

CHAPTER ONE

INTRODUCTION

A co-operative society is a form of organization wherein persons voluntarily associate together as human beings, on a basis of equality for the promotion of their socio-economic interests. It means that a co-operative is a democratic organization of members for the members and by the members. Formation of school co-operatives in schools and colleges is one of the effective means of co-operative education.

Realizing the educational value of school co-operatives the National Congress on School Cooperation in France accepted the following definition in 1948

“ In public educational establishments, school co-operatives are societies of students, established for the purpose of joint activity and administered by the members with the assistance of their teachers. “

“ Inspired by a belief of human progress, the co-operatives aim at promoting the moral, civic and intellectual education of the associates through the latter's management of each society and the work they do therein. “

The school co-operative movement though originated in Europe after World War One has now spread to other parts of the world. Under the existing leadership of the International Co-operative Alliance, the movement has been expanded ceaselessly. According to a survey conducted in 1955 there are twenty six countries in the world having student's co-operatives. Another survey conducted in 1963-64 revealed eight countries of Asia had student's co-operatives in one form or another.

Steps to set up a co-operative movement in Malaysia started in 1953 where a resolution have been approved by the Malaysia Co-operative Conference asking the government to set up school co-operatives in Peninsular Malaysia. In 1968 nine schools were selected in a pilot project. Initially the school co-operatives was established to provide credit facilities to help poor students to their study materials. In 1975 the function of school co-operatives was reviewed to include multi-purpose activities. The Department of Co-operative Development was given the responsibility of establishing school co-operatives in Malaysia with the aim of exposing students to business environment. Table 1 on the next page shows the growth of school co-operatives in Sarawak.

Table 1: Growth of school co-operatives in Sarawak

| Year | 1976 | 1980 | 1985 | 1990 | 1996 |
|--------------------------------|------|---------|--------|---------|---------|
| Number of Secondary Schools | 74 | 90 | 117 | 129 | 137 |
| Number of School Co-operatives | 2 | 24 | 47 | 93 | 114 |
| Membership Number | 200 | 10,117 | 30,054 | 68,358 | 112,000 |
| Total capital share (RM) | 400 | 28,070 | 64,193 | 181,214 | 300,000 |
| Total Sales (RM) | - | 465,905 | 1.47m | 4.07m | 4.1m |

Based on Table 1, in 1976 there were only two school co-operatives in Sarawak which constitutes 2.7% of the total secondary school in the state. The first was registered in November; the second in December. That year no sales was recorded. The average growth rate of school co-operatives was 275% between 1976 - 1980; 19.17% between 1980 - 1985; 19.57% between 1985 - 1990; and 3.76% between 1990 - 1996. The percentage of secondary school that has school co-operatives were 26.7% in 1980, 40.2% in 1985, 72.1% in 1990 and 83.2% in 1996. This shows an increase in the number of secondary school setting up school co-operatives in this period. Besides that, membership rose by 197.0% from 1980 to 1985; 127.5% from 1985 to 1990; and 63.8% from 1990 to

1996. Total share capital also increases by 218.7% from 1980 to 1985; 182.3% from 1985 to 1990; and 65.6% from 1990 to 1996.

Purpose and significance of the study

In August 1993, the then Deputy Prime Minister said (The Star, 11.8.93):-

“ About 2,400 of the more than 3,000 co-operative societies have not been able to hold their Annual General Meetings for several years because they failed to complete their financial reports. The Co-operative Development Department had provided guidelines for proper accounting and financial management of co-operatives and also to have proper accounting procedures and that their financial reports be submitted on time. The Co-operative Act of 1993 was aimed at preventing malpractice and to speed up Annual General Meetings”. A number of school co-operatives in Sarawak were included in this figure.

Therefore the purpose of this research is to study the status of the management of school co-operatives in Sarawak. It seeks to identify the factors that relate to the management practices of school co-operatives in that state. The study will investigate the views of the teachers-in-charge of school co-operatives as to what is effective management and what they perceived is actually happening in the management of the school co-operatives in their respective schools. Besides that, it will solicit views as to how best to improve further the management of school co-operatives. The study will cover several aspects like leadership, planning, organizing and control of the school co-operative.

The study will provide some useful information for the Department of Co-operative Development who is responsible for looking after all the school co-operatives in Malaysia. They will know the actual management practices of school co-operatives in Sarawak, the weaknesses found in poorly managed school co-operatives and the strengths of well managed school co-operatives.

They can also study the suggestions given by the school co-operatives on how to further improve the management of school co-operatives.

Research Problems

The school co-operatives in Sarawak are faced with many challenges. In the rural areas for example, the turnover of teachers are relatively high and this cause the co-operative teachers to change often, thus affecting the continuity of the school co-operative. Some teachers who are elected or appointed by the principal to run the school co-operatives show a lack of interest or commitment in managing the school co-operatives. Besides that, some principals who are automatically made the Chairman of the school co-operative show lack of support due to conflicting personal interest. Many teachers avoid being involved in the school co-operatives due to heavy teaching workload and other co-curriculum involvement. The role of principal and teachers are the main force for a successful school co-operatives.

Since co-operative teachers are not full time managers, some leakage do occur due to lack of control of stock and money. Some of the school co-operatives also do not keep proper accounts of their business; minutes are not properly kept or are not up-to-date; no regular committee meetings; and not having or late Annual General Meetings. In other words, some of these co-operatives are not run according to the by-laws for school co-operatives.

Research Questions

The research is based on the following objectives:-

1. To investigate the perception of co-operative teachers with regards to the management of school co-operatives.
2. To investigate current practices of school co-operatives in Sarawak.
3. To investigate discrepancies, if any, between the perception of school co-operative teachers towards effective management and their corresponding current practices.
4. To solicit views on how best to further improve the management of school co-operatives.

Therefore this research addresses the following questions:-

1. What is the perception of co-operative teachers on effective management of school co-operatives?
2. What are the current practices of school co-operatives in Sarawak?
3. What are the discrepancies, if any, between the perception of school cooperative teachers towards effective management and their corresponding current practices?
4. What recommendations can be given by the co-operative teachers to further improve the management of school co-operatives?

Scope of the study

The study is limited to management of school co-operatives in Sarawak. It only seeks to get the views of the teachers-in-charge of school co-operatives only with regards to leadership, organizing, planning and control.

Limitations of the study

1. Due to time constraints, a sample of the school co-operatives in Sarawak will only be studied.
2. Only data collected for the financial year July 1995 - June 1996 will be used.

Organization of the Study

This research report is organized into five chapters which are described as follows:-

Chapter 1:- Introduction. Here it gives a background of the co-operative movement in the world and in Malaysia. The purpose and significance of the study, the research problems, the research objectives and questions, the scope of the study and limitation of the study are laid out clearly.

Chapter 2:- Literature review which will give brief descriptions of various studies done on management of school co-operatives.

Chapter 3:- Research methodology is discussed in detail with respect to selection of measures, sampling design, data collection procedure and data analysis techniques.

Chapter 4:- Research results. This comprise summary statistics of respondents, analysis of measures and a summary of research results.

Chapter 5:- Conclusions and recommendations.