

SEJAHTERA DEFENSIVE STRATEGIES AT CO-OP IIUM

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ABSTRACT

Cooperatives as third sector economy contribute significantly to national income in Malaysia. These community-based entities are created by the community to the community. This noble organization has been active in making the society relevant in the socio-economic development agenda. This is in line with the Sustainable Development Goals agenda to bring unity, prosperity, peace, and justice to the community. This study explores sejahtera defensive strategies at Co-op IIUM in sustaining its performance and competitive advantage. Coop IIUM has been in defensive strategies for many years. This report proposed Sejahtera defensive strategies to bring back its

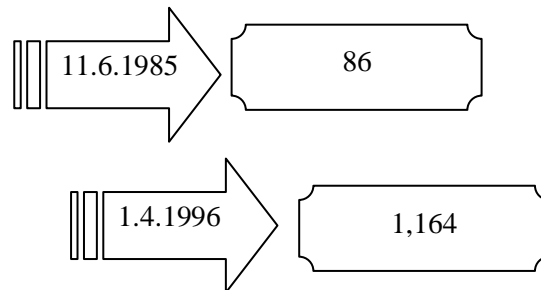
glory. This coop is essential to help members of the cooperative in financing a more facilitating, or on credit cooperatives.

Keywords: Sejahtera, Corporate strategies, Defensive strategies, Cooperatives, Malaysia

Company Background and Profile

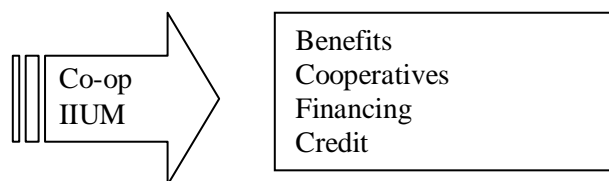
Cooperative International Islamic University Malaysia Berhad (Coop IIUM) was incorporated on June 11, 1985. At the beginning of the establishment of the cooperative, the cooperative name Staff International Islamic University Kuala Lumpur Malaysia Berhad. On 1st April 1996 recorded history when the old name changed to Cooperative International Islamic University Malaysia Berhad, and until now, the cooperative has membership of a total of 1,164 members. Figure 1 illustrates the evolution of membership from the inception until 1996.

Figure 1: Membership of Co-op IIUM



The establishment of Cooperative International Islamic University Malaysia Berhad aims to help members of the cooperative in financing a more facilitating, or on credit cooperatives. Figure 2 illustrates the benefits of Co-op IIUM.

Figure 2: Benefits for Co-op IIUM members



The uniqueness of Cooperative International Islamic University Malaysia Berhad is because it has three branches of cooperatives in all the branches of the international Islamic University Malaysia, namely:

- a) Gombak Campus
- b) Kuantan Campus
- c) Gambang Campus

For moving the activities of cooperatives, the cooperative carries on business that is 4 types of financing, special project, supply contract, and retail trade. Financing is the heart of the main business activities of cooperatives and contributing the biggest profit co-operatives, while special projects comprised in smartcard and photo convocation which contribute to income rate to the cooperative. For retail shop business it also provides some additional profit to the cooperative economic at present.

Board of Directors

The board of directors of Co-op IIUM is elected in the Annual General Meeting. Each AGM is attended by all members in the presence officers from Co-operatives Commission Malaysia. The governance of Co-op IIUM follows strictly the cooperative laws and its own by-laws (Appendix 1 shows the book of by-laws and AGM materials). Table 1 highlights the position of the board of directors.

Table 1: Position for Board of Directors

| Position |
|-----------------|
| Chairman |
| Deputy Chairman |
| Secretary |
| Treasurer |
| Board Member 1 |

| |
|----------------|
| Board Member 2 |
| Board Member 3 |
| Board Member 4 |
| Board Member 5 |
| Board Member 6 |
| Board Member 7 |
| Board Member 8 |

Management Team

The management team is appointed from the public. No co-op member is appointed into the management team. This practice is to ensure impartiality, which is corporate governance practice of co-operatives (Appendix 2 shows the organizational chart of Management Team). Table 2 highlights the position of the management team of Co-op IIUM.

Table 2: Position for Management Team Co-op IIUM

| Position |
|--|
| General Manager |
| Assistant Manager |
| Finance Executive |
| Administration Executive |
| Executive for membership and loan |
| Assistant Executive for business development |
| Assistant Executive for business development (Kuantan) |
| Assistant Finance Executive |

Sejahtera Elements from the legal formation of Co-op IIUM

Sejahtera denotes peace, sustainable and justice. Key elements *sejahtera* includes respect, freedom, autonomy, balanced, holistic, and caring (Razak, 2005; Azroai, 2008; Kamaruddin & Moten,2013; Shaharudin, 2019; Embong, Safar & Basiron, 2020). The national philosophy of education in Malaysia emphasizes on balanced and holistic of human development (Ahmad, 2008; Shaharuddin,

2019; Mhd Sarif & Zainudin, 2020). Eventually, *sejahtera* leads to sustainable development (Febianto & Johari, 2019; Razak, 2019).

The International Cooperative Alliances (ICA) outlined seven principles of cooperative movement, namely voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training, and information, cooperation among cooperatives, and concern for community (ICA, 2020).

Table 3 summarizes *sejahtera* dimensions of cooperative by ICA and the practice at Co-op IIUM. All the seven dimensions are practiced at Co-op IIUM with Islamic teachings and Tawhidic paradigm.

Table 3: *Sejahtera* Dimensions for Co-operative at Co-op IIUM

| Sejahtera Dimensions for cooperative | Evidence at Coop IIUM |
|--------------------------------------|--|
| Voluntary and Open Membership | <p>The diagram consists of two horizontal arrows pointing to the right. The top arrow starts with a box containing '11.6.1985' and ends with a box containing '86'. The bottom arrow starts with a box containing '1.4.1996' and ends with a box containing '1,164'.</p> |
| Democratic Member Control | Board of Directors elected in Annual General Meeting |
| Member Economic Participation | <p>The diagram features a large arrow pointing to the right. Inside the arrow's shaft is the text 'Co-op IIUM'. To the right of the arrow's tip is a rectangular box containing the following text: 'Benefits', 'Cooperatives', 'Financing', and 'Credit'.</p> |
| Autonomy and Independence | Board of Directors are elected among members with voting system. 1 member 1 vote. |
| Education, Training, and Information | Continuous training for Board of Directors, Management Team and members |

| | |
|--------------------------------|---|
| | |
| Cooperation among Cooperatives | Facilitated by Cooperatives Commission Malaysia |
| Concern for Community | Socio-economic benefits |

Sejahtera Historical

Cooperative international Islamic University Malaysia Berhad (KUIAMB) initially known as Cooperative International Islamic University Staff Kuala Lumpur Berhad. Established in 1985 and is 100% owned by members of the KUIAMB which specifically consist of employees of the international Islamic University Malaysia (IIUM). The main objective of KUIAMB (KOOP) is to offer best quality on an ongoing basis and provide sustainable commitment with dedication to get the trust of customers ranging from various sectors either Government, quasi-government, members of cooperatives or the private sector. The principal activity of KUIAMB is credit financing for members of cooperatives and also supplies office equipment and Office renovations such as furniture, stationery, books, and small construction works according to the current request.

In addition, the Koperasi UIAM Berhad is also involved in the activities of the service; KOOP was appointed by the University to issue smart cards for all students in IIUM Campus since 2005 until now. Among other undertakings, KOOP was also awarded privilege for doing business in retail stores on campus-the Malaysian International Islamic University campus located in Gombak, Kuantan and Gambang. This subsequently became the core KOOP to stand strong and strong with goals and objectives in providing the best service and community KOOP Member last IIUM.

KOOP philosophy is to be a leading cooperative among institutions of higher learning based on experience and practice of operational excellence. KOOP also ensures strong financial position is always to provide a competitive dividend returns to KOOP. Therefore, our commitment has led us to be more confident to implement all the suggestions, orders and business in various fields. Continued support from members and customers KOOP become the backbone upon our

achievements over the years.

Koperasi UIAM Berhad opt to use a differentiation strategy as one important characteristic to be attractive to customers and members in general. These efforts would be attractive to a broad range of consumers that can be contrasted with other strategies that involve targeting a relatively narrow niche of potential customers in International Islamic University Malaysia (IIUM) and other places in Malaysia and abroad. An important point is that for the nature KOOP should narrow target the market varies across other companies.

Vision

"Leader of excellence Co-operative for effective contributor to members of co-operative"

Mission

1. Provide financial facilities to members in order to enhance socio-economic.
2. Strive to expand in line with technological advances and the internet.
3. Ensure business activities are carried out with distinction as well as the standards of procedure (SOPs) may be prescribed.

Objective

1. Offers the best service and quality on an ongoing basis.
2. Enhance social responsibility through the profit earned.
3. Strengthen the operating system so that more high quality, effective and efficient.

The External Environment

KOOP lack of proper information involving demand cause and costumer effect relations, failure to precisely forecast the implication of the result and have hard time forecasting external change in the society is referred to as environment uncertainty. The lacking-popularity is because of insufficient information to forecast currently or intellect of incapacity to differentiate among significant and inappropriate information. The general environment i.e IIUM staff help in the identification of opportunities and threats that may help a company achieve strategic competitiveness.

The information builds the KOOP base of knowledge and capabilities to develop a competitive advantage and take actions to buffer environment effects on them hence fabricate relations with stakeholders in a particular surroundings. IIUM environment intricate is related to simple complex dimension. Simple environment in the University and other IIUM campuses has got fewer variables which have an impact on KOOP than complex environment which has varied external elements which interrelate with. The environment sphere is steady if it able to remain the same over a duration of months or years. Environment elements will change abruptly when they are functioning under uncertain conditions hence instability will occur only when competitors and also other business operators in the campus react aggressively in regard to new commodities and advertising.

Other environment domain is the complex–stable and simple and unstable. The complex and stable environment represents a larger hesitation for business growth and expansion. More number of essentials products and services has to be verified analyzed and worked on for good performance of KOOP in addition the elements outside campus that cannot change quickly or suddenly in the surroundings. Larger indecision is felt under unhinged environment hence uncertainty for the General Manager is produced by swift changes. However, even though KOOP contains little external variables, elements are not easy to formulate since they respond unpredictably to companies initiative because of lacking of creativity and business-oriented thinking amongst the Board of Directors.

Uncertainty within KOOP is measured in terms of complexity and how unstable the environment is, even though the campus consists of about 25,000 students and staff. A cooperative with more number of variables will encroach upon the company hence move regularly and react sturdily to organizational initiative. The surrounding will become unstable if several factors change concurrently. How an organization adapts to the environment uncertainty will determine KOOP survival in that setting. In unclear surrounding will be managed and controlled differently to that KOOP which is in certain environment with respect to position and section.

Politico-Economic-Social-Technology-Legal-Environment (PESTLE) Analysis KOOP IIUM

Political

The factors related to political includes tax policies, fiscal policies, trade tariffs, business environment, among others. For the company like KOOP that does retail business outlet that relay on the decision and financial facility from the University and Suruhanjaya Koperasi Malaysia. Political leadership matters a lot for tax structure of the country, it might affect the business sector a lot for doing businesses in a smooth manner. Political parties opt for policy changes of the country hoping to generate more revenues and poverty reduction. This also combines with fiscal policy adjustments and brings changes in trade tariffs to KOOP.

Economical

The economic factors of the country includes inflation rate, consumer demand in price of products, interest rate, foreign exchange rates and economic growth patterns. These factors directly affect KOOP which ultimately affects the company to do businesses. If the inflation of an economy is increased, it impacts overall business activities which will also affect consumers demand and price of products. Increase in inflation means the price of products/services go up which will cost dearly to customers the company is dealing with. If there is upward trend on the interest rates of the banks, it might affect the businesses to run and discourage investments both local and foreign.

Social

The factors like the cultural trends, tradition, fashion, style, demographics, and population analytics do impact on the social environment of the market in the country. It shows that how customers follow the cultural trends, tradition and fashion while experiencing the services of the company.

Technological

The factors like new products, branding, automation, research and development, technological awareness are critical for company's sustainable growth and generate more profits. For a company to be progressive and sustainable, technology matters a lot with new products in the market at times. With latest technological innovation, it helps for branding the product, conducting research for penetrating into new markets that will help to make the operation of the industry efficient in a productive way.

Legal

When it comes to legal issues, consumer law, safety standards and labor laws matter a lot for making the business environment friendlier for investments. Changes in consumer law also affect in the tastes of the products offered by the company. Therefore, strong legal arrangements, with certain required safety standards of cooperative industry might positively impact the businesses to get more business.

Environmental

Environment factors affect the businesses of the company both internally and externally. For KOOP, they do not have the recycling program to cater the recyclable waste from the items sold, i.e., plastic waste. If the environment is not positively maintained, people get distracted, and other ancillary sectors also get hampered.

Internal environment

Resources, capabilities, and core competencies are the basis of competitive advantage, where organizational capabilities are realized from a bundle of resources. There are four empirical indicators of the potential of firm resources to gather superior sustainable value to its customers (competitive advantage), rareness, imitability, value, and substitutability.

A resource based view shows that a company uses its resources and capabilities to create a competitive advantage, which yields a superior value to customers. Resources cover a broad spectrum of individual, social, and organization phenomena, wherein resources alone in a firm are not enough to create value for customers to earn above average return, but combined to form capabilities.

A company resource include tangible and intangible ones, where tangible resources are assets that can be observed and quantified, where an example of tangible resources includes: equipment, facilities for manufacture and services, distribution outlets, and structures. The value of tangible resources can be seen in a company financial statement, but financial statements may not account

for all assets of a company for the reason that some intangible assets are disregarded, while some tangible assets are hard to leverage, example a company cannot use the same airline on different routes at the same time.

The combination of tangible and intangible assets by a company creates its capabilities required to produce, distribute, and service the goods and services a company offer to customers to create value. A company use and exchange information and knowledge to develop its capabilities as a source for building core competencies that can create competitive advantages through its human capital. Core competencies of a firm are capabilities that serve as a source of competitive advantage for a company over its rivals, where it distinguish a company and reflects its personality.

Core competencies of a company emerge over time through research and development by learning on how to deploy various resources and capabilities and take action to add value to the product and make it different from that of competitors. Therefore, organizations should leverage on its intellectual resources and combine it with resources within the organization to develop core competencies that will distinguish a company to add value to its products than its customers.

Organizations can build core competencies through four criteria for the sustainable competitive advantage which includes: valuable capabilities which help a company to neutralize threats or exploit opportunities, rare capabilities, costly to imitate capabilities, and no substitutable capabilities.

A strategized company analyses its internal organization to determine strength and weaknesses in its resources, capabilities, and core competencies, where a firm identifies its weaknesses in resources, capabilities, and core competencies, it must acquire the resources that will build the required capabilities and competencies to create superior value for its products above that of its competitors. The core competencies in of a firm are observable behaviors that may indicate a competency in person, but technology, social or political event may tend to overturn them into core rigidities.

KOOP must learn to gather information about their competitors and the economy in general to understand situations, where they should take decisive action of preventing such a situation. This can be done by research and development always to be innovative by avoiding duplication of a company competitive advantage.

The strategic competitiveness of a company is said to have been achieved when a firm successfully creates and implements a value-creating strategy, where a strategy deals with how a firm uses its core competencies to earn a competitive advantage. This easy discussed four different level of strategies after examining the impact of internal resources of an organization in developing the strategies. The cost leadership strategy, the differentiation strategy, the focused strategy, and the integrated cost leadership/differentiation strategy are business level strategies which provide a firm with the foundation that will create a competitive advantage for the firm in the particular industry.

In choosing a strategy, KOOP must consider the four elements of either, lower cost, differentiation, narrow, or broader market. A company must analyze its external environment in conjunction with the internal environment to choosing the best alternative that will create a superior value product to its customers which will earn a firm above the average return. An above average return earned by a firm will allow a company to satisfy its stakeholders, who in turn will utilize its core competencies to sustain the competitive advantage of the firm through improvement of products, and innovation.

Crafting strategy

Best-cost provider strategies aim at giving customers more value for the money. The objective is to deliver superior value to buyers by satisfying their expectations on key quality/features/performance/service attributes and beating their expectations on price (given what rivals are charging for much the same attributes). A company achieves best-cost status from an ability to incorporate attractive or upscale attributes at a lower cost than rivals.

The attractive attributes can take the form of appealing features, good-to-excellent product performance or quality, or attractive customer service. When a company has the resource strengths and competitive capabilities to incorporate these upscale attributes into its product offering at a lower cost than rivals, it enjoys best-cost status-it is the low-cost provider of an upscale product.

Being a best-cost provider i.e Air Asia is different from being a low-cost provider because the additional upscale features entail additional costs (that a low-cost provider can avoid by offering buyers a basic product with few frills). The competitive advantage of a best-cost provider is its capability to include upscale attributes at a lower cost than rivals whose products have comparable attributes.

A best-cost provider can use its low-cost advantage to underprice rivals whose products have similar upscale attributes-it is usually not difficult to entice customers away from rivals charging a higher price for an item with highly comparable features, quality, performance, and/or customer service attributes. To achieve competitive advantage with a best-cost provider strategy, it is critical that a company have the resources and capabilities to incorporate upscale attributes at a lower cost than rivals.

In other words, it must be able to;

1. Incorporate attractive features at a lower cost than rivals whose products have similar features.
2. Manufacture a good-to-excellent quality product at a lower cost than rivals with good-to-excellent product quality.
3. Develop a product that delivers good-to-excellent performance at a lower cost than rivals whose products also entail good-to-excellent performance.
4. Provide attractive customer service at a lower cost than rivals who provide comparably attractive customer service.

What makes a best-cost provider strategy so appealing is being able to incorporate upscale attributes at a lower cost than rivals and then using the company's low-cost advantage to underprice rivals whose products have similar upscale attributes. The target market for a best-cost provider is value-conscious buyers-buyers that are looking for appealing extras at an appealingly low price.

Value-hunting buyers (as distinct from buyers looking only for bargain-basement prices) often constitute a very sizable part of the overall market. Normally, value-conscious buyers are willing to pay a fair price for extra features, but they shy away from paying top dollar for items having all the

bells and whistles. It is the desire to cater to value-conscious buyers as opposed to budget-conscious buyers that sets a best-cost provider apart from a low-cost provider-the two strategies aim at distinguishably different market targets.

A best-cost provider strategy works best in markets where buyer diversity makes product differentiation the norm and where many buyers are also sensitive to price and value. This is because a best-cost provider can position itself near the middle of the market with either a medium-quality product at a below-average price or a high-quality product at an average or slightly higher price. Often, substantial numbers of buyers prefer midrange products rather than the cheap, basic products of low-cost producers or the expensive products of top-of-the-line differentiators. But unless a company has the resources, know-how, and capabilities to incorporate upscale product or service attributes at a lower cost than rivals, adopting a best-cost strategy is ill advised-a winning.

A company's biggest vulnerability in employing a best-cost provider strategy is getting squeezed between the strategies of firms using low-cost and high-end differentiation strategies. Low-cost providers may be able to siphon customers away with the appeal of a lower price (despite their less appealing product attributes). High-end differentiators may be able to steal customers away with the appeal of better product attributes (even though their products carry a higher price tag). Thus, to be successful, a best-cost provider must offer buyers significantly better product attributes in order to justify a price above what low-cost leaders are charging. Likewise, it has to achieve significantly lower costs in providing upscale features so that it can outcompete high-end differentiators on the basis of a significantly lower price.

What sets focused strategies apart from low-cost leadership or broad differentiation strategies is concentrated attention on a narrow piece of the total market. The target segment, or niche, can be defined by geographic uniqueness, by specialized requirements in using the product, or by special product attributes that appeal only to niche members.

Executing the strategy

Despite its importance, execution is often handled poorly by many organizations and also involving KOOP. This is due to the difficult and complex nature of execution, and there are many challenges

in the way. The problem that many businesses face today when the world become more and more crowded, more complex and competitive than ever before. With the globalization of economies and rapid changes in the environment, and an increasing pressure on corporate and individual capabilities the demands placed on strategy now require far greater flexibility at all stages of the strategy process.

The dynamics of competition have become richer due to changes in the economy. The most innovative competitor, who can set the standard, and the one after that, will be able to maintain competitive advantage. The winners will be them with the best products, the best services, the greatest appeal to customers and the best strategies. Increasingly amount of companies are looking to design and develop new products and services as a crucial source of competitive advantage. As this pressure of innovation increases, the tension between short –term exploitative development and long term exploratory innovation activities.

The rapidly changing environment also requires flexibility and room for creative evolution and adjustment in the strategy to have enough clear space in your approach to respond to unexpected external and internal events and actions. Inspirational leadership and creative encouragement should be a part of the strategic implementation for maximum advantage. The vision needs to be set and maintained but there should be a space for adaptation, evaluation and a constant rejuvenation. Strategy process and content should be integrated to create a better approach to strategy and managers could overcome many limitations of the past.

Strategy execution processes should support organizational change and adaptation. Main strategy work requires feedback about organizational performance to be able to fine-tune strategy, objectives and the execution process itself. There is an emergent aspect of strategy and execution, as organizations learn and adapt to environmental changes. Understanding how to manage feedback, strategy reviews and change is vital to the success of strategy execution. These are the issues that impact the success or failure of strategy execution efforts. This, and the previous mentioned issues longer time frames, involvement of many people present obstacles to successful execution if not handled properly.

Having a great strategic planning process is only half the challenge. The other half – translating the strategy into results can be even harder, particularly when the new strategy involves moves outside the core to gain competitive advantage. Clear and engaging communication throughout the organization to foster alignment, high profile strategic initiatives to build traction where each initiative needs to be properly chartered, staffed and resourced and given a clear timeline. Another powerful way to encourage the organization to embrace the new strategy is to identify quantitative metrics and goals that can measure progress.

Structured and well-organized implementation of strategy executing is always being successful for any company. Great strategy always turns into a great performance. KOOP nowadays working with well-organized strategical plan and they are on the process of implement their plan. However, any company even large or small, they need their strategical plan to run in the long run. KOOP in IIUM stabilized long time ago but because of their lacking in executing strategy, they did not go so far.

The current management level is not so strong for implement strong strategical execution plan which not only generate the revenue but also benefitted for social groups and environment. Generally, KOOP have many facilities and section where they can execute their new strategical plan, for example, mineral water project and travel agency. Hiring of new staff with unique mind set also can help Koop to develop their strategical plan.

KOOP should decide that who actually their target client and have to focus on that particular group. The market segmentation is very important to know the companies target market. IIUM Koops have to do regular monthly research and demographic segmentation about their targeted groups inside IIUM and also in outside of the university and should offer unique value to the customers in their chosen segment field. That's basic business strategy stuff.

Moreover, KOOP should focus on some particular executing strategical method, which they can pick a basic organizational design that matches structured to the strategy. One of the most important elements in executing strategy is collaboration. They must be collaborating with foreign delegates and donner for IIUM which can help to generate revenue and new business opportunity.

On the other hand, KOOP already has a platform and legal authorization to expand their business abroad with other Islamic universities or any Islamic organization in the world. So, they must be using this opportunity in correct way with proper executing of strategical method.

In addition, strategy Implementation offers new chances for creating competitive advantage and it's also a part of leader's roles so, KOOP have to execute their new strategical plan from top level management to until lower level management. Besides that, KOOP have to looks in company's social responsibility (CSR) plan because they are not only standing for to earn revenue but also more to social work and international brotherhood. The research study for KOOP is very important to find the different field to grow the business and also developed the established one. Social wellbeing for the whole community is a difficult job and KOOP really needs the big amount of funds to do it. This will help KOOP to apply new executing strategy and find out the existing problem. A simple Strategy Execution process like the 8 Model orients can apply in right time by the managers to develop a new and strong strategical plan for KOOP.

Market differentiation

1. The KOOP establishment structure focus more towards facilitating its members/welfare rather on business orientation commitment.
2. The capital relies on SKMM or other financial institutions for financing facilities.
3. The biz operation runs without relying on rivals' competition.
4. The product produced that are easily imitated by rivals.
5. The market cordoned in IIUM campuses only.

Recommendations

Explicitly adopt a set of common foundational values corporate

Values are the expression of the personality of the corporation, its commitment and a guide for the conduct of its members and a basis for commercial success. This value-based mode of behavior identifies the character of the corporation and distinguishes it from others. The collective living

gives sense to the corporation. These values ought to be known and practiced by all members of the corporation, such that the individual and collective conduct will be in accord with the corporate mission.

The strongest companies – value based companies – are built on a common set of foundational values, values that are explicitly accepted and shared by all members of the firm. And a common vision based on core social values is essential as the first building block of the effective employee owned company must adhere to a core set of social values while successfully engaging the market it is this common set of foundational values that becomes the touchstone for regeneration. If the cooperatives do not return to some of the very values that gave them life in the first place, they may be victims of their own success.

Create an organizational structure that shares power among several agencies, and thus limits its concentration

The key to protecting employee stock and increasing its value is to devise governance regulations that successfully address the many potential conflicts of employee ownership. Due to legitimate concerns about human nature, autocratic control, and abuse of power (by situation), most employee ownership insist on the sharing of power among multiple boards and committees as a necessity for successful functioning of employee owned companies.

When members have to make decisions about the future of their organization, they are naturally Inconsistency. On the one hand, they want to strengthen their organization to ensure long-run profitability and survival; on the other hand, they want to increase their income and to make working conditions more humane and attractive. Inconsistency is not a good position from which to make decisions.

Craft an organizational culture of character, and take active steps to maintain that culture throughout the life cycle

Organizational culture is the system of shared beliefs and values that develops within an organization and guides the behavior of its members. The traditional case for employee ownership is that it will act as an antidote for the divisive, low-trust, ‘them and us’ culture of industrial

capitalism. In summary, then, the same steps one would take to craft a culture of character should also prepare the employee owned company for greater success in the global marketplace.

A company that emphasizes ethical actions as a criterion for an individual's inclusion in the organization is demonstrating commitment to a culture of character. A company built on a strong ethical platform and operating every day based on that ethical platform should be more successful in the long term.

Manage the affairs in a way that manifests servant leadership

Reaping the gains of the networked organization is not easy. It requires leadership management by consent rather than command and control. In leadership literature, two paradigms we often read about are the pyramid and the inverted pyramid. The pyramid model represents the old school, militaristic, top-down, hierarchical leadership style. The Chairman is at the top, and all policy and ideas flow from the top down. In the inverted pyramid, the leader or Chairman is seen on the bottom, serving the organization. He or she is there to serve the company and remove all of the obstacles that would prevent the team from getting the job done. This paradigm is often used when describing servant leadership.

Transform the role of the local trade to focus on “win-win” rather than adversarial strategies

At the core of changing Board of Directors and management roles is the changed ownership structure. Management manages employees on behalf of owners who are the employees they manage. The union represents employees who are also owners. While this may seem initially to cause role confusion, as management and labor work together within the new structure, the potential for joint labor-management cooperation grows.

As noted above, employee ownership calls for drastic changes in the way companies are managed. There must be a transformation from a ‘command and control’ style to one of servant leadership. Equally challenging, though, is the transformation of the role of the union in an employee owned company. Logue et al. in the quotation supplied above, are frank about the role confusion this may cause for the business trade operation.

Recognize that every members must serve as a loyal guardian of the foundational values of the organization

Participation in the firm's economic residual should advance the effort to instill a corporate culture of continuous improvement. Economic participation provides financial incentives for members to work harder and smarter, to cross-monitor one another and to

Conclusion

Employee ownership, characterized by employee participation and control, may be the ideal merging of capitalistic and communitarian thought that leads to the vitalization of the global economy. Employee owned companies provide an opportunity for the members of the trade union and company ownership (who are one and the same!) to join together in a historic attempt to create a successful company are free and productivity maximized.

Yet, there are two key problems that can threaten the survival of KOOP no matter how successful it becomes economically. These are degeneration (a falling away from the foundational values of employee ownership in order to compete economically) and the darker side of human nature (ignorance, abuse of power, and a willingness to shirk at the expense of others).

Several of these suggestions drawn from organizational theory and the writings of experts in employee ownership are value-based, and all of them are interrelated. Implementing these suggestions will strengthen any cooperative and better prepare it to survive under the stresses and strains of global business competition.

Tawhidic paradigm

The effect of Tawhidic Paradigm in Malaysia's cooperative organizational policy and approach is crucial in sustaining its long-term dynamism from the globe to the hereafter. Tawhidic paradigm offers an awareness of doing actions in accordance with religion (' aqīdāh), worship (' ibādāh), and morality (akhlāq) in life as Allah's servant and vicegerent. One has to gain excellent value in everyday life, which is compounded into the value of life as Allah's servant and vicegerent, enhances the value of life, the bottom line of the worldly and the hereafter. Tawhidic Paradigm is a

guideline based on Shari'ah, Islamic morality and teaching values for modern company management.

The Tawhidic Paradigm is a complement to the current norms and recommendations generated in Malaysia by different organizations. Tawhidic Paradigm strict, thorough, and complete nature adds to the sustainability interests of today's businesses beyond the triple bottom line issues. Personal utilization enhanced knowledge of the process of formulating, implementing and assessing cooperative policies in Malaysia.

Yet to maintain their businesses, they still face serious difficulties. They are strongly dependent on Allah, however, and are always reminded of hard work as it is part of worshipping Allah. Tawhidic Paradigm in OPS could have important practical consequences for strategic management in improving the company's efficiency, efficiency and sustainability. While the Tawhidic Paradigm consciousness in OPS is theoretically important, it must be demonstrated in practice because of no such methods.

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Appendices

Appendix 1: By-Laws of Coop IIUM and AGM Handbook



Appendix 2: Organizational Chart of Management Team Co-op IIUM

CARTA ORGANISASI PENGURUSAN KULAMB

