

CHAPTER TWO

LITERATURE REVIEW

Introduction

The purpose of this research was to study the status of the management of school co-operatives in Sarawak. Specifically, this study sought to address the following research questions:-

- a) What is the perception of the co-operative teachers on effective management of school co-operatives?
- b) What are the current management practices of school co-operatives in Sarawak?
- c) What are the discrepancies, if any, between the perception of school co-operative teachers towards effective management and their corresponding current practices?
- d) What recommendations can be given by the co-operative teachers to further improve the management of the school co-operatives?

This chapter presents a review of the related literature that will support the formulation of this study. We will be looking at studies done with regards to the factors that can affect good management practices in school co-operatives.

Under the 46th International Co-operative Alliance seminar, the legal status of school co-operatives vary considerably between countries. In Costa Rica, they are private associations, but more or less controlled by a decentralized government department INFOCOOP (National Institute for Co-operative

Development). In Italy, they are private associations within the private school system. In Belgium, they are private associations and their assistance lies in the hands of dedicated teachers who receive no encouragement whatsoever from the public authorities. In Malaysia, school co-operatives are associations placed under government control.

Factors affecting the management of school co-operatives

An excerpt taken from a magazine *Wawasan* issued by the Department of Co-operative Development of Malaysia (Jilid 5 Bil. 1/96; ISSN:- 0128 - 6234) entitled "Koperasi Sekolah - Guru Penggerak Utama" states that "The success of a school co-operative very much depends on the support and interest of the school principal which in turn can affect the performance of the school co-operatives due to their need for close supervision". Haji Mohd Jais bin Hassan (1993) states that one of the management problems faced by school co-operatives is the lack of support from the school principals. In the by-laws of the school co-operatives, the school principal is usually appointed as the chairman of the school co-operative. Therefore, this shows clearly that support from the school principal is very vital for the growth and expansion of the school co-operative. In many instances, the school principal showed a lack of interest in running the school co-operative. Haji Mohd Jais interviewed some co-operative teachers whose views were that:-

- a) the school principals have their own personal interest. For example, loss of commission earned from selling books and stationery if the school co-operatives take over such sales.
- b) the duties of school principals were rather heavy and they placed greater importance on academic achievement of the students rather than co-curricular activities like school co-operatives.

- c) there were lack of knowledge and understanding of school principals with regards to the concept of school co-operatives and the benefits that it can give to the students and the school as a whole.

This problem was also highlighted by Abdul Rahman bin Salleh (1990). He said that the school principal is considered as the king or queen of the school. If he is not interested and do not give support to the school co-operative, how then can the students who are considered to be the citizens give their support to the co-operative movement? If the school principal takes an indifferent attitude towards the activities of the school co-operative, this will weaken the co-operative movement as the Board members will feel discouraged and this in turn can give rise to mismanagement.

Another factor that can affect the management of school co-operatives is the role of teachers. John G Stephens (1970-1971) state that " The teacher's role is very important in the development of a school co-operative. Its practical efficiency and its educational and moral achievements depend to a great extent on the teachers who is placed in charge of the school co-operative. He must be in a position to inspire enthusiasm and energy and to organize the children's work in a proper manner. The teachers explain to the children what co-operation is and how it can benefit them. When the co-operative is well-organized, the pupils themselves run it under the guidance of the teachers". The co-operative teachers are usually appointed to control the administration and management of the school co-operatives and therefore are also Board members. Although the principal is made the Chairman the everyday running of the school co-operative is left to the leadership of the teacher-in-charge who is entrusted to see that the business make profit. If there is any issue or problem that may arise, the teacher-in-charge has to bear the full responsibility. This clearly shows how important co-operative teachers are in ensuring the success of the school co-operatives.

Teachers represent the leader or guide to members in running the school co-operative. Lack of interest and commitment of co-operative teachers will have an adverse effect on the school co-operative movement (Abdul Rahman bin Salleh, 1980; Haji Mohd Jais bin Hassan, 1993). Many a times teachers are forced to become the teacher-in-charge by the school principal without regards as to whether the teacher has business acumen or interest. As a result some of them gave minimal time to the business and adopt an indifference attitude towards the running of the school co-operative. Meetings are hardly held, accounts are not kept up-to-date, leakage in the form of money and goods occur and mismanagement of the school co-operative takes place.

Being in charge of a school-co-operative and looking after it well is a time consuming job and care should be taken to assure the teacher-in-charge has adequate time to look after the affairs of the society and also dispensing of his or her services for other co-curricular activities so that a justifiable result is expected from him or her in guiding the school co-operative to success (John G Stephen, 1970-1971). 90.9% of the co-operative teachers surveyed were too busy with other duties (Unit Kajian Pentadbiran Kewangan dan Perniagaan, Maktab Kerjasama Malaysia, 1990). Heavy teaching workload affected the ability of the co-operative teacher in running the school co-operative well (Abdul Rahman bin Salleh, 1980; Haji Mohd Jais bin Hassan, 1993). This is because teaching and running of the school co-operative are two very heavy responsibilities. Managing a school co-operative require active involvement and sufficient time . One of the recommendations given by Management and Board of Directors of Koperasi Nasional Sekolah Sendirian Berhad (1983) was that the teaching workload of co-operative teachers should not be burdensome so that the co-operative teachers can give their best in managing the school co-operative. They also found that some treasurers of the school co-operatives, who are usually the teachers-in-charge, were also given other duties which can be just as heavy . The result is the inability to keep the accounts up-to-date and sometimes unable to control the inflow and outflow of money.

One of the difficulties that may be experienced is the ignorance of many teachers of the fundamental principles of co-operation and their application to school co-operatives. Lack of training skills, experience and knowledge of co-operative teachers can affect the management of school co-operatives (Haji Mohd Jais, 1993). This problem was evaluated in detail by a group of lecturers headed by Datin Hajjah Salbiah Hussain (Unit Kajian Pentadbiran Kewangan dan Perniagaan, Maktab Kerjasama Malaysia, 1990) which state that "The teachers were appointed to run an organization whilst their skills are only teaching skills in certain subjects. Therefore inefficient management of school co-operative arises." Their studies showed that 58.9% of the co-operative teachers do not have skills and knowledge in managing the co-operative. John G Stephens (1970-1971) states that "It must be seen that any school that has in mind the formation of the school co-operative, has at least one of its members of the staff who is qualified in co-operatives. If no such person is available, then steps should be taken to select one of the staff and has him or her sent for training at the Co-operative College of Malaysia or at least have him attend one of the many week-long seminars that are conducted frequently by the Education Committee of the Co-operative Union of Malaysia".

In some countries like France, (Georges Prevot, 1979) training sessions are organized for the teachers, introducing them to co-operation; conferences are given in secondary schools by senior staff of the adult co-operative movement; and finally visits to co-operatives are proposed to pupils in the secondary school. Some co-operatives in the United States require that every new workers must attend a training session for one day on every aspects of co-operative management (Syed Abdullah Syed Abu Bakar Alkherid, 1986). Co-operative Colleges in Europe has two field of duties, that is train co-operative workers and give general studies of co-operatives seminars. According to the Management and Board Directors of Koperasi Nasional Sendirian Berhad (1983), only a small number of co-operative teachers attend a basic course in co-operatives. Many

were forced to be teachers-in-charge because they taught Commerce and Principles of Account. Interest and dedication was not taken into account.

Trading accounts of some school co-operatives, which show their financial position, are not up-to-date and sometimes not written (Abdul Rahman bin Salleh, 1980). Whatever practical arrangements are in running the store, the cash collected daily should be handed over to the teacher-in-charge at the end of each working day, who will in turn, hand over all such monies to the principal for safe-keeping. Some treasurers lack the proper training and knowledge to write out proper accounts. It is imperative that all the various books must be correctly and efficiently maintained (John G Stephens, 1970-1971). These should be written daily and a report of these should be made weekly by the teachers-in-charge. There should be an official audit check monthly.

According to Angeline Tay (1995), in her working paper entitled "Koperasi Pengguna dan Masalahnya", the Board members lack understanding of the philosophy and principles of co-operative; lack competence in business technique; lack planning; not honest, dedicated and co-operative; have personal motive; and did not plan to train and increase management skills. 49% of those surveyed acknowledged that their co-operative lack skills and shortage of finance was found in the school co-operatives. In the by-laws of the school co-operatives, the Board members are responsible for carrying out the administration, management and business of the co-operative efficiently, honestly, and with integrity. If the Board members are weak and do not carry out their duty with full dedication and commitment, the members will lose confidence in them and the co-operative as a whole. (Abdul Rahman bin Salleh, 1980). William Black (1974) said that Board members must possess bold, creative and management skills. Management needs to be innovative and aggressive and to co-ordinate all co-operative activities. Members of the Board will have to be more knowledgeable of modern day business methods and operations. The Board members must operate as a team with all activities highly coordinated and excel

in making decisions. It will be advisable to have two secretaries, one of which may be from the junior classes. Similarly, the Vice President and a few Board members may also be elected from among the junior members. By the time the senior office bearers and the Board members leave the educational institutions their junior counterparts will be ready to take over completely and run the society in an efficient manner. The teachers who will more or less be permanently in charge will also be able to provide stability to the co-operative.

Lack of control give rise to leakage of goods and money from some school co-operatives (Haji Mohd Jais bin Hassan, 1993). There was no proper control or system of stock-checking and in many cases they were done in a haphazard manner. This cause discrepancy to arise between the actual stock and the figures in the trading account. 90.3% of the school co-operatives surveyed do not employ full time workers (Unit Kajian Pentadbiran Kewangan dan Perniagaan, Maktab Kerjasama Malaysia, 1990). Therefore the school co-operatives are only opened during certain hours. There is a lack of proper control by the Board members that give rise to such leakage.

Turnover of teachers can also affect the management of school co-operatives. This is especially occurring more often in the rural areas. When turnover of teachers are high, this means that the co-operative teachers will keep on changing. This affects the continuity of the school c-operative. Besides that, in many cases, there was no proper handing over of accounts and mismanagement do occur.

In conclusion, we can see that studies showed that planning, leading, organizing and control are very important in ensuring an effective management of school co-operatives. We will analyze the results from the school co-operatives who responded to the survey to see whether it coincides with the studies made.