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DEVELOPMENT OF HUMAN RESOURCE FOR THE CO-OPERATIVE MOVEMENT

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BACKGROUND

- Human resources development (HRD) is an important component for the success of any organization.

- HRD is the part of human resource management that specifically deals with training and development of the people in the organization.

- Co-operative is one of the sectors, which renders services to the poor people and uplifts the socio-economic status of members. Co-operatives must realize that enlightened members, competent office bearers and employees are their own need.

BACKGROUND OF CO-OPERATIVE MOVEMENT

- Co-operative movement in Malaysia has witnessed significant growth in the past years. By end of 2014 there were a total of 11,871 registered co-operatives in Malaysia.

- The National Co-operative Policy (NCP) 2011-2020 is established with the focus on directing and stimulating the growth of co-operative revenue on a long term basis. Co-operative movement revenue target is RM50bn in 2020.

STRATEGIC TRUST OF NCP

In order to ensure the goals are achieved, five strategic thrust were formulated to guide the implementation of NCP 2011-2020 :-

- Stimulate participation of co-operative in high value economic sector
- Strengthen the capacity and capability of the co-operatives
- Create and develop the capability of **human capital** in co-operatives
- Improve public confidence in the co-operative movement; and
- Strengthen co-operatives through effective supervision and enforcement

MALAYSIAN CO-OPERATIVE CLUSTERS

CLUSTERS	CRITERIA (Annual Turnover)	TOTAL NUMBER OF COOPS UP TO DEC 2014
Micro Co-operative	Annual Turnover less than RM200,000	9,889 coops
Small Co-operative	RM200,000 to less than RM1 Million	1,289 coops
Medium Co-operative	RM1 Million to less than RM5 Million	507 coops
Large Co-operative	RM5 Million and above	186 coops

Problem of Dormant and Inactive co-operative

Source from MCSC Website

ISSUES AND CHALLENGES

- According to Westhead and Storey (1996) noted the characteristics which distinguishes small organizations form larger ones other than size itself is that of **uncertainty.**
- According Snell and Lau (1994) found that more management competencies are required for growth in small organization compared to larger organizations. In this situation, **small co-operative failed to develop skills, knowledge and competencies among workers**. This is mainly because of financial constraints and insufficient training.

ISSUES AND CHALLENGES

- According to Hill and Stewart (2000), on a case study research into human resource development within three SMEs firms, investigated employers attitudes towards learning, examined the link between career structures and training in organizations of all sizes. Evidence from this study found **that small organization lacked of career structure which did not guarantee promotion and training**.

ISSUES AND CHALLENGES

- **Succession planning is lacking**

  From the conducted survey, it was found that 20% of co-operative board members were aged 61 and older. About 2% of co-operative members from the survey were below the age of 30, showing a relatively small participation rate from the younger generation.

Study on Contribution of Co-operative Sector towards Nation's Economic Development(2014) (KPMG)

ISSUES AND CHALLENGES

- **Low co-operative member participation**

  Member participation in a co-operative is the activeness of a member in the co-operative economic activities. This can be productive terms or by granting patronage to their own co-operative. From the survey, only 52% of the respondents had members of their own co-operatives as active patrons the co-operatives.

ISSUES AND CHALLENGES

- **Lack of Expertise in business planning and marketing**

The survey conducted found that approximately 52.15% of the respondents cited STPM and below as the highest qualification obtained by a mixture of board members and management. There is room for human capital improvements, in terms of skills and education.

ISSUES AND CHALLENGES

- It can be seen that the human capital required by the co-operative sector is similar to that of other businesses in the market. However, fresh graduates should be encourage to join the co-operative as Co-operative College of Malaysia (CCM) produces approximately 300 students per year since 2009 and only 40% of the students are cited to return to the co-operative sector.

ENHANCING HRD

- Positioning knowledge management can enhance the way co-operatives operate.

- Knowledge management can be positioned in co-operatives by way of training and education. The effort to provide training and education to the cooperative movement in Malaysia is done by the Cooperative College of Malaysia (CCM).

Establishment of ccm

- 13 November 1956
- Finance from Colonial Welfare and Development Fund
- Incorporated as a statutory body in 1968
- Agency under Ministry of Domestic Trade, Co-operative and Consumerism

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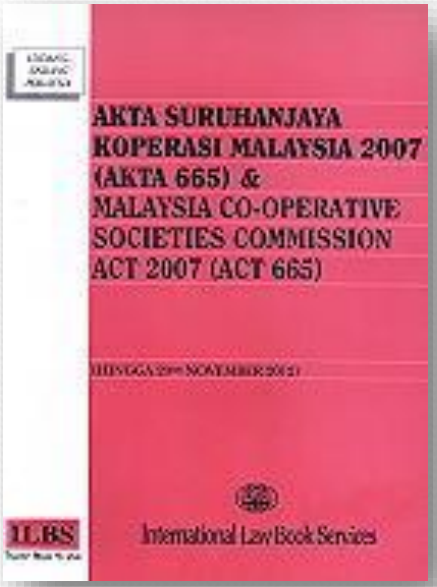
MINISTRY OF DOMESTIC TRADE, CO-OPERATIVE & CONSUMERISM (MDTCC)

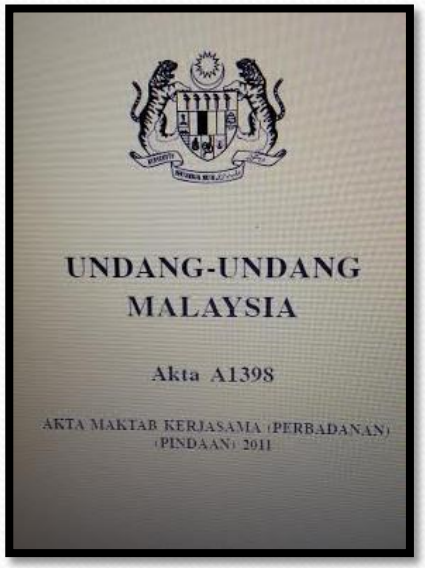
MALAYSIA CO-OPERATIVE SOCIETIES COMMISSION

CO-OPERATIVE COLLEGE OF MALAYSIA



- **Registrar**
- **Regulatory**

- **Training**



Function s of ccm

- Organizing co-operative-related courses;
- Printing and publishing of books on co-operative and matters related to them;
- Carry out research on co-operative matters
- To provide consultancy services.

Vision and mission of ccm

To be a world-class co-operative education institution

To be a centre of excellence for the enhancement of human capital in the co-operative movement through innovative, effective and customer focused training, education and knowledge based services imbued with co-operative values and principles

FINANCING

- **OPERATING BUDGET**

Co-operative Act of 1993 mandates contribution of 2% of net profits of co-operative to the fund

- **DEVELOPMENT BUDGET**
  - Government (Treasury)

TARGET PARTICIPANTS

- Board Members, Internal Auditors
- Employee of Co-operatives
- Members of Co-operatives
- Government Officers supervising Co-operatives
- Individuals (public and private sectors)

PHYSICAL FACILITIES (main campus)

- Training Rooms
- Library with more than 80,000 books
- Hostel accommodation for 300 participants
- Auditorium
- Multipurpose hall
- Indoor and outdoor sport facilities
- Cyber (IT Lab)
- Cafeteria

TRAINING PROGRAMMES

1. **Mandatory Course for Board & IAC. (Guidelines 5)**

   (Governance, Financial Management & Strategic Management)

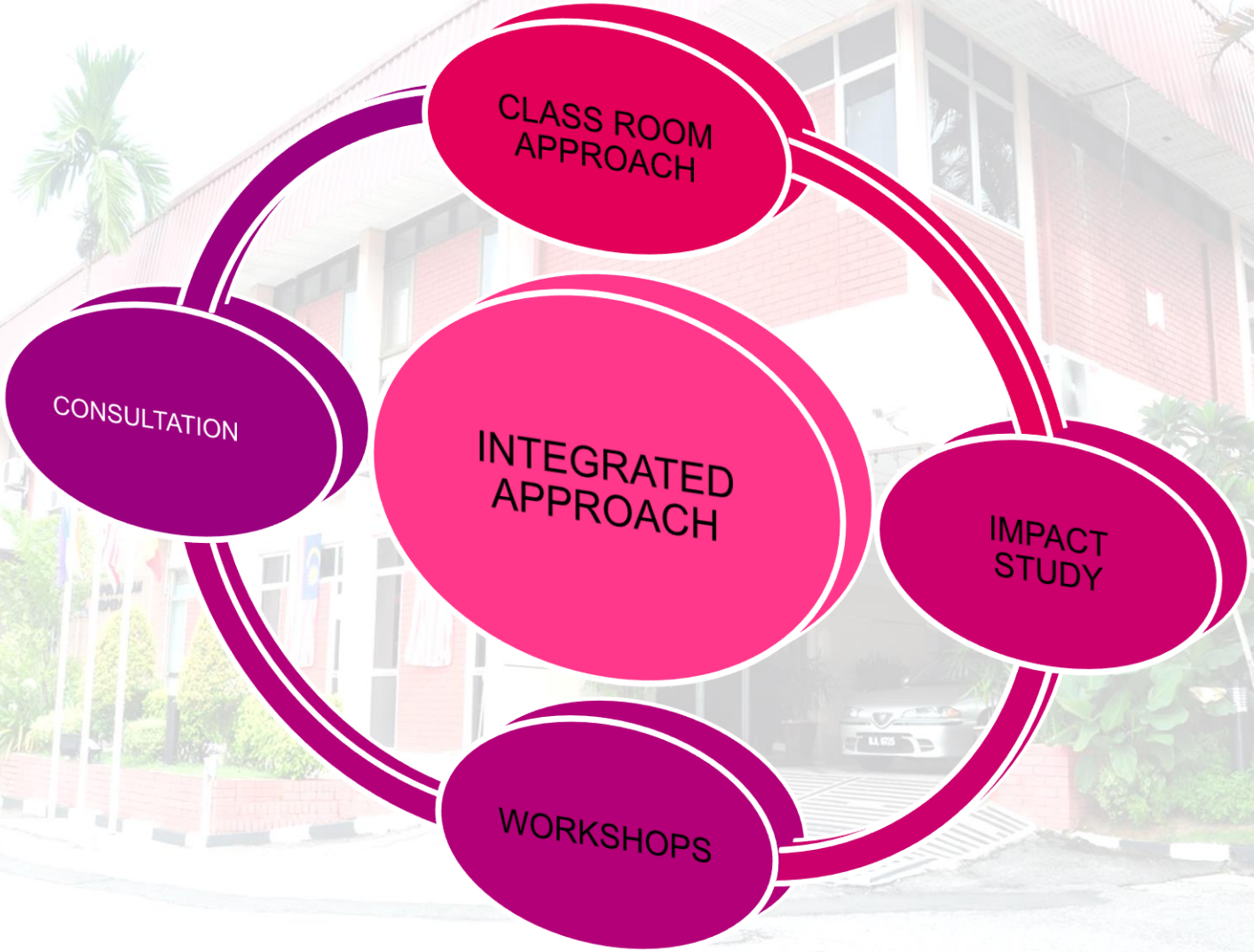
2. Short Course – Governance, Business, IT, Finance, etc

3. Long term courses- Diploma, Degrees

4. Consultation services on co-operative matters

INTEGRATED APPROACH

‘INTEGRATED APPROACH’



WAY FORWARD

- To develop quality human resource and human capital, this will look into the formation of a co-operative university by CCM to provide a highly educated and competent workforce for the co-operative movement in Malaysia. The University aims to be the co-operative Centre of Excellence (CoE) for co-operative education.

CONVOCATION

ORIENTATION WEEK

CSR

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CO-OPERATIVE ANNUAL GENERAL MEETING

OTHER ACTIVITIES

CONCLUSION

- Effective training is an investment in the human resource of an organization, with both immediate and long range returns. Building strong membership and human resources, not necessarily capital, is the basis for building co-operatives that are both economically strong and sustainable.

THANK YOU