

## **Convergence of global and traditional managers' characteristics: a case of senior management of cooperatives in Malaysia**

---

Yusof Ismail\* and Suhaimi Mhd Sarif

Department of Business Administration,  
Kulliyah of Economics and Management Sciences,  
International Islamic University Malaysia,  
P.O. Box 10, 50728, Kuala Lumpur, Malaysia  
E-mail: yusof@iiu.edu.my  
E-mail: suhaimims@iiu.edu.my  
\*Corresponding author

**Abstract:** Senior management plays a very significant role to enhance the profitability of cooperatives. Unlike traditional companies, which are regulated by the Commission of Companies Malaysia, cooperatives are regulated by the Cooperative Commission of Malaysia. Malaysian cooperative managers may need to adjust to changing global business environment to remain competitive in the economy. This paper attempts to investigate the perceptions of cooperatives' senior management towards managerial roles and global skills, and aggregate the two sets of dimensions into broader categories. Factor analysis of the responses from 133 cooperative managers surveyed suggests that Malaysian cooperative managers are expected to have three composite skills labelled as cultural adaptability, public relations, and human development.

**Keywords:** cooperatives; global managers; senior management; Malaysia.

**Reference** to this paper should be made as follows: Ismail, Y. and Sarif, S.M. (2010) 'Convergence of global and traditional managers' characteristics: a case of senior management of cooperatives in Malaysia', *J. International Business and Entrepreneurship Development*, Vol. 5, No. 1, pp.28–47.

**Biographical notes:** Yusof Ismail has been a Senior Lecturer in the Faculty of Economics and Management Sciences at International Islamic University Malaysia since 1986. He obtained his MBA in Management and Marketing in the USA, and embarked on research into strategy in the UK. He teaches and researches into strategy and Islamic management. He served as a member of the board of the university's cooperative for one term (2003–2005).

Suhaimi Mhd Sarif has been a Lecturer in the Faculty of Economics and Management Sciences at International Islamic University Malaysia since 2000. He obtained his MBA in Management from Malaysia. He teaches and researches into the principles and practice of management, and knowledge transfer.

---

## **1 Introduction**

Malaysia has been positioning itself as a preferred investment destination for various sectors of its economy since 1970s. The country has offered various investment schemes and incentives to support its booming economy (Government of Malaysia, 2001, 2006; Jomo and Hui, 2003; Mohamed, 1991, 2003; Rasiah, 1995, 2003a). Business-oriented organisations, including the cooperatives can benefit from the evolution of the nation's economy from agro-based to biotechnology and together with the accelerated progress of information and communication technologies (Government of Malaysia, 2001, 2006; Ramasamy et al., 2004; Rasiah, 1995, 2003b; Wahab, 2003; Zainuddin, 2000). In response to changing economic and business environment experienced at national, regional and international levels (Mohamed, 2003; Ramasamy et al., 2004; Zainuddin, 2000), the top management of the cooperatives needs to know whether they have the required managerial and global characteristics to capitalise on the business opportunities.

This paper will address the above issues under several sections. First section deliberates on the definitions of cooperative within Malaysian legal system vis-à-vis various established entities. This endeavour aims to provide a clear mission and direction of cooperatives. Section 2 presents the literature review of cooperatives in Malaysia in terms of the establishment, performance, and contributions and responses to globalisation. With this background, Section 3 specifies the core research objective, research questions, and methodology adopted to analyse the views of senior managers of Malaysian cooperatives towards global managerial competencies. Section 4 explains the findings and offers some clarification of the results. Finally, the last section provides a conclusion that demonstrates a convergence between traditional and global managerial characteristics required of Malaysian cooperative senior managers. The findings of this paper promise great implications for both practice and theory.

### *1.1 Definition of cooperative*

It is important to have a clear definition of cooperative so that one could distinguish it from other organisations, such as firms. According to the Cooperatives Commission Malaysia (2008a, 2008c), a 'cooperative' is defined as "... a society registered under the Cooperatives Act 1993 with objectives to promote economic interest among its members in accordance with cooperative principles." Unlike a commercial entity, cooperative incorporates both social and economic concerns.

Such definition implies that a cooperative is a business organisation [similar to commercial entity], but is formed voluntarily [by the community in residential, commercial and others] and run by members to cater for their 'economic' needs. Although, cooperative organisations cater both economic and social needs, they are not non-government organisations (Cooperatives Commission Malaysia, 2008b; Lian, 2002). Indeed, such entity is managed and controlled by the members themselves through mutual cooperation ('cooperative principles'). Other features of a cooperative defined by the Act are as follows:

- 1 a cooperative is not a political organisation and it should not be used as a political platform
- 2 a cooperative is not a trade union

- 3 a cooperative is not a charity organisation
- 4 a cooperative is an enterprise owned and controlled by the members whom it serves (Cooperatives Commission Malaysia, 2008c).

These features make a clear distinction between commercial, political, charity, and leisure-based organisations. The most important feature is that cooperative members own the organisation. Thus, all cooperative members 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 (Cooperatives Commission Malaysia, 2008a, 2008c) of the cooperative activities.

**Table 1** Principles of cooperatives

<i>Principles</i>	<i>Explanation</i>
Voluntary and open membership	Cooperatives are voluntary organisations; open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
Democratic member control	Cooperatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organised in a democratic manner.
Member economic participation	Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.
Autonomy and independence	Cooperatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.
Education, training and information	Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of cooperation.
Cooperation among cooperatives	Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.
Concern for community	Cooperatives work for the sustainable development of their communities through policies approved by their members.

*Source:* International Cooperative Alliance (ICA) (2008b)

The characteristics of cooperative defined by the Cooperatives Act 1993 are consistent with those described by the International Cooperative Alliance or ICA, i.e., cooperative 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, 2008a).

In addition, cooperatives promote the values of self-help, self-responsibility, democracy, equality, equity, and solidarity (Cooperatives Commission Malaysia, 2008c; ICA, 2008a). Continuing the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others. The Principles of cooperatives formulated by the ICA are summarised in Table 1.

The above discussion suggests that cooperative organisations are an important participant in national and global economies. Next question of interest would be: Do cooperative managers have the necessary managerial competencies to participate in global businesses? The literature surveys the Malaysian cooperatives' environment, typical managerial characteristics of cooperatives' managers and their global counterparts.

## **2 Literature review**

This section presents a discussion on basic constructs of the study – cooperatives, globalisation, and managerial roles. A note on cooperatives aims to highlight differences between cooperatives and other types of organisations. It is within this setting cooperatives interface with challenges of globalisation – dynamism, competitiveness, and continuous changes in the market. Moreover, the dynamics of global challenges necessitate the need to integrate traditional managerial roles with global managerial characteristics.

### *2.1 Cooperative movement in Malaysia*

Since their introduction in July 1922, cooperatives have always been recognised as a vehicle for elevating the standard of living of the poor and low-income earners by their ability to mobilise resources among people within the urban and rural sectors of the population (Cooperatives Commission Malaysia, 2008b). In January 2008, the regulatory body for cooperatives in Malaysia has been upgraded from a department (Department of Cooperatives Development Malaysia) to a commission (Cooperatives Commission Malaysia) to provide significant assistance for the development of cooperatives in Malaysia (Cooperatives Commission Malaysia, 2008b).

As a member of the International Cooperative Alliance (ICA) and in line with ICA recommendations made in Manchester in 1995 (ICA, 2008b), the Malaysian cooperatives adopt the principles as specified in Table 1. There are various types of cooperative establishments in Malaysia, ranging from finance and banking to small and medium industries, which are shown in Table 2(a).

Cooperatives have also been classified by industry sectors. Table 2(b) shows their characteristics based on number of cooperatives, membership, total capital, and total

assets. The table shows that consumer cooperatives registered the highest number, consumer command the highest membership, credit/finance the highest total capital, and the banking sector with the highest total assets.

**Table 2a** Highlights of type of cooperatives and their activities

<i>Type of cooperatives</i>	<i>Number registered</i>	<i>Selected characteristics</i>
Finance and banking	473	Started since 1920s  Granting loans to members at minimal interest charges  Mostly members in public, statutory, and private sectors
Housing	90	Housing projects for members  Selling price is lower, about 20%–30% than the market price
Consumer	3,188	Members can get better product at cheaper price through mini markets, supermarkets, and provision stores.  There are 1,155 school cooperatives to inculcate thrift and develop entrepreneurial skills among students. Activities include operation of canteen, bookshop, laundry, and computer classes.
Transportation	445	Majority are based in land development schemes such as FELDA, RISDA and FELCRA. Activities include transporting members, agricultural products to the processing plants. They also operate retail stores, mini markets, petrol kiosks and motor workshops.
Insurance	NA	The Malaysian Cooperative Insurance Society Limited (MCIS) is the sole cooperative that is in the insurance sector. It has 281,912 policyholders worth RM 2.57 billion.
Plantation	272	Managing and developing members' agricultural land of crops including rubber, oil palm and cocoa.
Small and medium industries	NA	Cooperatives for small medium industries (Koperasi Industri Kecil – KIK) was formed to pool the resources of the SME* cooperatives together to produce, market and promote handicrafts such as pottery and silverware.

Note: \*SMEs stands for small medium enterprises.

Source: Cooperatives Commission Malaysia (2008b)

**Table 2b** Cooperatives by industry sector

No.	Types	No. of cooperatives	Number of members	Total capital (RM)	Total assets (RM)
1	Banking	2	838,800	2,147,940,644	32,257,320,852
2	Credit/Finance	471	1,933,857	3,970,239,842	6,917,854,753
3	Plantation	272	203,876	207,325,893	1,033,019,696
4	Housing	90	91,545	118,795,528	454,929,244
5	Industry	63	10,598	2,619,012	37,028,588
6	Consumer	3,188	2,607,452	240,074,918	919,621,555
7	Construction	109	47,087	15,088,229	53,152,584
8	Transportation	445	158,787	60,817,787	214,005,931
9	Services	530	426,856	1,024,610,290	2,515,051,483
	Total	5,170	6,318,858	7,787,512,143	44,401,984,686

Note: \*Coop stands for cooperatives.

Source: Cooperatives Commission Malaysia (2008b)

## 2.2 Malaysian cooperatives' performance

According to the Cooperatives Commission Malaysia (2008b), at the end of 2007, there were 5,170 registered cooperatives in the country with individual membership of 6.32 million, contributing RM 7.08 billion worth of share capital. This, coupled with funds generated internally and external borrowings has enabled the cooperatives to carry out various socio-economic activities for the benefit of their members and the public. The movement recorded an accumulated total asset of RM 47.4 billion.

The cooperatives have, in a small way, provided employment for about 13,834 people in various levels of management in 1998. There are about 70 cooperatives that invest in 150 subsidiaries/associates (i.e., companies registered under the Companies Act 1965). The membership is expected to grow steadily at a rate of 4.0%, while share capital at 9.6% and total assets at 12.2% per annum (Cooperatives Commission Malaysia, 2008b).

Cooperatives in the country are also classified according to type. They range from public sector to statutory body, teaching institutions, schools, government offices, commercial sector and so on. The highest number of cooperatives is school cooperatives as opposed to other types.

Malaysian cooperatives come from various states in Malaysia. The state of Perak has the highest number of cooperatives, i.e., 557 (in year 2007) as opposed to other states in the country. However, in terms of the highest total capital, Wilayah Persekutuan (Federal Territory) of Kuala Lumpur ranked top.

## 2.3 Cooperative legislation in Malaysia

There are three legislations that govern cooperatives in the country:

- a Cooperatives Act 1993
- b Cooperative Regulations 1995
- c Cooperative Societies Tribunal Regulations 1998.

As a result of changes affecting the movement, the Cooperatives Act of 1948 had been rendered ineffective as an instrument for the constitution and control of cooperatives and therefore had to be replaced by the Cooperatives Act 1993. The new Act consolidates and unifies the various legislations that governed the cooperatives in the country. To further give the effects to the principles and provisions of the Act, the authorities formulated the Cooperative Regulations 1995 (see Table 3).

**Table 3** Main features of Cooperatives Act 1993 and Regulations 1995

<i>No.</i>	<i>Description</i>
1	Promotion of good management practices such as transparency, accountability, prudence and overall quality.
2	Enhancement of member empowerment particularly in areas pertaining to investment, budgeting and internal control with major decisions made only with the consent or knowledge of members.
3	Explicit development role of the department i.e., to encourage and promote the establishment and development of cooperative societies in all sectors of the economy and to assist cooperative societies increase their effectiveness.
4	Setting up of subsidiaries in order to take part in the economy of the country.
5	Concern for community to be given effect by a new provision to be made to enable cooperatives to set aside a portion of their profit to fund projects for the benefit of the community.

*Source:* Cooperatives Commission Malaysia (2008c)

The above discussion sets managerial foundations and philosophy for Malaysian cooperatives. While the managers retain traditional managerial characteristics they are also expected to have global attributes. They are required to comply with Malaysian cooperatives' laws, but at the same time subscribe to the universal concepts of cooperatives propagated by the International Cooperatives Alliance (ICA) (ICA, 2008b; Lian, 2002; Zainuddin, 2000).

## 2.4 Globalisation

Cooperatives are not insulated against the force of globalisation just like firms; they are part of the global, ubiquitous community. The influence of external environmental forces such as politics, economic, socio-demographic, and technology touches every single organisation, including cooperatives.

The sanctified term 'globalisation' is no longer a word quoted by the academics and business practitioners; rather it has become a standard vocabulary for all. Friedman (1999) argues that globalisation has forced the world to agree on a universally accepted system for politics, economic, and society. It has indeed become a 'system' to members of various global organisations. Bartlett and Ghoshal (1995) contended that the new approach in the economy must not exclude the elements of globalisation and to practice 'transnational' management is a must. Such argument appears to be pre-requisite for new trend of development, at national, regional and international levels (Mohamed, 2003; Rasiyah, 2003b; Zainuddin, 2000). Consequently, academics formulated appropriate concepts to reflect integrative managerial traits such as 'operates locally, but think globally' (global-local) in terms of market targets, potential partners, new opportunities, and competitiveness. The argument on global-local is equally applicable to cooperative

organisations. In fact, global-local, which acquires a new identity in recent years, i.e., *glocal* (Wikipedia, 2008) may be viewed as one of the four feasible global strategic options according to Dawar and Frost (1999).

Globalisation refers primarily to the ways in which economic and industrial institutions (such as industries or corporations) interact and integrate 'markets, nation-states, and technologies' in various geographic locations throughout the world 'to a degree never witnessed before' [Friedman, (1999), p.7].

Kennedy (1993) describes globalisation in structural terms, defining it as primarily integrative structures through which local and national governments eventually cede control of policy to the global institutions. The global institutions are varied in many forms such as multinational corporations and non-governmental agencies that include regional, international organisations, i.e., the World Bank or the International Monetary Fund (IMF).

### *2.5 Cooperatives response to globalisation*

Cooperatives formally established locally may also operate globally. Those that operate on a global scale require their managers to possess a variety of competencies not only the technical, decisional, strategic and interpersonal, but also ability to address cross cultural, diversity, and language challenges (Bartlett and Ghoshal, 1995; Harvey, 1989; Kanungo and Wright, 1983). With that background, Lian (2002) contends that cooperatives should respond to globalisation through a systematic business management approach in attracting and employing talents for human resources, applying the latest and reliable information and communication technologies, establishing network and alliances, emphasising on relationships management with cooperative members and other stakeholders, and inducing creativity and innovative culture.

In addition, Lian (2002) argues that cooperatives must be aware that globalisation provides a continuously competitive, challenging, and changing environment. In response to this phenomenon, cooperatives need to be competitive by providing quality management and services to their members and clients.

Schwettmann (2002) points out that one of the practical solutions to overcome unemployment is by strengthening the role of cooperatives in promoting decent work. Although, globalisation appears to emphasise economic aspect of life, it does not encompass all economic activities. In addition, Schwettmann (2002) argues that globalisation reflects a distinctive expansion of international economic activity, which is far from replacing local activity with global activity. In contrast, Radermacher (2001) notably reminds cooperatives that globalisation has an impact on the situation for cooperatives. Despite the different views on the perceived impact of globalisation on cooperatives, the organisations concerned must be prepared to adapt to the real and imagined changes without sacrificing the principles of cooperatives declared by ICA in 1995 (ICA, 2008b).

### *2.6 Globalisation and cooperative managerial roles*

Cooperatives, like other business organisations, are expected to embrace efficiency and effectiveness in achieving their goals. Efficiency and effectiveness may be achieved if the salaried staffs coordinate their work consistent with their organisational culture. Work coordination may be realised through managerial leadership. This paper aims to explore

whether cooperative managers perform similar roles like their counterparts in the private sector.

The survey on managerial roles and global managers' skills and qualities could provide some insights into similarity of the roles played by managers, whether in pure business sector or mutual benefits organisations, such as cooperatives.

In the late 1960s, Mintzberg (1980) conducted an in-depth study of managers at work. He concluded that managers perform ten different, but highly interrelated roles. Management roles refer to specific categories of managerial behaviour (see Table 4). Interpersonal roles included figurehead, leadership, and liaison activities. Informational roles included monitoring, disseminating, and spokesperson activities. Decisional roles included those of entrepreneur, disturbance handler, resource allocator, and negotiator. 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).

**Table 4** Translating Mintzberg's managerial roles into survey statements

<i>Category</i>	<i>Roles</i>	<i>Statements</i>
Interpersonal	Figurehead	Performing ceremonial and symbolic duties, e.g., presenting a letter of appreciation at the company's dinner
	Leader	Hiring employees.
	Leader	Training, motivating, and disciplining employees.
	Liaison	Contacting external sources (i.e., individuals or groups) to obtain information for the organisation.
Informational	Monitoring	Receiving and collecting information from outside organisations, e.g., talking with others about competitors.
	Disseminating	Disseminating information to staff/employees or others.
	Spokesperson	Representing the organisation to outsiders.
Decisional	Entrepreneur	Initiating and overseeing new projects that will improve organisation's performance.
	Disturbance handler	Taking corrective action in response to unforeseen problems.
	Resource allocator	Distributing human, physical, and monetary resources to staff/employees or others.
	Resource allocator	Discussing and bargaining with other groups to gain advantages for own department or organisation.

*Source:* Mintzberg (1980)

### **3 Global manager's skills and qualities**

Global managers need certain attributes and skills for effective performance at home country and abroad because managers not only manage but also lead (Ali, 1993; Kotter, 1995). In managing an organisation globally, specific qualities are needed. Adler and Bartholomew (1992) highlight the specific qualities needed by global managers as follows:

- 1 understanding of worldwide business environment from a global perspective
- 2 learning about many cultures and languages
- 3 working with and learning from people from various cultures simultaneously
- 4 creating a culturally synergistic organisational environment
- 5 adapting to living in many foreign cultures
- 6 using cross cultural international skills on daily basis
- 7 treating foreign colleagues fairly
- 8 willingness to transpatriate (transnational expatriate) for career and organisation development.

Global managers are operating in different contexts with different social-cultural and legal backgrounds. Such situations demand global managers to adapt to dynamic changes of the economic/business environment (Gabel et al., 2005; Sanders, 1988). Global managers need to make decisions fast, and this suggests that they need to use intuition (Agor, 1990) apart from receiving formal training [Berlyne, (1978), pp.97–99]. Such training is apt to enhance their intuition (Berlyne, 1978; Harper, 1990; Kashdan et al., 2004), curiosity to learn (Fisher, 2000; Fowler, 1965; Voss and Keller, 1983), and persistence to achieve the best results (Gunaratana, 2002). In fact, global managers need to possess strong ability to cope with cultural shocks and adjustment in order to execute international assignments (Gabel et al., 2005). With the emotional-intelligence ability, global managers should be prepared to face changes in a dynamic environment (Harvey et al., 2007).

**Table 5** Global managers' skills and qualities

<i>No.</i>	<i>Statement</i>	<i>Categories</i>
1	Possession of global perspective	Cognitive complexity
2	Effectiveness in dealing with HR problems	Cognitive complexity
3	Maintaining a flexible attitude	Psychological maturity
4	Achievement of an adequate level of technical literacy	Emotional energy
5	Comfortability in dealing with people from different cultures	Cognitive complexity
6	Knowledge of social, economic, and political environments of other nations	Psychological maturity
7	Creative problem-solving skills	Cognitive complexity
8	Adaptability and commitment to change	Cognitive complexity
9	Willingness to work and live in a foreign culture	Cognitive complexity
10	Taking a long-term perspective on business performance	Psychological maturity
11	Successful management experience in home country	Emotional energy
12	Conversational proficiency in two or more languages	Psychological maturity
13	Ability to establish and maintain personal relations with influential individuals in foreign countries (politicians, top business people, social actors)	Psychological maturity

*Source:* Wills and Barham (1994)

Those qualities of global manager, according to Wills and Barham (1994), could be grouped into three categories – cognitive complexity (cultural empathy, active listening, sense of humility), emotional energy (emotional self-awareness, emotional resilience, risk acceptance), and psychological maturity (curiosity to learn, orientation to time, personal morality) (see Table 5).

The core objective of the study is to identify appropriate managerial competencies required of cooperative managers to operate globally. Two corollary research questions emerge out of this thread:

- a Are the two sets of managerial skills and global managerial competencies related?
- b Would the two converge?

## **4 Methodology**

### *4.1 Instrument*

While considering the most appropriate data collection approach for the study, specifically whether or not to use triangulation, the research is compelled to adopt structured questionnaire for two main reasons: Firstly, availability of appropriate instruments; secondly, the plausibility of integrating the two matching instruments to satisfy the research questions.

The questionnaire adopted in this study comprised the managerial roles discovered in Mintzberg's study to measure managerial roles and the International Competitiveness Survey (ICS) developed by Ali (1991) to evaluate some of the global managerial skills and qualities of senior managers in Malaysian cooperatives.

The first part of the questionnaire consists of 11 statements of managerial roles and the second part of the questionnaire consists of 13 statements of global managerial skills and qualities. For the first part, the respondents rated each statement on a five-point Likert scale, where one represents 'strongly agree' and five 'strongly disagree'; however, for the second part, the respondents rated each statement on a five-point Likert scale, where one represents 'never' and five 'always'. Internal consistency (or reliability) of the questionnaire items was measured using Cronbach's alpha. The Cronbach's alpha for the first part reached 0.78 and the second part, 0.86. According to Hair et al. (1992), an acceptable level of coefficient alpha is .70 or above (where coefficient alpha ranges from 0.0 to 1.0). Therefore, the scales for both parts of the questionnaire meet minimum reliability levels.

### *4.2 Data collection*

The research selected the cooperatives headquartered in Kuala Lumpur, the capital of Malaysia from the Directory of Registered Cooperatives under the Cooperatives Commission of Malaysia, Ministry of Entrepreneurship and Cooperative Development, Malaysia. It employed a group of management undergraduates from International Islamic University Malaysia to administer the questionnaire during 14 weeks. When the student assistants were assigned the task, they were given alternative cooperatives in the state of Selangor, a neighbouring state, in case they could not get sufficient respondents. About 250 cooperatives in Kuala Lumpur and Selangor were contacted, and 150 of them

returned the questionnaires (but only 133 were usable), yielding a response rate of 60%. This response rate is acceptable given the method used in approaching those cooperatives.

**Table 6** Profile of respondents of the surveyed cooperatives

<i>Item</i>	<i>Number</i>	<i>Percentage</i>
<i>Gender</i>		
Male	85	64
Female	48	36
<i>Duration of holding current position</i>		
0–5 years	87	65
6–10 years	27	20
11–20 years	16	12
Above 21 years	3	3
<i>Approximate length of service with the present organisation</i>		
0–5 years	66	50
6–10 years	24	18
11–20 years	27	20
Above 21 years	16	12
<i>Highest academic qualification</i>		
Diploma and below	57	42.5
Bachelors	60	44.8
Masters	15	11.2
Doctorate	1	0.7
<i>Age</i>		
Below 30	10	7.5
30s	30	22.6
40s	51	38.3
50s	29	21.8
60	13	9.8
<i>Ethnic</i>		
Chinese	11	8.3
Indian	15	11.3
Malay	105	18.9
Other	2	1.5
<i>Management level</i>		
Top	66	49.62
Middle	30	22.56
First line	30	22.56
Non-managerial officer	7	5.26

## 5 Analysis and discussion

### 5.1 Results

The sample comprised 133 cooperative managers in Kuala Lumpur and Selangor, two of the prosperous states in Malaysia. Eighty five respondents were male and 48 female. About 66 members of the board (i.e., chairmen, secretaries, treasurers), and the 67 managers responded to the survey. Respondents' profiles are shown in Table 6.

The roles performed by managers are shown in Table 7. The t-test revealed no statistical differences between male and female respondents. Based on means ranking, board members and cooperative managers are heavily involved in 'decisional' activities. The first four items in the table revealed means below 2.00 (on the scale of one strongly agree, five strongly disagree). The next group of activities normally dealt with by the senior management is 'informational', and followed by 'interpersonal'.

**Table 7** Managerial roles statements

<i>Class</i>	<i>Statement</i>	<i>Code</i>	<i>N</i>	<i>SD</i>	<i>Mean</i>	<i>Rank</i>
D	Discussing and bargaining with other groups to gain advantages for own department or organisation.	DCSBRGN	133	.93	1.63	1
D	Distributing human, physical, and monetary resources to staff/employees or others.	RSRDSTBN	132	.92	1.80	2
D	Taking corrective action in response to unforeseen problems.	CORRACTN	133	.89	1.84	3
D	Initiating and overseeing new projects that will improve organisation's performance.	INIPRJCT	132	1.17	1.87	4
I	Representing the organisation to outsiders.	REPORG	132	1.22	1.95	5
IF	Disseminating information to staff/employees or others.	DSSMINFO	131	.82	2.05	6
IF	Receiving and collecting information from outside organisations, e.g., talking with others about competitors.	RCVINFO	132	1.20	2.08	7
IF	Contacting external sources (i.e., individuals or groups) to obtain information for the organisation.	EXTERNAL	133	1.18	2.22	8
I	Training, motivating, and disciplining employees.	TRAINING	132	.82	2.23	9
I	Hiring employees.	HIRING	131	1.14	2.28	10
I	Performing ceremonial and symbolic duties, e.g., presenting a letter of appreciation at the company's dinner	CEREMONI	131	1.42	2.82	11

Notes: D = decisional, IF = informational, and I = interpersonal; scale: 1 = strongly agree, 5 = strongly disagree

However, after controlling for gender, t-test results show that the managers normally deal with (t-value 2.43, p-value .017) and represent (t-value 2.23, p-value .028) their cooperatives with external organisations more than the board members.

Table 8 shows the rating of importance of the skills of global managers according to the cooperatives' senior management. A t-test analysis shows no statistically significant differences between male and female respondents on the measures. Only items 12 and 13 registered means below 2.50, whereas, the rest recorded above average ratings. The three highly rated characteristics of global managers (ranging from 2.95 to 3.11) are concerned with global perspectives, dealing with HR problems, and maintaining a flexible attitude.

**Table 8** Skills and qualities required of global managers

<i>Statement</i>	<i>Code</i>	<i>N</i>	<i>SD</i>	<i>Mean</i>	<i>Rank</i>
1 Possession of global perspective	GLOPER	132	1.42	3.11	1
2 Effectiveness in dealing with HR problems	HRPROB	133	1.34	3.02	2
3 Maintaining a flexible attitude	FLEXIBLE	133	1.51	2.95	3
4 Achievement of an adequate level of technical literacy	TECHLIT	133	1.43	2.90	4
5 Comfortability in dealing with people from different cultures	COMFORT	133	1.37	2.89	5
6 Knowledge of social, economic, and political environments of other nations	KNOWLEDG	133	1.27	2.77	6
7 Creative problem-solving skills	PROBSOLV	133	1.35	2.73	7
8 Adaptability and commitment to change	CHANGE	133	1.48	2.70	8
9 Willingness to work and live in a foreign culture	FORGNAGN	133	1.39	2.68	9
10 Taking a long-term perspective on business performance	LONGTERM	133	1.23	2.66	10
11 Successful management experience in home country	EXPERIEN	133	1.41	2.56	11
12 Conversational proficiency in two or more languages	LANGUAGE	133	1.20	2.44	12
13 Ability to establish and maintain personal relations with influential individuals in foreign countries (politicians, top business people, social actors)	RELATION	133	1.31	2.40	13

Notes: Skills and qualities needed for global managers. Scale: 1 = never 5 = always.

Pearson's correlation of the typical and global managers' skills revealed that a large number of the items shared statistical significance, ranging from  $-.172$  to  $.703$  at  $.05$  and  $.01$  significant levels. A high level of correlations suggests that the survey data could be factor analysed to identify congruity, if any, between the 'global' and 'managerial' categories, or Mintzberg's findings and Ali's scales.

Bartlett's test of sphericity and Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy support the need to run factor analysis on the survey data. Bartlett's test shows some significance (Chi-square 1852.551, df 276, p-value  $.000$ ), whereas, KMO  $.604$  is

slightly above .60. All of the KMO values are above the acceptable level of .5, except for .458 for GLOPER. Varimax method and principal component analysis extracted eight factors from the data set which accounted for 74.8% of the total variance. As a result, the component matrix table projected three prominent factors that converge distinctly, and have been labelled 'culturally adaptable', 'public relations', and 'human development' (see Table 9).

**Table 9** Factoring the managerial and global skills

<i>Variable</i>	<i>Code</i>	<i>Culturally adaptable</i>	<i>Public relations</i>	<i>Human development</i>
<i>Variance explained</i>		<i>(21.3%)</i>	<i>(17.4%)</i>	<i>(9.1%)</i>
<i>Culturally adaptable</i>				
LONGTERM	G	.768	-7.434E-02	.220
LANGUAGE	G	.761	-3.136E-02	.278
FORGNAGN	G	.754	-5.651E-02	-7.371E-02
EXPERIEN	G	.738	-3.423E-02	-2.845E-02
KNOWLEDG	G	.697	-4.112E-02	-5.467E-02
RELATION	G	.665	8.609E-02	-5.316E-02
CHANGE	G	.664	.204	-.257
FLEXIBLE	G	.643	-.148	.162
TECHLIT	G	.583	.235	-.196
COMFORT	G	.480	.309	-.158
PROBSOLV	G	.463	.339	-.410
<i>Public relations</i>				
RCVINFO	IF	-.116	.764	-5.969E-02
INIPRJT	D	-7.735E-02	.763	.106
EXTERNAL	IF	-5.447E-02	.746	-.189
REPORG	I	-3.498E-02	.701	-.241
CEREMONI	I	-8.801E-02	.555	-.274
DCSBRGN	D	-7.286E-02	.534	.267
CORRACTN	D	-.148	.511	.310
DSSMINFO	IF	-3.264E-02	.477	.128
<i>Human development</i>				
RSRDSTBN	D	-2.525E-02	.324	.718
HIRING	I	4.063E-02	.164	.588
HRPROB	G	.446	-5.833E-02	.494
TRAINING	I	6.797E-02	.416	.452
GLOPER	G	6.154E-02	.461	-.197

Notes: Three out of eight components of factor analysis (47.8% out of 74.8%). Codes for the variables are shown in Table 4 and Table 5.

## 6 Discussion and conclusions

### 6.1 Discussion

The cooperative managers surveyed spent more time making 'decisions', and in order to do this they rely on 'information'. Table 3 shows the ranking of the managerial activities; 'decisional', 'informational', and followed by 'interpersonal' roles. The glaringly low scores on both scales may be traced to one of the legally defined objectives of cooperatives, i.e., 'to promote economic interest among its members', (Cooperatives Commission Malaysia, 2008c), but not 'for its members'. Since the international conventions among cooperatives impose no restrictions on cross-border operations (see Table 1, *post*), the low scores therefore suggest that cooperatives have been engaging mainly in domestic rather than global operations.

Cooperative managers need to have a 'global perspective' (rank 1, Table 4) if they were to operate globally. Due to preoccupation with 'decisional' roles, cooperative managers spend less time to acquire other skills, such as those related to confronting the challenges of globalisation in terms cultural diversity, organisational behaviour, and language (Bartlett and Ghoshal, 1995; Gupta and Govindarajan, 2000; Harvey, 1989; Kanungo and Wright, 1983). According to Lian (2002), those challenges are the prerequisite for cooperative managers to face globalisation, and most importantly how the managers develop and leverage strategic, tactical, and operational management approaches that are able to attract and retain talented, innovative, and loyal human resources, to apply the latest information and communication technologies, to give value to business networks and alliances, to get full commitment of cooperative members and other stakeholders, and to induce creativity and innovative culture.

All of these global traits are essential for them to execute their tasks successfully. Indeed, managers of cooperatives are not isolated from globalisation because they are not only managing their cooperatives but also lead a group of international executives to ensure international assignments are completed satisfactorily (Ali, 1993; Gabel et al., 2005; Kotter, 1995; Sanders, 1988). With those global traits, managers understand the broad business perspective, cope with social cultural differences, and enhance overall organisational efforts at optimum level (Adler and Bartholomew, 1992).

Global traits prepare the managers to face dynamic changes of the economic/business (items six, eight, and 12 in Table 10; the latter is reproduction of Table 8 here for ease of reference) environment (Gabel et al., 2005; Sanders, 1988) that require them to make decisions fast. Emotional intelligence (items four and 11, Table 5) is very important to enable the managers to be fast learners and adaptive to changes (Agor, 1990; Berlyne, 1978).

Globalisation requires the managers to change mindset (items one, three and ten, Table 10) and be physically prepared to cope with changes (Berlyne, 1978; Harper, 1990; Kashdan, et al., 2004). Indeed, they must be able to convert new lessons quickly (items three, four, and seven, Table 10) (Fowler, 1965; Voss and Keller, 1983) and persistently aim to achieve the best result (Gunaratana, 2002). In addition, the ability to cope with cultural shocks and adjustment (items two, three, five, eight, nine, and 13, Table 10) in order to execute international assignments is very essential (Gabel et al., 2005) to face changes in a dynamic environment (Harvey et al., 2007).

**Table 10** Skills and qualities required of global managers

<i>Statement</i>	<i>Code</i>	<i>N</i>	<i>SD</i>	<i>Mean</i>	<i>Rank</i>
1 Possession of global perspective	GLOPER	132	1.42	3.11	1
2 Effectiveness in dealing with HR problems	HRPROB	133	1.34	3.02	2
3 Maintaining a flexible attitude	FLEXIBLE	133	1.51	2.95	3
4 Achievement of an adequate level of technical literacy	TECHLIT	133	1.43	2.90	4
5 Comfortability in dealing with people from different cultures	COMFORT	133	1.37	2.89	5
6 Knowledge of social, economic, and political environments of other nations	KNOWLEDG	133	1.27	2.77	6
7 Creative problem-solving skills	PROBSOLV	133	1.35	2.73	7
8 Adaptability and commitment to change	CHANGE	133	1.48	2.70	8
9 Willingness to work and live in a foreign culture	FORGNAGN	133	1.39	2.68	9
10 Taking a long-term perspective on business performance	LONGTERM	133	1.23	2.66	10
11 Successful management experience in home country	EXPERIEN	133	1.41	2.56	11
12 Conversational proficiency in two or more languages	LANGUAGE	133	1.20	2.44	12
13 Ability to establish and maintain personal relations with influential individuals in foreign countries (politicians, top business people, social actors)	RELATION	133	1.31	2.40	13

Notes: Skills and qualities needed for global managers. Scale: 1 = Never 5=Always.

According to Wills and Barham (1994), those qualities of global manager could be grouped into three categories – cognitive complexity (cultural empathy, active listening, sense of humility), emotional energy (emotional self-awareness, emotional resilience, risk acceptance), and psychological maturity (curiosity to learn, orientation to time, personal morality).

The managers who will be involved in global operations need to adapt themselves to ‘cultural’ requirements. Table 5 shows that the global dimensions loaded together to account for 21.3% of the total variance. The next requirement is typical ‘managerial-public relations’ skills that accounted for 17.4% of the total variance. Mintzberg’s items (Table 4) – decisional, informational, and interpersonal are captured under this caption. The last category that reflects the skill required of a global manager, called ‘human development’, combines decisional-informational-global aspects.

The foregoing discussion emphasises that two sets of managerial skills and global managerial competencies are related, and do converge (factor analysis procedure explains 74.8% of the total variance).

## 6.2 Conclusions

This study suggests that cooperative managers need to be equipped with 'global' enhancements to prepare themselves for global operations. These are additional requirements to their traditional managerial skills. Without bridging the gap between the global and traditional managerial skills, the cooperative managers might not be strategically fit to undertake international assignments successfully (Sanders, 1988; Gabel et al., 2005; Ali, 1993; Kotter, 1995); global traits enable managers to grasp the global business issues quickly (Adler and Bartholomew, 1992).

The results of factor analysis procedure lend a strong support to the above argument. The sample data emphasises the importance of cooperative managers fulfilling the global dimensions, managerial-public relations, and lastly, human development.

As the global environment is more challenging than local context, the cooperative managers are expected to be emotionally adaptive, fast learners, and adapters to global changes (Berlyne, 1978; Agor, 1990). In short, the managers need to adapt themselves primarily to global 'cultural' requirements.

## Acknowledgements

The authors would like to acknowledge the financial support provided by the Department of Business Administration, Kulliyyah of Economics and Management Sciences, International Islamic University Malaysia to carry out the study. They are very grateful for the comments from two anonymous reviewers.

## References

- Adler, N. and Bartholomew, S. (1992) 'Managing globally competent people', *The Executive*, Vol. 6, No. 3, pp.52–65.
- Agor, W. (1990) *Intuition in Organisations: Leading and Managing Production*, Sage Publication, Newbury Park, CA.
- Ali, A. (1991) *International Competitiveness Survey*, American Society for Competitiveness, PA, Indiana.
- Ali, A. (1993) 'The incompetent crowd', *Competitiveness Review*, Vol. 3, pp.4–8.
- Bartlett, C.A. and Ghoshal, S. (1995) *Transnational Management*, 2nd ed., Richard D. Irwin, Chicago.
- Berlyne, D. (1978) 'Curiosity and learning', *Motivation and Emotion*, Vol. 2, No. 2, pp.97–175.
- Bright, F.J. (1982) 'An investigation into the effect of differences in selected personality types on the extent to which Mintzberg's managerial roles are emphasized by practicing managers', PhD thesis, Florida State University, Tallahassee, United States.
- Cooperatives Commission Malaysia (2008a) 'Cooperatives in Malaysia', available at <http://www.jpk.gov.my> (accessed on 17 June).
- Cooperatives Commission Malaysia (2008b) 'Cooperative activities', available at <http://www.jpk.gov.my> (accessed on 17 June).
- Cooperatives Commission Malaysia (2008c) 'Cooperatives laws', available at <http://www.jpk.gov.my> (accessed on 30 June).
- Dawar, N and Frost, T. (1999) 'Competing with giants: survival strategies for local companies in emerging markets', *Harvard Business Review*, Vol. 77, No. 3, pp.122–133.

- Fisher, K. (2000) 'Curioser and curioser: the virtue of wonder', *Journal of Education*, Vol. 182, No. 2, pp.87–96.
- Fowler, H. (1965) *Curiosity and Exploratory Behavior*, Macmillan, New York.
- Friedman, T. (1999) *The Lexus and the Olive Tree: Understanding Globalization*, Farrar, Straus, Giroux, New York.
- Gabel, R.S., Dolan, S.L. and Cerdin, J.L. (2005) 'Emotional intelligence as predictor of cultural adjustment for success in global assignments', *Career Development International*, Vol. 10, No. 5, pp.375–397.
- Government of Malaysia (2001) *Third Outline Perspective Plan (2001–2010)*, Malaysia Printers, Kuala Lumpur.
- Government of Malaysia (2006) *Ninth Malaysia Plan 2006–2010*, Government Printers, Kuala Lumpur.
- Gunaratana, B. (2002) *Mindfulness in Plain English*, Wisdom, Somerville, MA.
- Gupta, A.K. and Govindarajan, A. (2000) 'Knowledge flows within multinational corporations', *Strategic Management Journal*, Vol. 21, No. 4, pp.473–496.
- Hair, J.F., Anderson, R.E., Tatham, R.L. and Black, W.C. (1992) *Multivariate Data Analysis with Readings*, 3rd ed., McMillan, New York.
- Harper, S. (1990) 'Intuition: what separates executives from managers', in Agor, W.H. (Ed.): *Intuition in Organisations*, pp.111–124, Sage Publications, Newbury Park, CA.
- Harvey, M. (1989) 'Repatriation of corporate executives: an empirical study', *Journal of International Business Studies*, Vol. 20, No. 1, pp.131–144.
- Harvey, M., Novicevic, M., Leonard, N. and Payne, D. (2007) 'The role of curiosity in global managers' decision making', *Journal of Leadership and Organisational Studies*, Vol. 13, pp.43–58.
- International Cooperative Alliance (ICA) (2008a) 'Information on cooperatives', available at <http://www.ica.coop/coop/index.html> (accessed on 7 July).
- International Cooperative Alliance (ICA) (2008b) 'Statement on the cooperative identity – principles', available at <http://www.ica.coop/coop/principles.html> (accessed on 17 June).
- Jomo, K.S. and Hui, W.C. (2003) 'The political economy of Malaysian federalism: economic development, public policy and conflict containment', *Journal of International Development*, Vol. 15, pp.441–456.
- Kanungo, R. and Wright, R.W. (1983) 'A cross-cultural comparative study of managerial job attitudes', *Journal of International Business Studies*, Vol. 14, pp.115–129.
- Kashdan, T., Rose, T. and Fincham, F. (2004) 'Curiosity and exploration: facilitating positive subjective experiences and personal growth opportunities', *Journal of Personality Assessment*, Vol. 82, No. 3, pp.291–306.
- Kennedy, P. (1993) *Preparing for the Twenty-First Century*, Random House, New York.
- Kotter, J. (1995) *The New Rule*, The Free Press, New York.
- Lian, T.K. (2002) 'The unique cooperative response to globalisation', *Review of International Cooperation*, Vol. 95, No. 1, pp.14–19.
- Mintzberg, H. (1980) *The Nature of Managerial Work*, Prentice Hall, Englewood Cliffs, NJ.
- Mohamed, M. (1991) *The Way Forward*, Pelanduk Publications, Kuala Lumpur.
- Mohamed, M. (2003) 'The 2004 budget speech (Delivered on 12 September 2003)', available at <http://www.pmo.gov.my> (accessed on 14 July 2004).
- Osuala, K.O. (1992) 'The managerial roles of academic library directors in Nigeria: applying the Mintzberg model', PhD thesis, Texas Women's University, Denton, Texas, United States.
- Radermacher, F.J. (2001) 'Cooperatives and peace in the era of globalisation', *Review of International Co-operation*, Vol. 94, No. 2, pp.37–47.
- Ramasamy, B., Chakrabarty, A. and Cheah, M. (2004) 'Malaysia's leap into the future: an evaluation of the multimedia super corridor', *Technovation*, Vol. 24, No. 11, pp.871–883.

- Rasiah, R. (1995) *Foreign Capital and Industrialization in Malaysia*, St. Martin's Press, New York.
- Rasiah, R. (2003a) 'Foreign ownership, technology and electronics exports from Malaysia and Thailand', *Journal of Asian Economics*, Vol. 14, No. 5, pp.785–811.
- Rasiah, R. (2003b) 'Industrial technology transition in Malaysia', in Lall, S. and Urata, S. (Eds.): *Competitiveness, FDI and Technological Activity in East Asia*, Edward Elgar, United Kingdom.
- Sanders, P. (1998) 'Global managers for global corporations', *The Journal of Management Development*, Vol. 7, No. 1, pp.33–46.
- Schwettmann, J. (2002) 'Cooperatives and globalisation', *Review of International Co-operation*, Vol. 95, No. 1, pp.26–30.
- Voss, H. and Keller, H. (1983) *Curiosity and Exploration: Theories and Results*, Academic Press Inc., New York.
- Wahab, A.A. (2003) 'A complexity approach to national IT policy making: the case of Malaysia's multimedia super corridor (MSC)', PhD thesis, The University of Queensland, Brisbane, Australia.
- Wikipedia (2008) 'Definition of "glocalization"', available at <http://en.wikipedia.org/wiki/Glocalisation> (accessed on 22 September).
- Wills, S. and Barham, K. (1994) 'Being an international manager', *European Management Journal*, Vol. 12, pp.49–58.
- Zainuddin, D. (2000) 'A New Malaysia: from strategic vision to strategic implementation. The 2001 budget speech delivered on 27 October 2000', available at <http://www.treasury.gov.my/englishversionbaru/index.htm> (accessed on 14 July 2004).