

MANAGEMENT STYLES OF CO -OPERATIVE MANAGERS IN MALAYSIA

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ABSTRACT

An efficient manager must have the capability to practise various kinds of styles that suits the environment in order to achieve the organisational mission and strategic goals. Therefore the management styles adopted by co-operative managers plays an important role in the organisation. The management style of co-operative managers is studied by adopting the theoretical framework of Spectral Management Type Theory. This theory consists of eight management styles; Innovative Style, Developmental Style, Analytical Style, Enterprising Style, Change Style, People Style, Action Style and Adoptive Style. This study compares the management styles between two groups, that of successful co-operatives and less successful co-operatives. The findings from the study shows that there is a significant difference of management styles between the two groups. The superior style between the two groups is the Innovative Style. For the less successful co-operative managers, the study shows that they are still weak on the Action Style, indicating that there is a need to improve on the innovative and strategic capabilities of the managers.

INTRODUCTION

Co-operative is a society which consists of individuals and which has the objective of promoting the economic interest of its members in accordance with co-operative principles (Co-operative Act, 1993). It 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 (Co-operative Identity Statement, 1995).

Yesterday's managers are becoming today's leaders. They need to transform their traditional management style to a new generation style. And in facing today's dynamic and competitive environments, the management style of a manager is crucial as it contributes towards the success of the organisation. The most critical thing that a manager should do is to maximise the usage of their strategic judgment and evaluation (Finkelstein, 1993). These complex and dynamic responses to competition must be driven by managers who are skilled and capable of adapting to meet the demands of managing co-operatives.

PROBLEM STATEMENT

Nowadays, human resource is an important asset of the organisation. If the situation requires the managers to change, necessary changes must then be carried out (Hammer & Champy, 1993). The managers should practise the management style which suits the environment and current changes.

Managers are involved in the planning, organising, leading and controlling process of an organisation (Shenhar & Reiner, 1996). Managers can be defined as persons who always seek for opportunities, to develop an effective learning process and to build strong relationship in the organisation. Drucker (1999) further indicates that [the challenging part an organisations need to face during the implementation of change is [the effective development among their managers.]

Managers contribute towards the success of the organisation (Katzenbach & Smith, 1993). This is supported by research that has been done to identify the characteristics of a successful manager (Gupta, 1988; Bass, 1990) and their styles of performing tasks (Lewin & Stephens, 1992). Research by Goodstein and Boeker (1991) indicates that the Board of Directors can be treated as good managers if they are successful in bringing change to their organisation.

Management skills are much related to the dimension of styles practised by managers whereby, effective managers will produce a complex and variety of styles in performing their tasks (Denison et al., 1995). Hence, it is an important issue for the organisation to determine the compatible style to be practised in an organisation. However, Hersey & Blanchard (1993) has put into ideas that none of the theories involving management style characteristics being introduced can be concluded as management tools to relate to the styles and a manager's success.

OBJECTIVE OF STUDY

The purpose of this study is to identify the management styles practised by the co-operative managers in Malaysia and to compare the management styles relative to the success of the co-operatives. The success of co-operatives in this study is evaluated base on several economic and social indicators.

SIGNIFICANCE OF STUDY

This study will assist co-operatives to enhance the quality of their management personnel. It helps to offer answers to crucial questions from the individual point of view: in realising what type of person an individual is, where his or her competencies lie and also what are the needs of the co-operative (Baruch & Lessem, 1995). It also serves to basically deal with what an organisation may expect from its people.

This study identifies various problems and constraints faced by the co-operative managers. It provides a good understanding of how to become a good leader, how to analyse oneself and to be prudent in measuring self competencies.

LIMITATION OF STUDY

Although the sample research selected for this study is small, it is more than the required minimum. However, if more respondents would have been acquired, it will strengthen the result of the findings. In other words, the more research samples collected will produce a more convincing research findings.

The data gathered in this study is obtained through mail survey, which is exposed to subjectivity in interpretation. Therefore the findings should not be used to make generalisation on the issues studied in this paper. The Spectral Management Type Model adopted in this study is only an instrument to measure the management style, not necessary be considered as the most effective measure.

LITERATURE REVIEW

Lilian Y. Fok, Stephen M. Crow, Sandra J. Hartman, and Alger Moore (1994) have performed research on the management style and management development programs in USA. A research conducted by the Co-operative College of Malaysia (2000) indicates that the successful entrepreneur characteristics found among the co-operative managers in Malaysia were nurturing quality, responsibility, excellence oriented, integrity, reliability and team building.

Another research done by Khabdwalla (1996) shows that there are five variables in order to shape an excellent management style of managers, comprising of risks, technology, organisation, involvement and their response. Prakash (2001) identifies that in order for an organisation to be successful in managing their co-operative governance, the features of management such as accountability, transparency, the ability to predict and being supportive need to be introduced in an organisation.

To improve the management performance in a rapidly changing organisation, managers should have new and different ways of thinking, acquire new business skills and develop different leadership and communication behavior (Longenecker & Fink, 2001). Research by Norsaidatul (2000) on the management styles among the corporate bodies in Malaysia shows that even though the management style need to be matched to the internal and external environment, changes on corporate management, projection technique and decision making process need to be based on the current scenario of the appropriate management style and the internal mechanisms being used. Goold & Campbell (1987) however found that there were no specific styles that can be identified as superior and organisations cannot succeed solely on specific style.

RESEARCH METHODOLOGY

In this study, 200 co-operative managers in Malaysia were initially selected as sample using the stratified random sampling method. The data collection was carried out by using mail survey and interview technique. However this study has finally succeeded interviewing 57 co-operative managers.

The instruments used for this research is the questionnaire. The Questionnaire is prepared based on the model Spectral Management Type as will be discussed further. The questionnaire is divided into two main parts, namely Part A (Co-operatives and Respondents Demographic Factor) and Part B (Management Style).

Data that has been collected has been analysed using the "Statistical Package for Social Sciences" SPSS Version 13.0. For Part A, descriptive analysis which involves mean, standard deviation and percentage of the various co-operative and respondents demographic factor is carried out. For Part B, descriptive and frequency analysis, and cross tabulation is used to produce information whether there is any difference between the management style of the two groups.

This study adopts the Spectral Management Type model, an instrument designed to identify the personality and leadership style for individuals (Lessem, 1987). It was proven as a valid and reliable tool for managerial development (Baruch & Lessem, 1995). With this model, the organisational assessment can serve to provide the base for a best match between individuals and specific processes, jobs, tasks in the organisation. The full spectrum characters of a manager which consists of Innovative, Developmental, Analytical, Enterprising, Change, People, Action and Adoptive emerge from the spectral theory of personality by Kingsland (1984), which was later developed by Lessem (1987, 1990, 1991). It was based on three characteristics of a person; Cognitive (C), Affective (A) and Behavioral (B).

DISCUSSION AND ANALYSIS

Table 1 shows the profile of the cooperative managers. It was found that majority of the managers are male (71.9%) in their 50s and married. This indicates that the managerial position in co-operatives are dominated by males who are still in the productive working age. A total of 68 % of the samples are Malays (68.4%) while 19.3 % are Bidayus.

Most of the respondents possesses SPM qualification (28.1%) whilst 24.6% are Diploma holders. Another 21.1 % of the samples holds tertiary qualification. A substantial percentage of the sample (36.8 %) is noted to earned a monthly income of more than RM 2500. Majority of the managers in this study has served the cooperative between 0-19 years (89.5%).

Before comparing the management styles of managers between two groups, successful co-operative and a less successful co-operative, the co-operatives are first classified base on various aspects of economic and social indicators including the membership, total assets, dividend, participation in the Annual General Meeting, share capital and net profit obtained. In order to identify the two main groups, each of the economic and social indicators produced different types of results on the N value (sample). The N value and also the analysis of the management style dimension, by using the descriptive and frequency analysis, is depicted in **Table 2, Table 3, Table 4, Table 5, Table 6 and Table 7.**

The overall results however have been simplified, as shown in Table 8. The findings of this study indicates that there is a significant difference on the management style between the two groups as produced by the mean indicators on each management style. The two groups put a very high ranking on the Innovative Style. Therefore, this style is considered as the superior style between these two groups. This findings indicates that as a professional manager it is important for a manager to be capable of providing new ideas towards problem solving and seek innovative opportunities for the organisation (Zenger & Folkman, 2005). Moreover, since leadership relies strongly on vision, creativity, inspiration and commitment, the managers should be flexible and more result oriented (Aziz, 2000).

The findings also identified that the Adoptive Style is weak among the managers of successful co-operatives. This result signify that the managers in co-operatives has a lesser capacity to immerses him or herself in the surrounding group and culture completely (Baruch & Lessem, 1995). Managers that display an Adoptive style usually is able to carry out required tasks with a degree of persistence and precision (Reddin, 1990). The adoptive managers also adopt their learning style based on the other party. The modern approach suggests that a manager must learn from the processes and the systems carried out in the organisation (Wick, 1993). Mumford (1995) finds that a highly motivated manager will always use necessary opportunities to produce effective results. This has been proven whereby in the learning organisation, the main focus is on learning from experience (Carmichael, 1995).

Lastly, the finding shows that the managers from the less successful co-operatives are weak on the Action Style in their management practice. For co-operatives to be more successful, they need managers that can practice the Action Style management. The Action Style managers is one that has the ability to act fast and to enact situations (Baruch & Lessem, 1995). An action manager put their priority on the task orientation and output generation (Reddin, 1990). In any successful organisation, the managers normally are proactive, aggressive, and a competitive person as the focus is on the mission and objective achievement (Gallen, 1997). An action manager has the challenge orientation style in delivering his or her responsibility (Herbert & Deresky, 1987).

CONCLUSION

Effectiveness is the key success of a co-operative. It is important that the manager's responsibility is effective, for the manager is responsible for creating wealth to their organisation by combining resources in new and useful ways. This would require the managers to be innovative and strengthen their strategic capabilities in adopting various styles in their management practice as the success of the business doesn't refer to one particular style. The management has to be clear that there is no specific style need to be adopted in the organisation in order to achieve success (Goold & Campbell, 1987).

Thus, it is clear that in some situations, style flexibility should be practised. The managers may have to change their style to meet many different elements in the situation. An effective manager must be able to develop and employ a range of styles and approaches in management to suit situational requirement, and deal as effectively as possible with other employees, thus allowing the characteristics required by "good" managers to be available to all (Carmichael, 1995).

As the study finds that the Action and Adoptive style are still weak for both groups, it is pertinent that this issue be addressed considerably by co-operatives. It is important because in a learning organisation, an effective manager is a person who receives new ideas, opinions and on the other hand, he or she learns from experiences and develops continuous improvement (Mumford, 1995). The management should have the capability to receive new ideas and response quickly on the opportunities in order to achieve the co-operatives strategic mission and goals.

Table 1: Co-operative Manager's Profile

| | | Frequency | Percentage |
|------------------------|-------------------|-----------|------------|
| Gender | Male | 41 | 71.9 |
| | Female | 16 | 28.1 |
| Marital Status | Bachelor | 11 | 19.3 |
| | Married | 46 | 80.7 |
| Race | Malay | 39 | 68.4 |
| | Chinese | 3 | 5.3 |
| | Indian | 0 | 0 |
| | Bidayuh | 11 | 19.3 |
| | Iban | 1 | 1.8 |
| | Others | 3 | 5.3 |
| Qualification | Primary 6 | 1 | 1.8 |
| | LCE/SRP | 9 | 15.8 |
| | MCE/SPM | 16 | 28.1 |
| | HSC/STPM | 5 | 8.8 |
| | Diploma | 14 | 24.6 |
| | Degree | 12 | 21.1 |
| | Master | 0 | 0 |
| Age | 20-29 | 13 | 22.8 |
| | 30-39 | 9 | 15.8 |
| | 40-49 | 17 | 29.8 |
| | 50 and above | 18 | 31.6 |
| Income | < RM 500 | 12 | 21.1 |
| | RM 501 – RM 1 000 | 5 | 8.8 |
| | RM 1001 – RM 1500 | 8 | 14.0 |
| | RM 1501 – RM 2000 | 11 | 19.3 |
| | RM 2001 – RM 2500 | 8 | 14.0 |
| | > RM 2500 | 13 | 22.8 |
| Position | Eexecutive | 5 | 8.8 |
| | Senior Executive | 1 | 1.8 |
| | Finance Executive | 1 | 1.8 |
| | Head of Accounts | 1 | 1.8 |
| | Senior Clerk | 1 | 1.8 |
| | Admin Officer | 3 | 5.3 |
| | Manager | 29 | 50.9 |
| | Accounts Manager | 3 | 5.3 |
| | General Manager | 6 | 10.5 |
| | Outlet Manager | 3 | 5.3 |
| | Operation Manager | 2 | 3.5 |
| | HR Manager | 2 | 3.5 |
| Year of Service | 0-19 | 51 | 89.5 |
| | 20-29 | 3 | 5.3 |
| | 30-39 | 3 | 5.3 |

Table 2: Management Style (Membership)

| Factor | Successful N=26 | | Unsuccessful N=31 | |
|---------------|-----------------|--------------------|-------------------|--------------------|
| | Mean | Standard Deviation | Mean | Standard deviation |
| Innovative | 4.3077 | .54913 | 4.5806 | .50161 |
| Developmental | 4.1923 | .56704 | 4.1290 | .34078 |
| Analytical | 4.0769 | .56022 | 4.2258 | .56034 |
| Enterprising | 4.0385 | .77360 | 4.2581 | .51431 |
| Change | 4.0769 | .62757 | 4.1290 | .56225 |
| People | 4.3077 | .73589 | 4.4194 | .50161 |
| Action | 3.6923 | .54913 | 3.9032 | .65089 |
| Adoptive | 3.6154 | .69725 | 3.9355 | .44238 |

Table 3: Management Style (Total Assets)

| Factor | Successful N=30 | | Unsuccessful N=27 | |
|---------------|-----------------|--------------------|-------------------|--------------------|
| | Mean | Standard Deviation | Mean | Standard Deviation |
| Innovative | 4.5333 | .50742 | 4.3704 | .56488 |
| Developmental | 4.2667 | .44978 | 4.0370 | .43690 |
| Analytical | 4.3000 | .59596 | 4.0000 | .48038 |
| Enterprising | 4.3667 | .55605 | 3.9259 | .67516 |
| Change | 4.1333 | .62881 | 4.0741 | .54954 |
| People | 4.4333 | .62606 | 4.2963 | .60858 |
| Action | 3.8667 | .50742 | 3.7407 | .71213 |
| Adoptive | 3.8333 | .64772 | 3.7407 | .52569 |

Table 4: Management Style (Dividend)

| Factor | Successful N=23 | | Unsuccessful N=34 | |
|---------------|-----------------|--------------------|-------------------|--------------------|
| | Mean | Standard Deviation | Mean | Standard Deviation |
| Innovative | 4.4783 | .51075 | 4.4412 | .56091 |
| Developmental | 4.2609 | .44898 | 4.0882 | .45177 |
| Analytical | 4.2174 | .51843 | 4.1176 | .59108 |
| Enterprising | 4.1739 | .57621 | 4.1471 | .70205 |
| Change | 4.1304 | .62554 | 4.0882 | .57036 |
| People | 4.4348 | .58977 | 4.3235 | .63821 |
| Action | 3.6957 | .63495 | 3.8824 | .59108 |
| Adoptive | 3.7826 | .59974 | 3.7941 | .59183 |

Table 5: Management Style (Annual General Meeting)

| Factor | Successful N=15 | | Unsuccessful N=42 | |
|---------------|-----------------|--------------------|-------------------|--------------------|
| | Mean | Standard Deviation | Mean | Standard Deviation |
| Innovative | 4.4667 | .51640 | 4.4524 | .55005 |
| Developmental | 4.2667 | .59362 | 4.1190 | .39524 |
| Analytical | 4.1333 | .51640 | 4.1667 | .58086 |
| Enterprising | 4.2667 | .59362 | 4.1190 | .67000 |
| Change | 4.1333 | .63994 | 4.0952 | .57634 |
| People | 4.4667 | .74322 | 4.3333 | .57027 |
| Action | 3.8000 | .56061 | 3.8095 | .63392 |
| Adoptive | 3.6667 | .61721 | 3.8333 | .58086 |

Table 6: Management Style (Shares Capital)

| Factor | Successful N=34 | | Unsuccessful N=23 | |
|---------------|-----------------|--------------------|-------------------|--------------------|
| | Mean | Standard Deviation | Mean | Standard Deviation |
| Innovative | 4.5588 | .50399 | 4.3043 | .55880 |
| Developmental | 4.2647 | .44781 | 4.0000 | .42640 |
| Analytical | 4.2941 | .52394 | 3.9565 | .56232 |
| Enterprising | 4.3235 | .53488 | 3.9130 | .73318 |
| Change | 4.1471 | .55772 | 4.0435 | .63806 |
| People | 4.5000 | .56408 | 4.1739 | .65033 |
| Action | 3.8529 | .55772 | 3.7391 | .68870 |
| Adoptive | 3.7941 | .64099 | 3.7826 | .51843 |

Table 7: Management Style (Profit)

| Factor | Successful N=14 | | Unsuccessful N=43 | |
|---------------|-----------------|--------------------|-------------------|--------------------|
| | Mean | Standard Deviation | Mean | Standard Deviation |
| Innovative | 4.5000 | .51887 | 4.4419 | .54782 |
| Developmental | 4.1429 | .36314 | 4.1628 | .48453 |
| Analytical | 4.2857 | .61125 | 4.1163 | .54377 |
| Enterprising | 4.1429 | .66299 | 4.1628 | .65211 |
| Change | 4.2143 | .57893 | 4.0698 | .59343 |
| People | 4.4286 | .51355 | 4.3488 | .65041 |
| Action | 4.0000 | .55470 | 3.7442 | .62079 |
| Adoptive | 3.6429 | .63332 | 3.8372 | .57447 |

Table 8: Management Style (Overall)

| Factor | Mean | Standard Deviation |
|---------------|--------|--------------------|
| Innovative | 4.4561 | .53686 |
| Developmental | 4.1579 | .45472 |
| Analytical | 4.1579 | .56028 |
| Enterprising | 4.1579 | .64889 |
| Change | 4.1053 | .58810 |
| People | 4.3684 | .61620 |
| Action | 3.8070 | .61058 |
| Adoptive | 3.7895 | .58970 |

Table 9: Overall Analysis

| Factor | Successful | | Unsuccessful | |
|------------------------|----------------------|----------|--------------|--------------------|
| | High | Low | High | Low |
| Membership | Innovative People | Adoptive | Innovative | Action |
| Assets | Innovative | Adoptive | Innovative | Action Adoptive |
| Dividend | Innovative | Action | Innovative | Adoptive |
| Annual General Meeting | Innovative People | Adoptive | Innovative | Action |
| Shares Capital | Innovative | Adoptive | Innovative | Action |
| Profit | Innovative | Adoptive | Innovative | Action |

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