been empowered to run activities in order to uplift the economic and social status of the members.

Previous literature shows a large number of agricultural co-operatives are facing multi-dimensional problems that limit their performance level. The majority of co-operatives as reported in the National Co-operative Policy (NCP) from 2002 to 2010 were small in size, insufficient capital and poor networking system together with difficulties in maintaining good governance, inefficient administration and poor financial performance.

In the study of FOs, Ahmad (2006), found that the lack of competitiveness in FOs and agricultural co-operatives in Malaysia was plagued by inefficiency. Two major sources of funding for FOs to run the activities come from government and member's shares. AFOs are actively supported by the government through FOA in the form of managerial personnel support and development funding for financing, processing, marketing and other business activities that benefit its members. Thus, like other co-operatives, the AFOs must be efficient to fulfill the functions of their establishment.

In other words, FOs must plan to minimize the input used and at the mean time maximize the output. However the economic achievement of AFOs has been inconsistent even though FOs received consistent support from the government and the members. One of the consequences of inconsistent performance is that the member's confidences may erode and feel the existence of co-operatives is not important (Din, 2006).

From Table 1 showed the actual profit and loss of all AFOs throughout Malaysia and the data is obtained by deducting the government aids to AFOs. The figures proved that with the absence of government support, AFOs will be operated at loss. But it worth to highlight that, AFOs managed to reduce the gap from total lost in 2006 to (RM 777,157) in 2010.

**Table 1:** Actual Profit and Loss of AFOs by State

State	2006	2007	2008	2009	2010
Perlis	(117,087)	(1,052,364)	(904,985)	(633,857)	(688,786)
Kedah	(2,876,001)	(4,310,080)	(3,372,174)	(4,004,394)	(1,072,270)
P. Pinang	505,172	1,079,218	(69,481)	5,963,520	411,777
Perak	36,650	6,438,652	6,920,794	7,516,132	8,934,148
Selangor	117,006	149,931	(1,371,883)	(334,788)	2,107,463
N. Sembilan	(1,142,935)	(530,941)	(887,981)	(1,813,077)	(1,308,708)
Melaka	(415,733)	(579,205)	(986,929)	(732,581)	(649,628)
Johor	(1,638,440)	4,850,091	5,340,181	4,978,077	6,029,225
Pahang	(3,103,215)	(1,240,450)	(2,355,726)	(2,227,312)	(2,342,685)
Terengganu	(2,432,972)	(255,088)	(1,258,859)	(1,541,451)	(1,396,177)
Kelantan	(3,146,798)	(4,863,059)	(5,439,300)	(5,819,198)	(6,351,045)
Sabah	(4,235,312)	(5,404,138)	(7,550,038)	(5,559,846)	(3,965,064)
Labuan	(359,389)	(424,637)	(117,715)	(490,267)	(485,407)
Total	(18,809,054)	(1,083,303)	(12,054,096)	(4,699,043)	(777,157)

Source: Farmers Organization Authority (2011)

The empirical data indicated inconsistent performances of FOs and the symptoms reflect some of the underlying problems identified in the operation of FOs. The indicator such as inability to recover accumulated loss shows the symptoms of inefficiency in the operation of FOs. Moreover, based on previous studies Mahadavan (2004), Monk et al. (2007) Jeong and Heshmati (2009) linked the positive relationship between profitability and efficiency. Increase in profitability would lead to increase in technical efficiency whereas lower profitability indicated of less efficiency. Maintaining low cost of operations signifies operational efficiency and this efficiency translated into lower prices to members Rajaratnam et al. (2010)

The basic motives for the establishment of AFOs are to serve the members economically as well as socially with or without government assistant. Economic performance and social performance are inseparable while evaluating the entire performance of co-operative as well as AFOs. Hamid (1977) anticipated that FOs can no longer be mere beneficiaries of services from the government. Thus, after 39 years of establishment, in-depth evaluation is needed to assess AFOs in order to ensure that they are efficient enough to fulfill their roles to the members as well as meeting government aspirations. Therefore, the purpose of the study is to evaluate AFOs performance through measuring economic and social efficiencies.

## **OBJECTIVES OF THE STUDY**

This study aims to assess the performance of the AFOs in Malaysia. Thus the specific objectives of this study are:

1. To measure the efficiency of AFOs.
2. To identify the critical factors that affect AFOs efficiency

## **SIGNIFICANCE OF THE STUDY**

For co-operatives as well as AFOs, efficiency is rarely adopted as performance measurement even though the technical efficiency concept has been introduced since 1951. Certainly, the term 'efficiency' has wide varying meaning in different disciplines such as in economics, business and sciences. Generally, efficiency is a measurable concept, quantitatively determined by the ratio of output to input and also defined as a measure of a unit's ability to produce output for a given set of input. Prior studies proved that the efficiency is often used by other types of organization to evaluate the performance. For instance, when the efficiency measure indicates inefficiency, the scores demonstrate that the organization is running at below feasible level of output and still have the room to improve the output from the resources used. As for FOs concern, this study is considered as the first attempt to evaluate the economic and social efficiencies of selected AFOs.

### Three Different Dimensions

The efficiency evaluation on AFO'S should be based on the nature of AFO's themselves. Likewise in other types of firms, economic dimension relates to measure the efficiency of business performance for selected AFOs, including agri-business and non-agribusiness. In different perspectives, social dimension refers to evaluate the social efficiency performance from social benefits output to members such as dividends, honorarium and member's fund. As for socio-economic dimension, it indicates the overall efficiency of AFOs since both social and economic efficiency is combined under one perspective. Therefore, it was expected to get the whole pictures of AFOs efficiency performance by measuring through three different dimensions.

### LITERATURE REVIEW

Norman and Stoker (1991), defined efficiency as a measure of unit's ability to produce output from a given set of inputs. Farrell (1957), begins with modern efficiency measurement proposed that the efficiency of a firm consists of two components; technical efficiency and allocative efficiency. Technical efficiency reflects the ability of a firm to obtain maximum output for a given set of input while allocative efficiency refers to the ability of a firm to use the inputs in optimal proportions, given the respective prices.

Moreover, the efficiency measurement has received considerable attention from both theoretical and applied economists. From a theoretical point of view, there has been a spirited exchange about their relative importance of the various components of firm efficiency (Leibenstein 1996 and 1978, Comanor and Leibenstein 1969). Meanwhile from an applied perspective, according to (Bravo-Ureta and Rieger, 1991) measuring efficiency is the first step in a process that might lead to substantial resource savings which have important implications for both policy formulations and firm management.

In contrast, Harte (1995), argued, the efficiency of co-operatives is not proven by their survival and development as co-operatives in most countries have been favored by government policies. According to Sengupta (2000), technical efficiency measures the firm success in producing the maximum possible output from a given set of input. Meanwhile, Bhagavath (2006), notified in order to improve the performance of organization; it depends heavily on efficiency and effectiveness.

While Kaur (2006), urged that any measurement of co-operative performance must consider the objective and strategic intent of the co-operative organization which can be summarized as; to ensure the co-operative success in business and maximize benefits and fulfill member's needs and wants.



## **Efficiency in Economic Dimension**

Agriculture co-operatives could provide the means of economic efficiency by which farmers can multiply or increase their capabilities through group action. With the efficiency and effectiveness in uplifting the socio-economic status of the small farmers, agricultural co-operation has indeed deservedly earned its rightful place as a reliable and potent development tool (Eugenio, 1980). Wells (1981), argues that the appraisal of agro-based co-operatives in Peninsular Malaysia achieved less measurable goals, and they will be unable to achieve their social purpose without improving their performance in relation to economic goals.

Nourse (1942), emphasis on efficiency rather than size can put the co-operative in the role of economic and concluded that high degree of economic efficiency is vital for the survival of many co-operatives. Since economic efficiency rarely appears as a co-operative principle therefore, Munkner (1986), has suggested economic efficiency as one of his eleven ideas to be called co-operative principles. Din (2006), found out that a high degree of economic efficiency in a highly competitive economy is vital for the survival of many co-operatives.

## **Efficiency in Social Dimension**

The study on social performance became crucially important since the government compensated co-operatives in terms of subsidized interest rates and lower taxes and caused by efficiency loss. In returned the co-operative should perform some socially valuable tasks (Marini and Zevi, 1996)

The study on business efficiency alone is still insufficient to demonstrate the whole performances of co-operatives. Even though he never stress on social performance specifically, Emelianoff (1948) criticized the American descriptive literature which concerned mainly with the aspect of the business efficiency of co-operative organization and yet none of such test sufficiently comprehensive to cover the whole range of existing co-operative forms. The experts distinguish organizational efficiency, for instance the efficiency as an organization in achieving economic viability and in rendering services to its members (Din, 2006).

Amersdorffer et al. (2011), found numerous case studies of microfinance institutions which assess their social impact. Rating agencies, which formerly concentrated on financial performance, also started assessing social performance, often with their own system or collection of indicators.

## **Efficiency in Socio-economic Dimension**

Hind (1998), highlighted the minimum requirement to measure corporation performance in order for it to survive and be in a position to deliver its members the economic and social benefits. Sargent (1982), agreed that agricultural co-operatives require continuous assessment and underlined six approaches to assess the performance and two of them are economic approach and social approach. Meanwhile, Cronan (2007), urged the co-operators to develop a consistent and rigorous

framework to better measure the way co-operatives operate and demonstrate the combined of economic and social benefits.

Amersdorffer et al. (2011), based on the study on economic efficiency performance by using DEA and with application of Social Performance Indicator (SPI) to examines social efficiency performance for microfinance institution in Bulgaria then summarized the efficiency level tends to be higher with the combinations of economic and social efficiency performance. Din (2006), shared the similar experience while evaluating the efficiency of Fisherman Association in Malaysia, socio-economic efficiency dimension proved to be more efficient as compared to economic dimension and social dimension alone.

### **Determinants Efficiency of Firm**

The relationship between efficiency and a few explanatory variables has been under investigation in the literature for a long time. Amongst the determinants of the efficiency of firms is asset size, location, operational age, types of business or specialization, managerial attitude, firm size and membership size.

Krasachat and Chimkul (2009), in the study of agricultural co-operatives in Thailand employed a Tobit Model and confirmed that the independent variables such as locations, the types of business, the co-operatives' age, lending policies, management's attitudes and size of asset influenced the dependent variables.

Meanwhile, another study from Jeong and Heshmati (2009), summarized that, the level of technical efficiency of firms is positively related to defense ratio, rate of operation, age of firm, specialization, competitive environment change, and R&D investment in defense part. In contrast, the size of firm has a negative affects to technical efficiency. Yao et al. (2007), used panel data sets of 22 insurance firms in China then they found that, firm size, ownership structure, type of business and human capital are important factors affecting firm efficiency performance. In the case of co-operative study in Malaysia, Kaur (2006), categorized co-operative into large and small based on accumulative share capital.

Different location effect the efficiency level. According to Athanassopoulos and Gounavis (2001), seek to assess the efficiency of public hospital in Greece and the study proved that urban hospital are efficient as compared to the rural hospital. Membership in a farmers' association significantly influence technical efficiency Omonona et al. (2010), and Nyagaka et al. (2010). Jaime and Salazar (2010), viewed the participation in co-operative as a relevant factor to obtain higher efficiency levels, especially in territories that do not have favorable conditions for these activities. Ortmann and King (2007), found out that education and training of managers are the critical requirements for the establishment of successful co-operatives. The statement in line with Arshad et al. (2009), when noted that highly educated and competent management team leads the co-operatives to success

## RESEARCH METHODOLOGY

### Data Envelopment Analysis (DEA)

DEA was introduced by Charnes, Cooper and Rhodes (1978), as a method for measuring the efficiency of decision making units (DMUs). Basically DEA is used to determine relative performance amidst multiple input and output. DEA used as a tool to evaluate and improve the performance of manufacturing and service operations. According to Charnes et al. (1994) it has been extensively applied in performance evaluation and benchmarking of schools, hospitals, bank branches and production plants.

Wagner and Shimsak (2007), elaborated DEA produced a single comprehensive measure of performance for each DMU for a given set of input and output variable meanwhile a few studies proved that DEA out performed ratio analysis, regression analysis and translog regression method in estimating and identifying efficiencies. Ho (2001) has made a comparison between DEA with Analytical Hierarchy Process (AHP), Grey Relation Analysis (GRA), Balance Scorecard (BSC) and Financial Statement Analysis (FSA). The main features for DEA compared to others are; simple in solving multiple input and output problems, specific purpose to measure efficiency and provide information on efficiency.

It is common to analyze efficiency in two stages; first stage DEA and second stage DEA. The first stage is to use non-parametric DEA to calculate the efficiency with which output is produced from physical inputs used. The second stage (Tobit or OLS) involves regression process in order to relate efficiency scores to factors seen to affect efficiency. Some procedures have been developed that incorporate the influence of efficiency factors in the DEA analysis (see Cooper et al., 2000; Coelli et al., 1999; Fried et al., 1999).

For the co-operative sector, Krasachat and Chinkul (2009), applied combination of DEA technique and Tobit regression to study the technical efficiency and its determinants of agricultural co-operative in Thailand.

In DEA, relative estimation of non- parametric deterministic frontier and the disposability of outputs and inputs are expressed in term of minimizing input requirements. The coefficient or weight developed through this method is unique to the individual DMU's or AFO's under evaluation. Based on the special characteristics, hence this study will employ DEA to measure AFO's efficiency.

DEA gives the general model as follows:

$$\begin{aligned}
 \text{Max } E_o \text{ or } S_o \text{ or } SE_o &= \frac{\sum_{r=1}^s U_r Y_{ro}}{\sum_{i=1}^m V_i X_{io}} \\
 \text{s.t. } \frac{\sum_{r=1}^s U_r Y_{rj}}{\sum_{i=1}^m V_i X_{ij}} &\leq 1 \\
 U_r &> 0 \\
 V_i &> 0
 \end{aligned}$$

Where  $Y_{rj}$  denotes the quantity of  $r_{th}$  of the  $j_{th}$  DMU,  $X_{ij}$  is the vector of quantity inputs employed by AFO<sub>stj</sub>, o id DMU under evaluation in set  $j=1, \dots, n$  DMU,  $s$  is the number of produced by DMU,  $m$  is the number of input used by DMU.  $U_r$  denotes the weight given to  $r_{th}$  outputs and  $V_i$  is the weight given to  $j_{th}$  input.

When the coefficient takes this structure, the value taken by  $E$  (Economic) or  $S$  (Social) or  $SE$  (Socio-economic) always lies between zero and one. When the coefficient or index is 1, it denotes complete efficiency. The efficiency here denotes an input or output relationship and is thus a measure of productivity.

### Tobit Model Regression

The Tobit model, also called a censored regression model was proposed by James Tobin in 1958. Basically, the model is a statistical model and designed to estimate linear relationships between variables when there is either left or right-censoring in the dependent variable. According to McDonald and Moffit (1980), the Tobit model is assumed that the dependent variable has a number of its value clustered at a limiting value, usually zero.

Amemiya (1984), noted that this model also known as truncated regression because the observations outside a specific range are totally lost. The model was preferred by many researcher over other alternatives techniques due to Tobit technique uses all observation, both those at the limit and those above it, to estimate a regression line.

Simar and Wilson (2007), considered a second-stage regression is meaningful and determined by the structure in the first stage where the initial DEA estimates are obtained. So they introduced a truncated regression in the second stage which can be estimated consistently using the maximum likelihood method.

According to Hwang and Oh (2008), it is customary to do a regression of DEA efficiency scores on the relevant control variables. Liu et al. (2012), employed super-efficiency DEA to access technical efficiency in colleges and Tobit regression specially uses to analyze an uncensored score.

Krasachat and Chimkul (2009), preferred Tobit in the study due to inefficiency scores from DEA were limited to values between 0 and 1. That is, co-operatives which achieved Pareto efficiency always have an inefficiency score of 0. Thus, the dependent variable in the regression equation cannot be expected to have a normal distribution. This suggests that the ordinary least squares (OLS) regression is not appropriate.

The Tobit model is a special case of a censored regression model, because the latent variable  $y^*$  cannot always be observed while the independent variable  $x_i$  is observable. The Tobit model may be defined as:

$$\begin{aligned} y^* & ; 0 \leq y^* \leq 1 \\ y & = 0 ; y^* < 0 ; \\ & 1 ; 1 < y^* \\ y^* & = \beta x_i + \varepsilon_i \end{aligned}$$

where  $y$  is the DEA CRS TE score.  $\varepsilon_i \sim i \sim N(0, \sigma^2)$

$y^*$  is a latent (unobservable) variable.

$\beta$  is the vector of unknown parameters which determines the relationship between the independent variables and the latent variable.

$x_i$  is the vector of explanatory variables

In addition, the Tobit beta coefficient is defined as the combination of the change in  $y^*$  of those above the limit, weighted by the probability of being above the limit; and also the change in the probability of being above the limit, weighted by the expected value of  $y^*$  if above.

## Data Source

This study will use panel data of 56 AFOs throughout Malaysia specifically involved in agriculture as their core activity from the year 2006 to 2010. The annual financial statement of selected AFOs will be used to analyze their technical efficiency.

## Variables for DEA Analysis

For the purpose of this study, two input variables and four output variables had been selected. Labor input was measured in labor expenses whereas capital input was measured in capital expenses. In selection of output variables, gross revenue from AFOs business and non- business activities were chosen as economic outputs and social output was measured by dividends, member's fund and honorarium.

## Variables for Tobit Analysis

Hence, this study will evaluate the significant relationship between independent variables to the AFOs efficiency levels. The descriptions are illustrated in the table below:

**Table 2:** Description of Variables for Tobit Estimation

Variables		Description	Hypotheses
1.	Asset	A = Amount of asset	Higher assets leads to higher efficiency
2.	Location (Dummy)	Ldum =1 for granary area 0 otherwise	AFOs in granary area more efficient than non –granary area
3.	Age Of AFOs	AA = is the age of AFOs	The older firm have the higher efficiency
4.	Type of Business (Dummy)	TBdum = 1 for agribusiness 0 otherwise	Agribusiness AFOs more efficient to non-agribusiness AFOS
5.	Manager Education (Dummy)	EMdum =1 for graduate manager 0 otherwise	Highly educated manager increase AFOs efficiency
6.	AFOs size (Dummy)	AS = Amount of accumulated shares	Large Size AFOs more efficient than small size
7.	Membership	M = Number of members	Larger membership size tends to increase efficiency of AFOs

Therefore, the Tobit model used in this study may be specified as:

$$y^* = \alpha + \beta_1 A + \beta_2 Ldum + \beta_3 AA + \beta_4 TBdum + \beta_5 EMdum + \beta_6 AS + \beta_7 M + \epsilon t$$

## FINDINGS

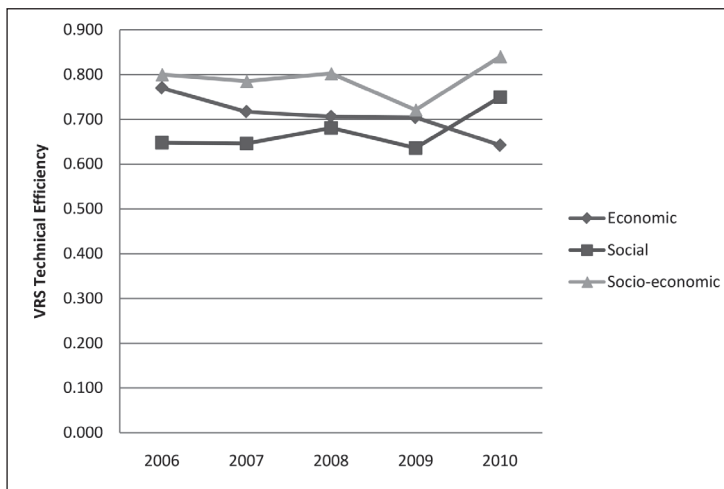
### First Stage DEA

This section presents the summary of efficiency performances growth of AFOs as accordance to three different dimensions. This implies that majority of AFOs under this study are operating at lower efficiency

**Table 3:** Summary of Efficiency Performances of AFOs

Dimensions	2006	2007	2008	2009	2010	Mean
	<b>Average Efficiency</b>					
Economic	0.770	0.717	0.706	0.704	0.642	0.708
Social	0.648	0.646	0.681	0.636	0.750	0.672
Socio-economic	0.800	0.785	0.802	0.721	0.840	0.790

A multiple lines chart was used to plot the average efficiency of the three dimensions. From the figure 1, the chart shows that socio-economic efficiency recorded the highest efficiency score with an average of 0.790 as compared to 0.708 for economic and 0.672 for social dimension. In other words, AFOs must maximize the output and minimized or at least maintained the input used in order to reach the point of being fully efficient. Statistically, the AFOs need to improve the efficiency level up to 0.292 or 29.2% for economic dimension and 0.328 or 32.8% and 0.210 or 21 % for social and socio-economic dimension respectively. Important to note that, difference in efficiency scores between economic, social and socio-economics indicated the evaluation performance may vary if one highlighted the result of a certain dimension only.

**Figure 1:** Average efficiencies of AFOs according to dimension from 2006-2010

The above table and line chart showed that for the unique organization like AFOs, the TE must reflect to the whole operations namely as economics and social performance. Even though most of the AFOs still inefficient but socio-economic efficiency dimension outperforms the findings as compared to economic performance and social performance alone.

## Second Stage DEA Result

Basically, the Tobit model is a statistical model proposed to describe the relationship between a non-negative dependent variable independent variable.

**Table 4:** Results of Tobit Estimations

Variables	Economic	Social	Socio-economic
	Coefficients P -Value	Coefficients P -Value	Coefficients P -Value
Membership (M)	0.000109401 0.0000389***	2.96539e-05 0.2483	6.23660e-05 0.0106 **
Asset (A)	1.78043e-09 0.7588	2.93689e-09 0.6310	2.92220e-09 0.6935
Age Of AFOs (AA)	0.0118241 0.2043	0.0559575 1.57e-09***	0.0218809 0.0306 **
Type of Business (TBdum)	0.0490724 0.2599	0.0419049 0.4023	0.0299024 0.5421
AFOs size (AS)	-0.000444096 0.00000165***	-0.000557099 2.42e-06***	-0.000323048 0.0092 ***
Location (Ldum)	0.143218 0.0090***	0.262747 1.48e-06***	0.157130 0.0105 **
Manager Education (MEdum)	0.0103395 0.8113	-0.000102604 0.9983	0.0153180 0.7525
Constant	0.199309 0.4986	-1.03907 0.0004***	0.0613265 0.8450
No. of observations	280	280	280
Significant level	** Significant at 5 % level *** Significant at 1 % level		



As for economic dimension, it is observed that the significant or positive coefficients for the pooled data were the variables of membership and location. Membership and location positively influences efficiency. The larger number of membership tends to increase the efficiency level of AFOs. Different location determined different efficiency level. AFOs located under granary area and out of granary area also cause different in their efficiency scores. Contrary to expectation, the size of AFOs is significant even though the coefficient of the variables showed a negative sign.

Tobit estimation results which are presented under social perspective signified two positive coefficients of variables. Age and location of AFOs found to have an influence in the efficiency level. The number of years operating AFOs distinguished the efficiency score where the longer the time it takes to operate is likely to make the AFOs to be more efficient. Likewise in economic dimension, location of the AFOs was one of the efficiency determinants as well as size of AFOs. Even though the coefficient showed a negative value but the p value recorded below significant level. This implies that the larger size of AFOs, the efficiency will be decreased.

The results obtained under socio-economic dimension, observed that the positive coefficients were the variables of membership, age of AFOs and location. The three significant variables were proved to influence the efficiency level of AFOs under study.

## CONCLUSIONS

In general, the summary of the results showed unhealthy performance for the majority of AFOs under evaluation. The mean efficiency score took the value of below one which indicated the AFOs were less efficient or in other words most of the AFOs are plagued by inefficiency. The Tobit result showed that the maximum of four factors were significant in determined the efficiency level. The factors like location, membership and age of AFOs as well AFOs size were found significant.

There is practical significance of employing right methods to measure AFOs efficiency accurately and to determine the factors affecting the efficiency. The findings from this study signified the unhealthy performances of AFOs in terms of technical efficiency but it is beneficial in guiding the government and FOA to formulate new strategies to improve AFOs. FOA threw the lights by reporting in 2010, AFOs managed to increase their volume of business, reduced the accumulated lost, retained members support as indicated by increased in share capitals and size of memberships. More importantly, the roles and contributions of AFOs had been recognized by government as a significant farmer's institution to transform the farmer's community.

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# KEPERLUAN SETIAUSAHA KOPERASI BERLESEN DALAM KOPERASI

Aishah Ariffin

Nasibah Ahmad

Rohalinda Ahad

Nor Arma Abu Talib

*Maktab Koperasi Malaysia (Co-operative College of Malaysia)*

## ABSTRAK

*Kajian ini dijalankan bertujuan untuk mengenalpasti keperluan mewujudkan jawatan Setiausaha Koperasi Berlesen (SKB) dalam sektor koperasi. Sebanyak 687 buah koperasi telah dipilih mewakili 310 buah koperasi besar dan sederhana serta 377 buah koperasi koperasi kecil dan mikro. Kajian ini menggunakan kaedah perbincangan Kumpulan Fokus dan soal selidik yang diedarkan melalui pos. Perbincangan Kumpulan Fokus telah dilakukan terhadap tiga buah koperasi di Melaka yang telah menggunakan lebih 10 tahun perkhidmatan kesetiausahaan daripada sebuah firma setiausaha syarikat yang sama iaitu Syarikat UMG Sdn.Bhd. Antara perbezaan yang ditemui ialah dari sudut caj yang dikenakan adalah mengikut kemampuan koperasi dan kerja-kerja yang dijalankan bergantung kepada keperluan koperasi.*

*Dapatan kajian telah menemukan beberapa faktor yang menjadi cabaran utama kepada Setiausaha Koperasi iaitu kekangan masa menjalankan tugas-tugas Setiausaha Koperasi dengan tugas hakiki mereka, elaun yang tidak setimpal dengan bebanan kerja dan tugas setiausaha yang terlalu membebankan. Analisis tabulasi silang telah dilakukan secara berasingan di antara Setiausaha dan Lembaga daripada koperasi besar dan kecil bagi mendapatkan maklum balas penerimaan SKB. Kajian menunjukkan bahawa kedua-dua Lembaga bagi koperasi besar dan kecil bersetuju SKB diwujudkan dengan sebahagian tugas setiausaha diambil alih oleh SKB. Kajian mendapati bahawa terdapat perbezaan antara Setiausaha di koperasi besar iaitu mereka tidak bersetuju SKB diwujudkan manakala Setiausaha di koperasi kecil bersetuju mewujudkan SKB dengan sebahagian tugas Setiausaha diambil alih oleh SKB.*

**Kata kunci:** *Setiausaha Koperasi Berlesen (SKB), cabaran setiausaha koperasi*

## **PENGENALAN**

Hasil daripada pengumpulan maklumat yang telah diperolehi daripada pihak SKM, sehingga 31 Disember 2010, hanya 60.72% koperasi sahaja dibandingkan dengan bilangan koperasi berdaftar yang menjalankan Mesyuarat Agung Tahunan.

Berdasarkan fakta tersebut, gambaran awal menunjukkan Setiausaha Koperasi tidak dapat menjalankan tugas secara efisien walaupun secara umumnya, tanggungjawab pengurusan Mesyuarat Agung adalah terletak pada semua ALK, namun secara khususnya tugas pengurusan tersebut adalah menjadi tanggungjawab Setiausaha seperti yang digariskan di dalam Undang-undang Kecil (UUK) 47.

Walaupun demikian, kemungkinan mewujudkan Setiausaha Koperasi Berlesen (SKB) ini bergantung pada keperluan sebenar gerakan koperasi. Pada masa ini, koperasi hanya menggunakan khidmat Setiausaha yang dipilih dalam kalangan Anggota Lembaga Koperasi (ALK) untuk melaksanakan tugas-tugas yang termaktub di dalam UUK 47(1) .

SKB ini juga akan dapat meningkatkan kecekapan tadbir urus koperasi di seluruh Malaysia dan mewujudkan koperasi yang lebih berkualiti. Dengan perkembangan perundangan koperasi yang semakin kompleks dan pembentukan perniagaan secara usahasama dalam kalangan koperasi serta di antara koperasi dengan pihak ketiga, sesebuah koperasi memerlukan seorang Setiausaha yang lebih kompeten dan berpengalaman untuk membantu menjalankan tugas-tugas Setiausaha, yang tidak bertugas sepenuh masa di koperasi yang dianggotainya.

## **PERNYATAAN MASALAH**

Sebagai salah seorang Lembaga Koperasi, Setiausaha menjadi penggerak utama dalam pembangunan koperasi terutamanya dalam menguruskan semua Mesyuarat Lembaga dan jawatankuasa kecil yang ditubuhkan oleh koperasi. Tugasnya sentiasa berubah mengikut perkembangan dan pembangunan koperasi. Selain tugas-tugas yang termaktub dalam Undang-undang Kecil Koperasi dan berusaha untuk memantapkan ilmu pentadbiran dan pengurusan, Setiausaha juga perlu melaksanakan tugas hakiki mereka. Keadaan ini mungkin menyebabkan Setiausaha tidak dapat melaksanakan mandat yang diserahkan oleh anggota koperasi untuk mentadbir koperasi agar berjalan dengan lebih efektif dan efisien. Ini dapat dilihat daripada statistik koperasi yang berjaya menjalankan Mesyuarat Agung dalam masa yang ditetapkan.

Oleh itu, Lembaga bertanggungjawab bagi memastikan pentadbiran dan pengurusan koperasi dikendalikan dengan teratur. Menurut Fasal 44(2)(e) Undang-undang Kecil, Lembaga hendaklah mempunyai kuasa dan kewajipan jika perlu, untuk melantik seorang pegawai bergaji tetap atau sebuah firma bagi menjalankan mana-mana daripada tugas setiausaha dengan syarat pegawai yang dilantik itu tidak boleh menjadi Lembaga. Walau bagaimanapun, masih belum terdapat kajian

berkaitan kemungkinan mewujudkan SKB ini untuk membantu koperasi melaksanakan tadbir urus koperasi dengan lebih cekap dan terancang.

Hasil kajian oleh Tetuan Rosman Consultancy Services Sdn.Bhd, melalui Kajian Keberkesanan Dasar Koperasi Negara (DKN) di bawah Kementerian Pembangunan Usahawan dan Koperasi telah mencadangkan supaya pihak kerajaan mempertimbangkan cadangan untuk mewujudkan dan melatih Setiausaha Koperasi Berlesen secara pentadbiran melalui Suruhanjaya Koperasi Malaysia dan menguatkuasakannya melalui pindaan undang-undang. Ini berikutan permasalahan yang wujud dalam kalangan Anggota Lembaga dalam mentadbir dan menguruskan hal ehwal pentadbiran koperasi.

## **OBJEKTIF**

Objektif kajian adalah untuk:

- i. Mengetahui sama ada mewujudkan Setiausaha Koperasi Berlesen (SKB) merupakan satu keperluan kepada gerakan koperasi;
- ii. Mengetahui cabaran utama kepada Setiausaha Koperasi untuk menjalankan tugas;
- iii. Mengetahui keperluan mewujudkan SKB sama ada membantu atau mengambil alih tugas Setiausaha Koperasi di koperasi.

## **SOROTAN KAJIAN**

Sehingga setakat ini di Malaysia masih belum terdapat kajian yang dijalankan dalam bidang Setiausaha Koperasi Berlesen (SKB). Oleh kerana itu, tidak dapat sorotan kajian yang menyeluruh berkaitan dengan kajian yang dijalankan ini. Walau bagaimanapun melalui perbincangan semasa kuliah antara pensyarah-pensyarah dengan kebanyakan peserta-peserta kursus di Maktab Koperasi Malaysia (MKM) yang terdiri daripada Anggota Lembaga Koperasi, ada menyuarakan bahawa mereka tidak mampu untuk menjalankan tugas-tugas setiausaha dengan sepenuhnya. Antara faktor yang menghadkan kemampuan mereka menjalankan tugas-tugas kesetiausahaan adalah dari segi pengetahuan terutamanya berkenaan tugas setiausaha berkaitan kepatuhan kepada penetapan perundangan koperasi.

Menurut perangkaan daripada Suruhanjaya Koperasi Malaysia (SKM) sehingga 31 Disember 2010, hanya 60.72 peratus koperasi sahaja yang berjaya menjalankan Mesyuarat Agung Tahunan berbanding jumlah koperasi yang berdaftar. Ini menunjukkan bahawa masih banyak lagi koperasi yang berdaftar iaitu sebanyak 39.28 peratus tidak mengadakan Mesyuarat Agung Tahunan mereka.



Melalui maklum balas daripada ALK koperasi yang menghadiri kursus di MKM, penyelidik mendapati bahawa faktor-faktor di bawah sering diperkatakan:

- i. Daftar koperasi tidak dikemas kini;
- ii. Perjanjian bertulis antara koperasi dengan pihak ketiga yang tidak menyebelahi koperasi;
- iii. Isu pertikaian koperasi tidak diketengahkan kepada pihak yang berkenaan;
- iv. Tiada skim perkhidmatan kakitangan yang wajar;
- v. Penulisan minit mesyuarat yang tidak teratur; dan
- vi. Isu-isu lain berkaitan dengan pematuhan pada perundangan koperasi yang tidak diberi perhatian.

Faktor-faktor di atas menunjukkan bahawa koperasi memerlukan Setiausaha yang berkelayakan, kompeten dan mengetahui serba sedikit tentang perundangan koperasi dan yang berkaitan dengannya.

### **Lembaga Koperasi**

Dalam sistem pentadbiran koperasi di Malaysia, koperasi ditadbir oleh seramai antara 6 hingga 15 orang Anggota Lembaga secara sukarela yang dipilih dalam Mesyuarat Agung Tahunan koperasi. Koperasi digalakkan menggaji kakitangan profesional secara sepenuh masa untuk menguruskan koperasi selaras dengan Dasar Koperasi Negara (DKN) iaitu menjelang tahun 2020, koperasi diuruskan oleh 80 peratus tenaga berkemahiran. Menurut kajian yang dijalankan oleh MKM pada 1984 menunjukkan 78 peratus koperasi yang dikaji mempunyai kakitangan bergaji sementara bakinya 22 peratus tidak mempunyai kakitangan bergaji. Sementara koperasi yang memiliki tenaga kerja menunjukkan lebih tiga perempat tenaga kerjanya adalah di peringkat operasi. Kajian ini menunjukkan hampir satu pertiga koperasi di Malaysia bergantung kepada Lembaga yang menjalankan tugas secara sukarela. Kajian juga menunjukkan prestasi koperasi yang mempunyai kakitangan sepenuh masa lebih baik berbanding dengan koperasi yang tidak mempunyai kakitangan sepenuh masa.

### **Setiausaha Koperasi**

Seorang setiausaha koperasi adalah anggota yang layak dilantik dalam sesuatu Mesyuarat Agung koperasi dan akan memegang jawatan untuk tempoh satu penggal iaitu tiga tahun. Menurut Fasal 47(1) UUK, tugas-tugas setiausaha koperasi adalah seperti berikut:

- (a) Memanggil dan menghadiri Mesyuarat Agung, Mesyuarat Lembaga dan Mesyuarat Jawatankuasa dan menyampaikan segala laporan dan dokumen untuk pertimbangan mesyuarat-mesyuarat itu;
- (b) Merekodkan perjalanan dan keputusan sesuatu mesyuarat;
- (c) Menyenggara dan mengemas kini semua daftar anggota, daftar penama, buku dan laporan yang dikehendaki oleh Lembaga;
- (d) Menguruskan surat-menyurat seperti yang diarahkan oleh Lembaga;

- (e) Mengesahkan bersama pengerusi salinan segala perkara yang bertulis di dalam buku koperasi;
- (f) Menyimpan dan menjaga dengan selamatnya mohor koperasi; dan
- (g) Menjalankan tugas lain yang ditentukan oleh Lembaga dari semasa ke semasa.

Seksyen 44(1), Akta Koperasi 1993 menyatakan bahawa Lembaga bertanggungjawab memastikan pentadbiran dan pengurusan koperasi dikendalikan dengan teratur. Menurut Seksyen 44 (2) (e) Lembaga boleh melantik (i) seorang pegawai yang bergaji tetap; atau (ii) sebuah firma, bagi menjalankan mana-mana daripada tugas Setiausaha jika perlu, dengan syarat pegawai yang dilantik itu tidak boleh menjadi Lembaga Koperasi.

### **Setiausaha Koperasi Berlesen**

Setiausaha Koperasi Berlesen (SKB) boleh ditakrifkan sebagai seseorang yang mempunyai kelayakan akademik yang bersesuaian dan telah menghadiri program latihan kesetiausahaan yang diiktiraf oleh SKM serta berdaftar dengan SKM untuk menjalankan perkhidmatan kesetiausahaan kepada semua koperasi di Malaysia, dengan mengenakan fi yang berpatutan. SKB lebih berperanan sebagai Setiausaha Kerja Koperasi dan akan membantu Setiausaha Kehormat Koperasi untuk menjalankan tugas-tugas dengan lebih sempurna.

SKB akan menjalankan tugasnya mengikut keperluan Akta Koperasi 1993, Peraturan-peraturan Koperasi 1995, peraturan lain yang diwujudkan dan Undang-undang Kecil Koperasi sendiri. (Tetuan Rosman Consultancy Services Sdn.Bhd, 2009). Secara ringkasnya tugas-tugas kesetiausahaan koperasi bagi pihak Lembaga dan anggota akan dipertanggungjawabkan kepada SKB. SKB juga berperanan untuk memberi nasihat dan peringatan dari semasa ke semasa mengikut kehendak perundangan koperasi seperti mengadakan Mesyuarat Agung Tahunan dan Mesyuarat Agung Khas, menyerahkan simpan dokumen koperasi kepada SKM seperti senarai Lembaga, minit mesyuarat agung, akaun teraudit dan dokumen-dokumen lain yang dikehendaki oleh SKM.

SKB berhak mengenakan bayaran dalam bentuk yuran SKB dan juga mengenakan fi profesional bagi kerja yang beliau jalankan. Beliau juga berhak untuk meletak jawatan pada bila-bila masa jika didapati pihak koperasi tidak beroperasi mengikut perundangan koperasi atau tidak mendapat bayaran seperti dipersetujui.

Lembaga koperasi juga berhak memecat SKB jika tidak berpuas hati dengan perkhidmatan yang diberikan dan melantik SKB yang baru selepas itu. Kejayaan sesebuah koperasi bergantung pada faktor seperti keupayaan koperasi mematuhi kehendak perundangan koperasi serta pelbagai perundangan yang lain yang diwujudkan oleh kerajaan Malaysia.

### **Setiausaha Syarikat**

Seperti yang didefinisikan petikan daripada Internet: (*nj-management-services.blogspot.com*), Setiausaha syarikat adalah individu yang diperlukan bagi membolehkan syarikat didaftarkan sepenuhnya di Suruhanjaya Syarikat Malaysia (SSM), serta beliau bertindak sebagai orang tengah

di antara syarikat dan SSM dan merupakan tulang belakang yang mewujudkan syarikat bagi orang awam sama ada rakyat tempatan mahupun rakyat asing. Setiausaha syarikat diperlukan bagi mengesahkan segala dokumen syarikat untuk membolehkan dokumen syarikat diterima dan sah disisi undang-undang.

Di samping itu juga beliau merupakan pegawai syarikat yang ditugaskan memberi nasihat dan peringatan kepada syarikat. Beliau berhak mengenakan imbuhan bayaran dalam bentuk yuran setiausaha syarikat dan juga mengenakan bayaran fi profesional atas kerja yang beliau jalankan. Beliau juga berhak untuk meletakkan jawatan pada bila-bila masa jika didapati pihak syarikat tidak beroperasi mengikut akta atau tidak mendapat bayaran seperti yang dipersetujui.

Pengarah syarikat juga berhak melakukan yang sama sekiranya tidak berpuas hati dengan perkhidmatan yang diberikan.

## **METODOLOGI**

Memandangkan kajian ini merupakan kajian lapangan yang bertujuan untuk mengenal pasti sama ada SKB perlu diwujudkan untuk menjalankan tugas pentadbiran di koperasi, maka reka bentuk kajian yang dipilih ialah berbentuk kajian tinjauan (survey research). Proses kajian bermula dengan mengenal pasti pernyataan masalah kajian. Berdasarkan pernyataan tersebut, matlamat dan objektif kajian pula dibentuk. Sorotan kajian kemudiannya dilaksanakan untuk mendapat gambaran tentang aspek yang dikaji dan untuk bertindak sebagai garis panduan dalam pemilihan kaedah untuk mencapai objektif kajian. Berdasarkan sorotan kajian juga, kajian-kajian lepas yang berkaitan dengan topik kajian dianalisis untuk mengenal pasti apakah faktor-faktor yang perlu dilihat atau dikaji di dalam kajian ini. Seterusnya, metodologi kajian ditentukan dan soal selidik dipilih sebagai instrumen kajian. Data yang dikumpul melalui soal selidik tersebut diproses dan dianalisis melalui analisis kuantitatif. Akhir sekali, dari analisis tersebut kesimpulan dibuat untuk mencapai objektif kajian.

Bagi tujuan kajian ini, pengkaji telah menjalankan ujian rintis kepada 66 orang responden yang merupakan peserta kursus Perundangan Koperasi dan Aplikasi yang terdiri daripada Anggota Lembaga Koperasi untuk mengenal pasti item-item soalan yang dikemukakan adalah relevan dengan responden kajian. Melalui kajian rintis ini, pengkaji dapat melihat tahap kefahaman responden terhadap arahan dan item-item yang terkandung dalam soal selidik. Maklum balas yang diperoleh akan digunakan untuk memperbaiki bahagian yang lemah dalam soal selidik. Daripada ujian kebolehpercayaan yang telah dijalankan, didapati item-item soalan dalam setiap bahagian soal selidik yang digunakan boleh diterima kerana nilai Alpha yang diperoleh adalah 0.711. Tahap kepercayaan yang baik dan boleh diterima jika nilai Alpha adalah lebih daripada 0.7 (Uma Sekaran, 1992).

Populasi kajian ini adalah terdiri daripada koperasi (tidak termasuk koperasi sekolah) mengikut kluster yang ditetapkan oleh pihak Suruhanjaya Koperasi Malaysia (SKM). Sampel kajian dipilih menggunakan teknik *stratified random sampling* dan kajian ini memfokuskan kepada tiga jawatan utama ALK iaitu Pengerusi, Setiausaha dan Bendahari serta Pengurus koperasi.

Kerangka sampel diperoleh daripada statistik yang dikeluarkan pihak SKM sehingga 31 Disember 2010 adalah sebanyak 8,146 buah koperasi. Sebanyak 2,135 buah adalah koperasi sekolah manakala selebihnya 6,011 buah adalah merupakan koperasi dewasa. Sampel ditetapkan dengan menggabungkan kluster koperasi iaitu kluster besar dan sederhana serta kluster kecil dan mikro. Daripada populasi tersebut, 310 buah koperasi kluster besar dan sederhana serta 377 buah koperasi kecil dan mikro telah dipilih sebagai sampel kajian melalui persampelan rawak (Uma Sekaran, 2005).

Kajian ini turut menggunakan kaedah perbincangan kumpulan fokus (focus group discussion) yang dijalankan kepada tiga buah koperasi yang telah menggunakan khidmat kesetiausahaan daripada firma luar yang dilantik oleh koperasi untuk menjalankan kerja-kerja kesetiausahaan kepada koperasi berkenaan. Kaedah ini digunakan sebagai salah satu strategi bagi mendapatkan maklumat yang lebih jelas dan pengalaman daripada responden yang telah menggunakan khidmat kesetiausahaan. Ia juga akan menjawab kepada persoalan sama ada koperasi mempunyai keperluan untuk mewujudkan SKB berdasarkan pengalaman daripada menggunakan khidmat kesetiausahaan daripada firma luar.

Soal selidik yang disediakan adalah berpandukan kepada objektif kajian yang disenaraikan. Soal selidik yang telah digunakan dibahagikan kepada empat bahagian. Bahagian A bertujuan untuk mengumpul profil berkaitan latar belakang koperasi manakala Bahagian B mengumpul profil latar belakang responden. Bahagian C merupakan soalan-soalan yang hanya dijawab oleh Setiausaha Koperasi yang merangkumi bidang tugas sebenar cabaran utama seorang Setiausaha Koperasi. Bahagian D pula mengandungi pandangan berkaitan Setiausaha Koperasi Berlesen (SKB).

Data-data yang diperoleh dianalisis dengan menggunakan kaedah kuantitatif. Data-data tersebut dianalisis dengan menggunakan perisian *Statistical Package For Social Science (SPSS) version 18.0*. Kajian ini menggunakan taburan kekerapan dan peratusan untuk menentukan bilangan responden yang memberi maklum balas dan ciri-ciri latar belakang responden yang diperolehi melalui maklumat demografi responden.

Bagi menjawab objektif kedua dan ketiga kajian ini, data yang diperoleh akan dimanipulasikan bagi membolehkan ianya dibahagikan kepada tiga kategori iaitu setuju diwujudkan SKB dengan mengambil keseluruhan tugas Setiausaha, setuju diwujudkan SKB dengan mengambil sebahagian tugas Setiausaha dan tidak setuju diwujudkan SKB.

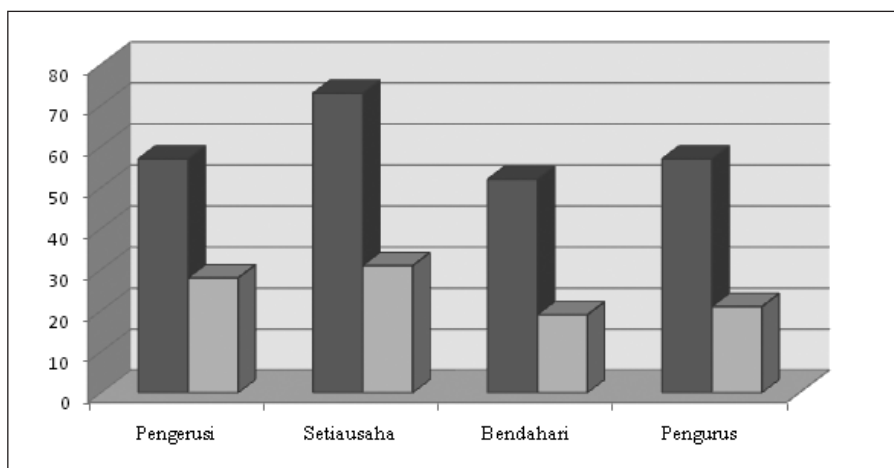
## ANALISIS

Borang soal selidik telah dihantar melalui pos kepada 1,500 buah koperasi. Sebanyak 190 buah koperasi telah mengembalikan borang yang merangkumi 402 responden individu. Borang yang telah dikembalikan mengikut kluster koperasi adalah sebanyak 118 daripada 310 buah koperasi besar dan sederhana. Manakala 72 daripada 377 buah koperasi adalah mewakili koperasi kecil dan mikro. Untuk memudahkan proses analisis data istilah koperasi besar digunakan mewakili koperasi besar dan sederhana, dan istilah koperasi kecil mewakili koperasi kecil dan mikro.

**Jadual 1:** Bilangan Borang Soal Selidik Diterima

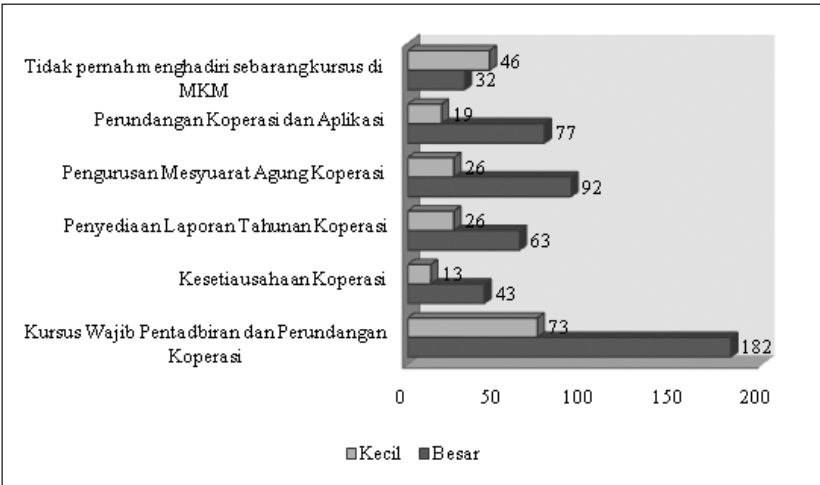
Kluster	Sampel Koperasi	Borang yang dikembalikan mengikut bilangan koperasi	Peratusan
Besar + Sederhana	310	118	38%
Kecil + Mikro	377	72	19%

Jumlah responden merupakan Lembaga dan Pengurus yang mewakili koperasi adalah seramai 402 orang. Daripada 402 orang responden, majoriti responden iaitu seramai 264 orang menunjukkan bahawa mereka mempunyai pengurus di koperasi untuk menjalankan hal-hal pengurusan koperasi. Walau bagaimanapun, seramai 149 orang responden menjawab tidak mempunyai Pengurus koperasi. Ini menjurus kepada koperasi dalam kategori koperasi kecil dan mikro. Seramai 104 orang responden merupakan setiausaha koperasi yang merupakan tumpuan utama kajian ini. Ini diikuti oleh 85 orang responden yang memegang jawatan sebagai Pengerusi, 71 orang memegang jawatan sebagai Bendahari dan 78 orang memegang jawatan sebagai Pengurus koperasi.



**Rajah 1:** Bilangan Responden Mengikut Jawatan

Didapati masih ramai Lembaga dan pengurus yang tidak pernah menghadiri sebarang kursus di MKM iaitu seramai 78 orang responden. Ini menunjukkan bahawa masih terdapat koperasi yang belum menerapkan sepenuhnya Prinsip Koperasi ke-5 iaitu pendidikan, latihan dan maklumat kepada anggota koperasi. Manakala Kursus Wajib Pentadbiran dan Perundangan Koperasi telah dihadiri oleh sebilangan besar responden iaitu 255 orang responden. Ini berikutan Garis Panduan yang telah ditetapkan oleh SKM kepada semua Lembaga Koperasi sebagai prasyarat untuk memegang jawatan sebagai Lembaga Koperasi.



**Rajah 2:** Bilangan Responden yang Menghadiri Kursus di MKM Berkaitan Pentadbiran Koperasi

**Tugas dan Tanggungjawab Setiausaha Koperasi**

Senarai tugas dan tanggungjawab Setiausaha koperasi dibangunkan berdasarkan peruntukan undang-undang. Pelaksanaan ini akan menggambarkan pematuhan kepada undang-undang dalam koperasi.

**Jadual 2:** Tugas dan Tanggungjawab yang Dilaksanakan oleh Setiausaha Koperasi

<b>Tugas-tugas Setiausaha</b>	<b>Ya (N=104)</b>	<b>Peratus (%)</b>
Memanggil dan menghadiri Mesyuarat Lembaga	102	98.8
Menguruskan Minit Mesyuarat Agung	101	97.1
Memanggil dan menghadiri Mesyuarat Agung	100	96.1
Menghantar senarai ALK kepada SKM	92	88.5
Mengesahkan bersama Pengerusi salinan cabutan minit mesyuarat	92	88.5
Mengurus surat-menyurat	86	82.7
Memanggil dan menghadiri Mesyuarat Jawatankuasa	83	79.8
Mendapat kelulusan SKM bagi pembayaran honorarium ALK	81	77.9
Menyediakan laporan tahunan koperasi	78	75.0
Menyenggara dan mengemas kini daftar anggota	74	71.2
Mendapat kelulusan SKM sebelum melabur wang berlebihan koperasi	66	63.5
Mengkaji dan mecadangkan Pindaan UUK dan Aturan	64	61.5
Menyediakan laporan bulanan Lembaga	62	59.6
Menyelia kakitangan koperasi	60	57.7
Mendapatkan kelulusan SKM bagi pembayaran dividen melebihi 10%	59	56.7
Mencari peluang perniagaan koperasi	52	50.0
Membuat rundingan perniagaan koperasi dengan pihak luar	44	42.3
Menguruskan rujukan kes pertikaian	38	36.5
Mempengerusikan Mesyuarat Jawatankuasa Penentusah Draf Minit Mesyuarat Agung	24	23.1
Mendapatkan kelulusan SKM untuk membuka cawangan koperasi	23	22.1
Mendapatkan kelulusan SKM untuk menerima deposit dari bukan anggota	18	17.3

Bahagian ini hanya diisi oleh Setiausaha Koperasi sahaja, dengan tujuan untuk melihat sama ada Setiausaha Koperasi memahami tugas dan tanggungjawabnya di koperasi. Berdasarkan Jadual 2, dapatlah dirumuskan bahawa Setiausaha masih belum jelas sepenuhnya dengan tugas dan tanggungjawab Setiausaha Koperasi kerana ia hanya digariskan secara umum di dalam Undang-undang Kecil Koperasi.

**Jadual 3:** Cabaran Menjalankan Tugas Setiausaha Koperasi

Cabaran Utama	Ya (N=104)	Peratus (%)
Kekangan masa dengan tugas hakiki	64	61.5
Elaun tidak setimpal dengan beban kerja setiausaha	37	35.6
Tugas Setiausaha terlalu membebankan	34	32.7
Tiada pengalaman dalam bidang tugas setiausaha	29	27.9
Tiada pengetahuan dalam bidang tugas setiausaha	28	26.9
Banyak terlibat dengan kegiatan kemasyarakatan	26	25.0
Banyak memegang jawatan ALK di koperasi lain	7	6.7

Jadual 3 menunjukkan taburan kekerapan cabaran menjalankan tugas Setiausaha Koperasi secara keseluruhan. Dapatan kajian menunjukan bahawa elemen yang paling mempengaruhi cabaran menjalankan tugas Setiausaha Koperasi ialah kekangan masa dengan tugas hakiki dengan kekerapan seramai 64 orang (61.5%). Ini disebabkan tugas Setiausaha Koperasi bukan dijalankan secara sepenuh masa oleh penyandang jawatan ini. Ia dijalankan selepas waktu bekerja yang menjadikan ia sebagai cabaran yang besar kepada Setiausaha Koperasi.

**Jadual 4:** Cabaran Utama Setiausaha Mengikut Kluster Koperasi

Cabaran Utama	Koperasi Besar	Koperasi Kecil
Kekangan masa dengan tugas hakiki	56.1%	74.1%
Elaun tidak setimpal dengan beban kerja setiausaha	30.1%	48.3%
Tugas setiausaha terlalu membebankan	31.5%	35.4%
Tiada pengalaman dalam bidang tugas setiausaha	15.0%	58.0%
Tiada pengetahuan dalam bidang tugas setiausaha	16.4%	51.6%
Banyak terlibat dengan kegiatan kemasyarakatan	21.9%	32.2%
Banyak memegang jawatan ALK di koperasi lain	8.2%	3.2%

Jadual 4 menunjukkan *crosstab* antara cabaran menjalankan tugas Setiausaha Koperasi di antara koperasi besar dan koperasi kecil. Keputusan *crosstab* menunjukkan responden koperasi besar tidak memberikan peratusan yang tinggi terhadap cabaran yang dihadapi oleh Setiausaha Koperasi dalam melaksanakan tugas. Cabaran kekangan masa dengan tugas hakiki hanya mencatat peratusan sebanyak 56.1% (41 daripada 73 orang). Ini mungkin disebabkan responden yang berada dalam kategori koperasi besar tidak menghadapi cabaran untuk melaksanakan tugasnya di koperasi disebabkan mempunyai kakitangan yang mencukupi untuk menjalankan kerja-kerja pentadbiran koperasi.



## Pandangan Berkaitan Setiausaha Koperasi Berlesen

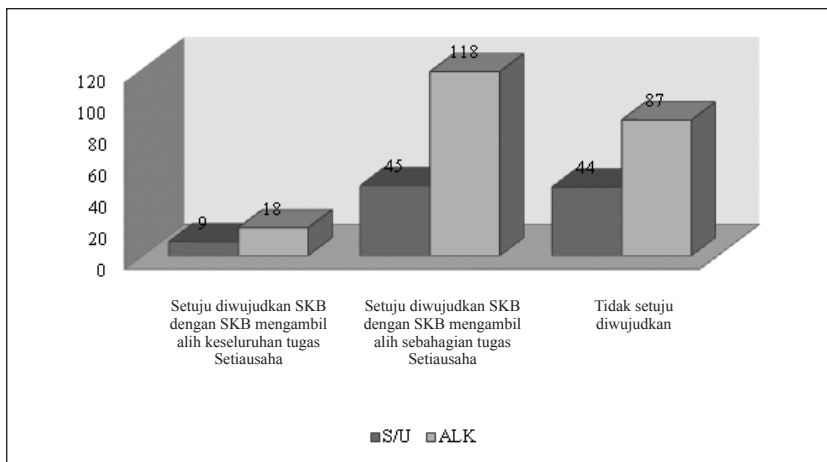
Bahagian ini akan menganalisis data yang dikumpulkan untuk melihat sama ada terdapat perbezaan pendapat tentang cadangan mewujudkan SKB mengikut jawatan responden iaitu Setiausaha dan Lembaga koperasi.

**Jadual 5:** Min Bagi Pendapat Mewujudkan SKB

Bil	Pendapat Mewujudkan SKB	Min (Setiausaha)	Min (ALK & Pengurus)
1	SKB akan mengurangkan bebanan Setiausaha Koperasi	3.64	3.50
2	Meningkatkan tahap ditadbir urus koperasi	3.74	3.62
3	Setiausaha Koperasi boleh memberikan lebih tumpuan kepada penyeliaan kakitangan	3.48	3.49
4	Meningkatkan tahap pematuhan perundangan	3.69	3.72
5	SKB akan memberikan gambaran pentadbiran yang telus kepada anggota	3.40	3.52
6	SKB akan menjadikan jawatan Setiausaha Koperasi tidak penting	3.05	3.03
7	Koperasi tidak mampu menampung kos perkhidmatan SKB	3.69	3.43
8	Koperasi kurang selesa dengan campur tangan pihak luar	3.68	3.45

Skala: 1- Sangat Tidak Setuju 2- Tidak Setuju 3- Neutral 4- Setuju 5- Sangat Setuju

Jadual 5 menunjukkan senarai pendapat responden tentang cadangan mewujudkan SKB. Melalui pendapat tersebut, pendapat yang paling kritikal di antara lapan pendapat yang dinyatakan melalui skor min. Daripada keseluruhan dapatan kajian, jelas menunjukkan bahawa mewujudkan SKB akan memantapkan tadbir urus koperasi.



**Rajah 3:** Mewujudkan SKB di Koperasi

Rajah 3 menggambarkan pendapat responden tentang mewujudkan SKB di koperasi. Hasil kajian menunjukkan majoriti responden iaitu Setiausaha (45 orang responden) dan ALK yang lain (118 orang responden) bersetuju mewujudkan SKB dengan sebahagian tugas Setiausaha diambil alih oleh SKB.

**Jadual 6:** Mewujudkan SKB Mengikut Kluster Koperasi

Pewujudan SKB di koperasi	Koperasi Besar		Koperasi Kecil	
	Setiausaha N=67	ALK N=158	Setiausaha N=31	ALK N=65
Setuju mewujudkan SKB dengan mengambil alih keseluruhan tugas Setiausaha	4/67 = 6.0%	11/158= 7.0%	5/31= 16.1%	7/65= 10.8%
Setuju mewujudkan SKB dengan sebahagian tugas Setiausaha diambil alih oleh SKB	31/67= 46.3%	79/158= 50.0%	14/31= 45.2%	39/65= 60.0%
Tidak bersetuju diwujudkan SKB	32/67= 47.7%	68/158= 43.0%	12/31= 38.7%	19/65= 29.2%

Untuk memberikan rumusan yang lebih jelas, Jadual 6 menunjukkan *crosstab* antara mewujudkan SKB di koperasi dengan koperasi besar dan koperasi kecil. Keputusan ini mengasingkan pendapat daripada Setiausaha dan Lembaga untuk koperasi besar dan koperasi kecil. Keputusan *crosstab* ini menunjukkan dengan jelas responden daripada koperasi besar mencatatkan peratusan yang tinggi dalam kalangan setiausaha koperasi besar iaitu 47.7% (32 daripada 67 orang) untuk tidak bersetuju diwujudkan SKB. Keputusan ini memberikan perbezaan yang kecil dari segi peratusan yang bersetuju mewujudkan SKB dengan sebahagian tugas Setiausaha diambil alih oleh SKB iaitu 46.3% (31 daripada 67 orang Setiausaha).

Manakala responden dalam kalangan Lembaga daripada koperasi besar menunjukkan keputusan *crosstab* yang berbeza iaitu bersetuju mewujudkan SKB dengan sebahagian tugas diambil alih oleh SKB dengan peratusan sebanyak 50% (79 daripada 158 orang lembaga). Walau bagaimanapun, 43.0% (68 daripada 158 orang) Lembaga daripada koperasi besar masih bersetuju pendapat dengan Setiausaha untuk tidak mewujudkan SKB. Ini jelas menunjukkan bahawa tugas-tugas kesetiausahaan masih boleh diuruskan oleh Setiausaha Koperasi dengan bantuan daripada kakitangan yang mencukupi.

Keputusan *crosstab* ini berbeza dengan responden daripada koperasi kecil yang mencatatkan peratusan yang paling tinggi untuk bersetuju mewujudkan SKB dengan mengambil alih sebahagian tugas Setiausaha dengan masing-masing mencatatkan peratusan sebanyak 45.2% (14 daripada 31 orang Setiausaha) dan 60.0% (39 daripada 65 orang Lembaga).

### **Perbincangan Kumpulan Fokus**

Kaedah perbincangan Kumpulan Fokus (focus group discussion) telah dijalankan kepada tiga buah koperasi yang telah menggunakan khidmat kesetiausahaan daripada Setiausaha Syarikat serta Setiausaha Syarikat yang menjalankan kerja-kerja kesetiausahaan kepada koperasi berkenaan. Kaedah ini dapat memberi peluang kepada Lembaga Koperasi untuk berkongsi dan membuat perbandingan tentang pengalaman dan pandangan Lembaga Koperasi serta memberi pendapat berkaitan kajian dijalankan. Manakala perbincangan dengan setiausaha syarikat tersebut dapat memberikan maklum balas berkenaan kerja-kerja yang dijalankan ke atas koperasi tersebut. Secara tidak langsung, ia dapat menjawab kepada persoalan kajian mengenai keperluan mewujudkan SKB kepada gerakan koperasi secara keseluruhan.

Koperasi yang terlibat adalah Koperasi Pekerja Majlis Perbandaran Melaka Berhad, Koperasi Pekerja-pekerja Kumpulan Sokongan Melaka Berhad dan Koperasi Kakitangan Perubatan & Kesihatan Melaka Berhad serta perbincangan dengan Pengarah Syarikat yang memberikan khidmat kesetiausahaan kepada ketiga-tiga koperasi ini. Perbincangan berasaskan kepada soalan-soalan yang dibangunkan menjurus kepada objektif kajian.

Kesimpulan daripada perbincangan kumpulan fokus di antara koperasi dan firma setiausaha syarikat menunjukkan bahawa SKB boleh diwujudkan tetapi koperasi mempunyai pilihan untuk menggunakan perkhidmatannya. Walau bagaimanapun, sekiranya koperasi menggunakan khidmat SKB, caj yang dikenakan adalah mengikut khidmat yang diberikan. Ini memerlukan satu garis panduan yang jelas tentang tugas SKB berbanding Setiausaha Koperasi.

## RUMUSAN DAN CADANGAN

Kajian ini secara umumnya, mendapati faktor kekangan masa (61.5%), elaun tidak setimpal dengan bebanan kerja (35.6%), dan tugas setiausaha terlalu membebankan (32.7%), menjadi cabaran utama kepada setiausaha untuk menjalankan tugasnya secara berkesan. Justeru, analisis *crosstab* dilakukan untuk mendapat keputusan yang jelas iaitu cabaran kekangan masa dengan tugas hakiki bagi koperasi besar hanya mencatatkan 56.1% (41 daripada 73 orang setiausaha) berbanding koperasi kecil mencatatkan peratusan sebanyak 74.1% (23 daripada 31 orang setiausaha). Ini mungkin disebabkan responden yang berada dalam koperasi besar tidak menghadapi cabaran untuk melaksanakan tugasnya di koperasi disebabkan mempunyai kakitangan yang mencukupi. Bagi responden koperasi kecil juga menghadapi cabaran kerana tiada pengalaman dalam bidang tugas setiausaha, 58% (18 daripada 31 orang) dan tiada pengetahuan dalam bidang tugas setiausaha, 51.6% (16 daripada 31 orang). Faktor banyak memegang jawatan Lembaga di koperasi bukan merupakan cabaran kepada Setiausaha sama ada koperasi besar atau koperasi kecil kerana peratusan yang ditunjukkan adalah terlalu rendah iaitu 8.2% (koperasi besar) dan 3.2% (koperasi kecil).

Kajian juga mendapati tiada perbezaan pendapat yang signifikan antara koperasi besar dan koperasi kecil terhadap pendapat SKB akan menjadikan jawatan Setiausaha Koperasi tidak penting dan koperasi kurang selesa dengan campur tangan pihak luar sekiranya SKB diwujudkan. Ini dibuktikan dengan responden koperasi besar dan koperasi kecil tidak pasti sama ada SKB akan menjadikan jawatan setiausaha tidak penting melainkan deskripsi tugas disenaraikan secara terperinci untuk membezakan tugas Setiausaha Koperasi dan SKB. Responden daripada koperasi besar dan koperasi kecil juga cenderung untuk bersetuju dengan pendapat koperasi kurang selesa dengan campur tangan pihak luar sekiranya SKB diwujudkan.

Maklum balas penerimaan SKB oleh responden dianalisis melalui analisis *crosstab* secara berasingan di antara Setiausaha Koperasi dan Lembaga daripada koperasi besar dan koperasi kecil. Analisis maklumat responden daripada pihak Setiausaha Koperasi besar mencatatkan peratusan yang tinggi iaitu 47.7% (32 daripada 67 orang) tidak bersetuju diwujudkan SKB dan terdapat perbezaan peratusan yang kecil iaitu 46.3% (31 daripada 67 orang) bersetuju mewujudkan SKB dengan sebahagian tugas setiausaha diambil alih oleh SKB. Manakala, Lembaga daripada koperasi besar secara majoritinya iaitu 50% (79 daripada 158 orang) bersetuju mewujudkan SKB dengan sebahagian tugas Setiausaha Koperasi diambil alih oleh SKB. Keputusan *crosstab* ini berbeza dengan responden koperasi kecil iaitu Setiausaha dan Lembaga dengan mencatatkan peratusan yang paling tinggi untuk bersetuju mewujudkan SKB dengan mengambil alih sebahagian tugas Setiausaha Koperasi dengan masing-masing mencatatkan peratusan sebanyak 45.2% (14 daripada 31 orang setiausaha) dan 60% (39 daripada 65 orang lembaga).

Maklum balas juga diperoleh daripada perbincangan Kumpulan Fokus dengan responden daripada koperasi memberikan pendapat bahawa SKB boleh diwujudkan tetapi koperasi mempunyai pilihan untuk menggunakan perkhidmatannya dan caj yang dikenakan adalah mengikut khidmat yang diberikan. Manakala responden daripada firma setiausaha syarikat berpendapat supaya satu garis panduan yang jelas tentang tugas SKB dan Setiausaha Koperasi perlu diwujudkan sekiranya SKB ingin dilaksanakan.

Penyelidik mengenal pasti beberapa cadangan yang perlu dikemukakan iaitu:

- i. Deskripsi tugas Setiausaha Koperasi dan SKB  
Sekiranya SKB diwujudkan, Setiausaha Koperasi akan kekal dengan tanggungjawab yang berkaitan dengan hal pentadbiran dalaman koperasi seperti urusan surat-menyurat dan hal ehwal keanggotaan koperasi. Pihak SKM perlu menyediakan deskripsi tugas antara Setiausaha Koperasi dan SKB agar tidak berlaku pertindihan tugas.
- ii. Satu mekanisme perlu diwujudkan untuk membantu koperasi kecil dan mikro apabila menggunakan perkhidmatan SKB.

Berdasarkan hasil analisis yang telah dikemukakan, secara keseluruhannya dapat dirumuskan bahawa SKB boleh diwujudkan tetapi hanya mengambil sebahagian daripada tugas Setiausaha Koperasi. Walau bagaimanapun, ia tidak melibatkan koperasi besar yang tidak menghadapi masalah dalam menjalankan tanggungjawab kesetiausahaan dengan adanya bantuan kakitangan koperasi, dan sekiranya SKB dilaksanakan, ia akan melibatkan koperasi kecil dan mikro yang perlu diambil perhatian mengenai kemampuan kewangan apabila menggunakan khidmat Setiausaha Koperasi.

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Centre of Consultation and Research  
CO-OPERATIVE COLLEGE OF MALAYSIA  
103, Jalan Templer, 46700 Petaling Jaya, Selangor, Malaysia  
Tel: 603-7964 9000 Fax: 603-7957 0434  
E-mail: [mkm@mkm.edu.my](mailto:mkm@mkm.edu.my)