

**SCHOOL COOPERATIVE SOCIETIES IN MALAYSIA:
THE INCONSPICUOUS AND UNIQUE RETAIL FORMAT
WITH PROMISING POTENTIALS**

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ABSTRACT

Whenever individuals discuss about the dynamics of retail businesses in Malaysia, very few would include the activities and economic contributions of the school cooperative societies. This inconspicuous but unique retail format has been in existence for decades in the country. The school cooperatives have since grown exponentially in terms of numbers, memberships, profits, and activities. Currently, there are over 2,136 of such societies and they are one of most popular co-curricular activities amongst secondary school students in Malaysia. Together they have accumulated a total of nearly RM19 million in paid up capital and assets worth more than RM200 million (Utusan Online, 2011). Young secondary students, between 13 and 17 years of age, are members and shareholders of these self-reliant and democratic retail societies. Most of them actively participate and support these, “by the people and for the people” cooperative societies for mutual benefits. While some of the more senior students with leadership potentials are nominated to be the board members of their school cooperatives, the rest become committee or ordinary members who either assist in selling or buying stationery and books from their respective small but convenient retail outlets within the premises of their schools.

Keywords: Entrepreneurship; Retail format; School cooperative societies

INTRODUCTION

School cooperative societies have been established in some of the secondary schools in Malaysia for decades. They started as small book and stationery shops within the school premises to provide the much needed retail services for students. Currently, it is not uncommon to observe a hive of activities (the cash register ringing, chatter from transactions, and students in their uniforms busily replenishing products on the shelves) at the retail outlets before and after school hours, as well as during recess time. This unique retail format (operated by students and for students), according to Mr. Kamarudin Ismail, the Assistant

Director of the Schools Division, Ministry of Education that, "...it is perhaps the only one of its kind in the world to be so structured and well-organised" (The Star Online, 2006)

Since their inception in 1972, some of the current school cooperatives have been very innovative in diversifying their activities. Besides selling stationery and books, some provide binding, laminating, and photocopying facilities, while others engage in tourism activities for students and staff. The aim of the tourism activity is to train students to operate small local tour agencies to promote local attractions in their states. Cooperatives that are established in the residential schools even provide telecommunications, laundry, and hair salon services (Ong & Darus, 2006). Students who are members and shareholders of their school cooperatives receive annual dividends for their investments. However, those who participate actively as board or committee members of varied economic activities are more likely to receive lifelong entrepreneurial and business acumen benefits.

BENEFITS AND CONTRIBUTIONS

The school cooperatives in Malaysia are generally well supported by the schools themselves, the government, the apex organisation of the cooperative movement, and the local community. They are unique and have the potential of grooming a new batch of Generation Z entrepreneurs and employees who are trustworthy, accountable, and generous (The Star Online, 2006). The Ministry of Education, some agencies under the Ministry of Domestic Trade, Cooperatives, and Consumerism (e.g., the Cooperative College of Malaysia or CCM), the Apex organisation of the cooperative movement (ANGKASA), the school principals and teachers, all have specific and supportive roles in ensuring the success of school cooperatives.

The CCM and ANGKASA, for example provide relevant courses to assist the young board members to manage their cooperatives professionally. Among others they provide accounting, auditing, retail management, leadership, and team building courses. Similar courses and relevant seminars are also organised by CCM and ANGKASA to equip the school principals and teachers who act as advisers and mentors, respectively, with the relevant knowledge and skills to enable them to lead the school cooperatives successfully.

At the micro level, among the benefits students obtain from being members and serving their school cooperatives actively are the achievement of the invaluable hard and soft human capital skills. They include having hands on experience in running a small business, a better understanding about working and serving as a team, appreciating the need to be responsible, accountable, transparent, and committed. Besides learning how to lead well, and to be creative and confident in making good business and financial decisions, they also learn how to communicate effectively.

These skills and knowledge would be useful in preparing them as they leave school to join the workforce. The good personal qualities that they have acquired could open up more job opportunities, as well as increase their marketability, and perhaps their confidence to command higher starting salaries. In addition, active participation in school cooperatives could transform the students and groom them to be better employees and employers of the future.

At a more macro level, successful school cooperatives have been known to use the profits that they earn to help improve the infrastructure of their schools and to help needy students to purchase books, school uniforms, and pay for their school fees. One can only imagine how proud the students who are active members of their school cooperatives would feel when they are able to make a difference in the lives of others.

RESEARCH POTENTIALS

The impact of the establishment, management, benefits, and potentials of school cooperatives should be empirically examined. One possible research potential is to determine the extent to which students' participation in school cooperatives could influence their choice of academic disciplines in universities and their future career paths. It would, for example, be interesting to identify some of our local young entrepreneurs and to establish if their decision to be self-employed is related to their early exposure or participation in their school cooperatives.

Business schools in most of the Malaysian universities attract the most number of applications from students who have completed a total of 13 to 14 years of primary and secondary school education, as well as pre-university studies. There should also be an empirical study to establish the extent to which students' exposure to the buying and selling activities of their school cooperatives has influenced their decision to study in business schools. It would also be interesting to identify the key success factors of school cooperatives and to relate them to the commitment and performance of frontline employees of large local and international retail formats in the country.

CONCLUSION

School cooperatives are therefore more than just the little inconspicuous grocery stores within the school compounds that sell books and stationery to the young students; they uniquely sow the seeds of moral, business, and personal wisdom. These dollars and sense retail shops are a force to be reckoned with in the future. Their retail format may be unknown to many and they maybe the most insignificant players (if at all they are considered as one) in the retail industry, but they are giants (and of course minus the typical publicity hype) in showcasing the true meaning of exercising their corporate social responsibility (CSR) towards the younger segment of our society.