MANAGERIAL ROLES AND THE TRAINING OF MALAYSIAN CO-OPERATIVES’ MANAGERS

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ABSTRACT

Managers get things done through people efficiently and effectively. Managerial roles explain the actual work that managers do. Mintzberg has documented ten (10) specific managerial roles and classified them into three areas: (a) interpersonal, (b) informational, and (c) decisional. Managers of conventional companies are governed, among others, by the Companies Act 1965 under the Companies Commission of Malaysia, whereas co-operative organisations are administered by the Co-operative Act 1963 under the supervision of the Co-operative Commission of Malaysia. This paper investigates the perceptions of co-operatives’ senior managers toward managerial roles and their training within the co-operatives’ framework. The results showed that senior managers of co-operatives performed Mintzberg’s managerial roles and sought similar managerial training like their companies counterparts despite operating under different legal frameworks. However, the results were not conclusive considering constraints on sample size of the study (n=52). The study proposed that future research use case study method to understand the details of managerial work at cooperatives.

INTRODUCTION

Co-operatives play a vital role in generating growth in an economy. They are equally important like other economic institutions that contribute to the prosperity and wealth of a nation. According to the Ministry of Domestic Trade, Co-operatives and Consumerism Malaysia (2010), more than 6 million people or 25% of the total population are members of co-operatives. In fact, the co-operative sector is the third largest sector, besides the public and private sectors that has contributed about five percent in Gross Domestic Product (GDP) to the growth of the Malaysian economy.

In this vein, they also need managers to coordinate economic activities, allocate resources, and compete with the rivals. The managerial philosophy of managers of co-operatives and other commercial institutions would likely be similar because both function to maximise the interests of
the stakeholders. In both types of organization, managers need to influence organisational members to enhance the latter’s commitment and effort to achieve organisational goals.

**Problem Statement**
Managers of co-operatives and other commercial institutions perform similar jobs, but play different roles. The established literature on management widely argues that managers in for-profit or for-non-profit organisations practise typical managerial tasks and roles. However, co-operative organisations have both for-profit and non-profit elements. Thus, the study assumes that co-operative organisations also practise managerial tasks and roles as their counterparts in other organisations. In addition, co-operative managers also attend the same training that is necessary to equip them to execute managerial roles and skills effectively.

**Research Objectives**
The study aims to investigate the perceptions of cooperatives’ senior management toward managerial roles and training, and to aggregate their thought into broader categories. The study addressed two research questions:
1. What is the description of manager’s job according to co-operative managers?
2. What are the perceptions of co-operative managers toward a manager’s job, managerial roles and training?

The two research questions are in line with the problem statement that managers of co-operative organisations are not different from their counterparts in other types of organisations. This provisional assumption provides the main argument of the study considering that the established literature on management emphasises that managers are involved in typical managerial tasks in both for-profit and non-profit organizations.

**LITERATURE REVIEW**
In Malaysia, co-operatives are regulated by the Commission of Co-operative Malaysia (or *Suruhanjaya Koperasi Malaysia*) under the Ministry of Domestic Trade, Co-operatives and Consumerism. According to the Commission of Co-operative Malaysia (*Suruhanjaya Koperasi Malaysia/SKM, 2009*), a “co-operative” is defined as “… a society registered under the Co-
operative Societies Act 1993 with objectives to promote economic interest among its members in accordance with co-operative principles.”

The above definition implies that a co-operative is a business organisation voluntarily formed and run by members to cater for their “economic” needs. It is not a non-governmental organisation (SKM, 2009) rather one that is managed and controlled by the members themselves through mutual cooperation (“co-operative principles”). Other features of a co-operative defined by the Co-operative Societies Act 1993 are as follows:

i. A co-operative is not a political organisation and it should not be used as a political platform;

ii. A co-operative is not a trade union;

iii. A co-operative is not a charity organisation; and

iv. A co-operative is an enterprise owned and controlled by the members whom it serves (SKM, 2009).

All members of a co-operative are equal and have equal say in its management and share its surplus according to their share in its capital as well as their patronage (SKM, 2009) of the co-operative activities.

The characteristics of co-operative defined by the Co-operative Societies Act 1993 are consistent with those described by the International Co-operative Alliance or ICA, i.e. co-operative is “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise” (ICA, 2009).

In addition, co-operatives promote the values of self-help, self-responsibility, democracy, equality, equity, and solidarity (ICA, 2009; SKM, 2009). Continuing the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

**Co-operative Legislation in Malaysia**

There are three legislations that govern co-operatives in the country:
Co-operative Societies Act 1993 (Act 502)
Co-operative Societies Regulations 1995
Co-operative Societies Tribunal Regulations 1998.

As a result of changes affecting the movement, the Co-operative Societies Act of 1948 had been rendered ineffective as an instrument for the constitution and control of co-operatives and therefore had to be replaced by the Co-operative Societies Act 1993. The new Act consolidates and unifies the various legislations that governed the cooperatives in the country. The authorities formulated the Co-operative Societies Regulations 1995 to operationalise the principles and provisions of the Co-operative Societies Act 1993.

The Co-operative Societies Act 1993, also known as Act 502 Laws of Malaysia (Malaysia, 2007, p.9), states that the purpose of the law is to “to make provisions for the constitution, registration, control and regulation of co-operative societies; to promote the development of co-operative societies; and for matters connected therewith.” The Co-operative Societies Regulations 1995 supports the implementation of Co-operative Societies Act 1993. According to SKM (2009), both legal provisions play very important roles in promoting good governance, transparency, accountability, prudence and quality administration.

SKM (2009) explained that the Co-operative Societies Tribunal Regulations 1998 provides a forum to resolve cases referred to under Section 82 of the Co-operative Societies Act 1993. In doing so, it allows co-operatives in Malaysia to be more competitive in their course of actions.

Managers’ Job
Managers’ job requires them to work with people in order to achieve a specified performance. Schermerhon (2002, p.15) defines managers as “persons in organisations who directly support and help activate the work efforts and performance accomplishment of others.” Campling, Poole, Wiesner, Ang, Chan, Tan, and Schermerhon Jr. (2008, pp.4-5) also define managers as persons who “support and help activate the work efforts and performance accomplishment of others.” According to Robbins and Coulter (2009, p.21), a manager is “someone who coordinates and oversees the work of other people so that organisational goal can be accomplished.”
Since managers do their own work and supervise the work of other people, Robbins and Coulter (2009, p.25) argue that managers are expected to demonstrate specific actions, behaviours and approaches so that they can perform their own work and help others to meeting the goals of organisations. Hitt, Black and Porter (2009, p.25) argue that managers are involved in “assembling and using sets of resources in a goal-directed manner to accomplish tasks in an organisational setting.”

The managerial jobs described above are very challenging because managers are not only responsible and accountable for their job but also the job of other people. According to Campling et al. (2008, pp.4-5), managers need to align themselves to the requirements of the knowledge and innovation driven economy and high performance approaches such as “respect, participation, empowerment, involvement, teamwork, self management and so forth.”

In addition, Campling et al. (2008, pp.5-6) describe that the knowledge driven economy poses new challenges, namely how to deal with the intellectual capital, knowledge workers, globalisation, workforce diversity, ethical concern, and career dynamism. Therefore, Schermerhon (2002, p.23) argues that managers need to acquire extra capability and competency because they “work long hours. They work at an intense pace. They work at fragmented and varied tasks. They work with many communication media. And, they accomplish their work largely through interpersonal relationships.”

Thus, in responding to the dynamic pace of working environment and changes in organisational setting, Schermerhon (2002, p. 26) proposes six managerial competencies, namely communication competency, teamwork, self-management, leadership, critical thinking, and professionalism.

However, Hitt, Black and Porter (2009, pp.26-31) argue that managers are actually the “drivers” of their organisations that they need to accomplish specified objectives within the boundaries and constraints such as how to manage “change” (in the forms of technology, globalisation, and lifestyle), and “resources” (financial capital, human capital, physical resources, and technology), and “entrepreneurially” (to search for more business opportunities within the existing market as well as to create new markets).
Thus, Hitt et al. (2009, pp. 35-39) propose managers to acquire skill on how to win the support of people (interpersonal), how to acquire timely and accurate information (informational), and how to make decisions (decisional) that add value to the organisations. Indeed, Stewart (1982) proposes the managers’ job to be classified into three dimensions, namely the demands, the constraints, and the choices of the managers’ job.

Manager’s job is complex, both in private and public sectors. In meeting the job obligations, they need to do whatever and fast (Lau, Newman, and Broedling, 1980). A manager’s job should have the attributes of flexibility and practicality (Stewart and Fondas, 1992, p.11). More importantly, such approaches allow them to train people to be knowledgable and able to provide value to the stakeholders (Zarutskie, 2010).

Managers’ Roles
In the late 1960s, Henry Mintzberg conducted an in-depth study of managers at work (Mintzberg, 1980). He concluded that managers perform ten different, but highly interrelated roles. Management roles refer to specific categories of managerial behaviour, namely interpersonal, information and decisional roles (Mintzberg, 1980).

According to Mintzberg (1980), interpersonal roles include figurehead, leadership, and liaison activities. As figureheads, managers perform ceremonial and symbolic duties, such as presenting a letter of appreciation at the company’s dinner. In leadership, managers are involved in the hiring process, appraisal, motivation, and training. Finally, managers provide a bridge for contacting external sources (i.e. individuals or groups) to obtain information for the organisation.

Secondly, managers perform information roles in their daily tasks. Informational roles include monitoring, disseminating, and spokesperson activities. In monitoring, managers organise, search and collect information from outside organisations, e.g. talking with others about competitors for the organisations. Then, the managers will disseminate the relevant information to the employees. In formal communication with outsiders, managers will speak on behalf of the organisations with outsiders.
Finally, it is very necessary for managers to perform decision roles. Decisional roles include the managers’ role as entrepreneurs, disturbance handlers, resource allocators, and negotiators. As entrepreneurs, managers create, organise and supervise new projects that are packaged with risks and uncertainties for their organisations. In the meantime, managers as disturbance handlers take corrective actions on all high impact problems that occur. Nevertheless, more importantly, managers have to face a very tough job when they have to allocate resources and negotiate with stakeholders that are in line with their organisations’ objectives.

Follow-up studies of Mintzberg’s role categories in different types of organisations and at different managerial levels within organisations have generally supported the notion that managers perform similar roles (Bright, 1982; Osuala, 1992).

**METHODOLOGY**

The study used mixed methods, both quantitative and qualitative, to generate rich data for analysis. The study used an instrument called “Description of a Manager’s Job”. The research selected the co-operatives headquartered in Kuala Lumpur and Selangor from the Directory of Registered Co-operatives Societies Year 2005 of the Commission of Co-operatives Malaysia (SKM). Fieldwork was conducted between January 2009 and March 2009.

The unpublished instrument was developed by the co-author since 21 July 2001 and has been used in multiple studies on managerial roles and job (Ismail, 2001; 2003; 2005; 2007). There are 41 questions under nine (9) components in the instrument: (a) Earlier Perceptions (2 questions), (b) Job Description (8 questions), (c) Knowledge and Skill Required (4 questions), (d) Differences (4 questions), (e) Impact of Job on Personal/Family Life (4 questions), (f) Future (3 questions), (g) Books (3 questions), (h) End (1 question), and (i) Background of manager (12 questions).

The study employed two undergraduate research assistants to administer the instrument. They used qualitative method, specifically the structured interview technique, when they asked the questions in the instrument to the interviewees and written down the answers. After the interview, they took notes of the interviewees’ answers and requested them to verify the answers before leaving the venue. The verified responses were analysed using content analysis method (qualitative method). Then, the results of the content analysis were then coded into several categories. Two postgraduate
assistants were employed to verify the consistency of the coded responses with the original interview notes. After the verification, the coded responses were keyed into SPSS Version 11 to produce descriptive statistics. In addition, the scaled items under component (e) were tested for reliability and they produced acceptable Cronbach’s Alpha (on standardized items) value of 0.714.

**FINDINGS**

**Respondents’ Profile**

Approximately 200 co-operatives in Kuala Lumpur and Selangor were contacted, and 60 of them agreed to be interviewed. However, the study managed to interview 52 co-operative managers only after a last minute withdrawal from eight co-operatives. Out of 52 interviewees, 71% (37) are male and 29% (15), female.

Some of the interviewees have already served for five years and below (35%). This is followed by those who served for 6 to 10 years (27%), 11 to 20 (23%), 21 to 30 years (9%), and more than 30 years (6%). Identifying the highest academic qualifications, bachelor’s degree (37%) topped the list, followed by diploma (31%), master’s (17%), and others (15%).

Most of the interviewees occupy the first hierarchy in the organisation (40%), followed by the second level (25%), and board of co-operatives level (15%). The remaining interviewees sit in the next lower levels in the organisational hierarchy. In addition, most of the interviewees are Malay (82%) as opposed to Indian (10%) and Chinese (6%).

**Manager’s Job**

Interviewees were asked to give a description of a manager’s job based on the instrument provided for the study. The data was keyed in by a postgraduate student assistant and coded by her peer. The code was then verified by the principal researcher. The researchers asked the interviewees their perceptions towards being “a manager” during their college/university days. The interviewees perceived that being a “manager” involves “managing people with persuasion” (31%), “handling and controlling” (27%), “authoritative” (16%), “goal oriented” (10%), “directing” (6%), “supervision” (6%), “administration” (2%), and “planning and organizing” (2%). However, the most apparent attribute mentioned by the interviewees was on how to manage and persuade people in organisations to achieve organisational goals.
When the interviewees were asked their opinions about management textbooks, almost all of them (81%) agreed that the reading of management textbooks has helped them to understand the concept and application of management courses. However, a minority of interviewees (6%) did not think so. Seven respondents (14%) did not respond to the question. The interviewees described their work as dealing with “typical routines and tasks.” The principal researcher coded the interview notes into a few groups to create identifiable patterns. Both researchers have been using coding method in many similar studies and find close agreement in their independent coding. Most of the manager’s typical work consist of managing people and his organisation responsibly (both produced 17%), ethically (15%) and financially (8%); also managing problems (6%), and reality (6%). However, sixteen respondents (31%) did not give any feedback.

Interviewees were also asked to give examples of their non-routine work. Most of the manager’s non-routine work is related to financing (32%) and monitoring performance (23%). Most of the problems faced by managers were those related to their workers (53%), customers (18%) and errors (11%). The other problems include cash flow (6%), corruption (4%), and investors (4%) which are not considered serious, but deserved some attention from the respondents.

The most widely used approach by managers in solving difficult problems is “meeting” (58%). The other approaches used are “training” (20%), “reminder” (12%), and “third party intervention” (10%).

**Manager’s Roles**

The co-operative managers also were asked about the proportion of time they dealt with people within and outside their organisations. Based on the feedback, they spent 51% within and 49% outside the organisations. These managers also acquired some managerial skills to perform their managerial roles, namely, conceptual (21%), decision-making (31%), interpersonal (28%) and technical (20%) skills.

The study also asked the interviewees to indicate the generic managerial functions based on management textbooks: planning, organising, directing and controlling. The respondents performed more on organising (26%) and directing (26%), but slightly less on controlling (25%) and planning.
It seems that the interviewees gave almost equal attention to the generic managerial functions. The respondents also spent 57% of their work on teamwork such as attending meetings and participating in seminal discussions. This means that more than half of the work was done on teamwork basis.

**Training: Knowledge and Skills Required**

As for knowledge and essential skills acquisition, the interviewees were asked how much input (out of 100%) the academic training has helped them in their first job (after graduation) and in their first job as managers. According to them, prior academic training contributed 58% to their first job after graduation, and 57% to their job as managers. Academic training, therefore, does help people become competent managers.

The co-operative managers said that knowledge on functional areas enabled them to perform their job in this order: “accounting” (23%), “finance” (15%), “communication” (13%), and “controlling” (13%). Other forms of knowledge are also important such as business, marketing, economics, entrepreneurship, human resource management, writing, and information technology. For the skills required by managers in their current job, the interviewees said “interpersonal” (24%), “communication” (21%), and “management” (19%) as very important competencies. However, this does not mean that other skills such as technical, accounting, decision making, conceptual, entrepreneurial, public relations and marketing are not important.

Interviewees were also asked to suggest some ways to further develop practicing managers. Their suggestions to develop practising managers include providing hands-on experience (20%), attending courses (16%), training (15%), continuous reading (12%), and socialising for networking (10%). In the meantime, they need to be decisive, proactive, know people, do mentoring, always be confident and creative, and practice life long learning.

Concerning the most effective training programmes that they have attended, only half of the interviewees (50%) answered this question. Among those who answered, they considered the following as the most effective programmes that they have attended, namely (a) all levels of co-operative management courses conducted by Co-operative College of Malaysia, (b) training
programmes conducted by the National Co-operative Organisation of Malaysia (ANGKASA), and (c) other courses organised by the Co-operative Commission of Malaysia and other agencies.

Contents of the effective courses that they attended are related to (a) the nature of co-operative in Malaysia, (b) problem solving techniques, (c) administration of co-operative, (d) leadership, (e) project management, (f) team building, and (g) quality management systems. The feedback was based on the views of 44% of the respondents. In addition, interviewees were also asked about the time (year) they attended the programmes; however, 64% of the respondents did not respond. Among those who responded, they attended effective programmes between 1970 and 2009. However, the highest number of effective (modern/advanced) programmes occurred in two years, i.e. 2006 and 2008 (7.7% each) respectively, followed by 2007 (3.8%), and the remaining, only 1.9%.

The programmes were held at different places, such as Genting Highlands (3.8%), Port Dickson (3.8%), and venues such as the Prime Minister’s Department office, and Multimedia University. As for the duration of the programmes, the results reveal within 3 days (15%), followed by 2 days (4%) or 4 days (4%). The organisers of the programmes are mainly Co-operative College of Malaysia, National Co-operative Organisation of Malaysia, and the Commission of Co-operative Malaysia. As for the number of enrollment in these programmes, there were three types, namely 20 participants (30%), 30 participants (30%), 50 participants (35%) and less than 20 participants (5%).

DISCUSSION

The research framework of the study conceptualises how co-operative managers perceived their managerial roles and training in the competitive business environment of today and in the future when they have to work within the “conservative” nature of co-operative establishment (due to statutory and legal requirements) and the traditional managerial practices. In doing so, co-operative managers have to acquire latest managerial knowledge and critical competencies that are compatible with the contemporary expectations.

According to Nikiforow (2010), training has a role to change managers’ perception and behaviour to increase productivity. While agreeing that training for managers is important, Anderson (2010) argues that the training version for managers need to address the dynamism, context-based and
fluidness of managerial roles and tasks. Tengblad (2006) contends that contemporary managers need to be trained with contemporary competencies. Mantere (2008) concurs that contemporary managers need to understand the contemporary roles and expectations too. Thus, Carbery and Garavan (2007) maintain that training providers need to reconceptualise the paradigm of managers that focused on learning and development.

Their attitude and effort towards this direction are commendable. Indeed, they are aware that the main challenge of managerial role is to manage their people effectively and efficiently when they pointed out “managing with persuasion” and “handling and controlling.” The results are consistent with Anderson (2010)’s contention that contemporary managers need training sessions that are dynamic, context-based and fluid. Consequently, managers need to renew their knowledge on contemporary managerial competencies by attending courses, training, continuous reading and socialising within their network. Among other courses, training and reading include those related to (a) legal update on the governance of co-operatives, (b) problem solving techniques, (c) contemporary technique of co-operative management, (d) effective leadership, (e) project management, (f) team building, and (g) quality management systems.

Besides acquiring knowledge formally through courses, co-operative managers also enhance their stock of managerial knowledge and competencies through meetings, seminars and workshops. The findings are in line with Nikiforow (2010)’s argument that training is able to change managers’ perception and behaviour toward increasing productivity. Based on their experience as co-operative managers, they suggested the universities or colleges to focus more on industrial training (internship), hands on and industry oriented courses for undergraduates. In the meantime, future managers also need to possess soft skills especially in handling people (employees, customers and partners).

Needless to say, interviewees argued that managing cooperatives lies somewhat between managing public organisations and private companies. The “welfare” plus “profitability” concerns of co-operatives require co-operative managers to be always up to date with managerial knowledge and skills. To address this dual need, co-operative managers should continue to read contemporary business-management books and periodicals.
The feedback from the co-operative managers suggest that even though they are faced with statutory constraints and managerial conservativeness, they adjust themselves by attending courses, updating themselves with contemporary knowledge, working with team, establishing smart partnership and collaborating with external organisations that provide enormous advantages for co-operatives to be competitive in the global markets.

CONCLUSION

The study examines the perceptions of co-operatives senior management toward managerial job, roles and training. These managers require relevant managerial skills to formulate and execute strategies. In the meantime, they have to ensure the co-operatives can survive and compete with companies established under a different legal framework (i.e. the Companies Act 1965). Even though co-operatives come under the close supervision of the regulators, they are optimistic and confident to face contemporary business challenges. They managed to position themselves between the need to abide by the statutory requirements and the need to do competitive business like other commercial entities. They know exactly what they need to do to bring high performance to the co-operatives. With the courses and training provided by Co-operative College of Malaysia and National Co-operative Organisation (ANGKASA), co-operative managers are able to acquire necessary knowledge and competencies. However, the results were not conclusive considering constraints on sample size (i.e. 52 cooperatives managers). The study proposed that future research use case study method to understand the details of managerial work at co-operatives.

REFERENCES


**AUTHORS’ BACKGROUND**

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