



اوتيو تكنولوجي مارا  
UNIVERSITI  
TEKNOLOGI  
MARA



**INDUSTRIAL TRAINING REPORT AT KOPERASI  
KAKITANGAN KERAJAAN & BADAN-BADAN  
BERKANUN (KOKANUN) BERHAD**

1 MARCH - 15 AUGUST 2023

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**M1BA243 6B (HUMAN RESOURCES MANAGEMENT)**

## EXECUTIVE SUMMARY

This piece of writing was composed with the intention to summarise and for a recap of my six months of my employment entitled as an internship or practical workers. All the memories and all the roller coaster emotions expressed in this write up. The contents started from my updated profile followed by company's profile, my training experience, the SWOT analysis, discussion, recommendations, conclusion and closed with the appendices.

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## ACKNOWLEDGEMENT

First and foremost, I am thankful to God, for letting me go through all the ups and down during my industrial training. I also would like to praise God for giving me strength, good health, knowledge, and the opportunity to undertake this study and complete my internship and this report satisfactorily.

Next, I would like to express my heartfelt gratitude to my respected advisor, Madam Noor Azzura binti Mohamed, who always guide and also assisted me in coordinating and give contribution in stimulating suggestions for my last report. This work would not have been possible without her assistance. I would also like to thank and express my deep gratitude to all the KOKANUN Berhad staff especially Miss NurFarah Anis and Mrs. Akmawati who always assist me during the internship period. Not to forget our manager, Mrs. Wan Jafni, for being very supportive and always spreading her kindness during my internship. Not to forget also other senior staff that have always been supporting me in their own ways.

Not only that, my special thanks and blessings towards my parents for their prayers and encouragement for me throughout this internship. They both are my backbone, always being supportive systems, especially when it comes to my academic achievement. Without their prayers and support, I would not be pursuing this degree, completing this semester. I also take this opportunity to express a big thank you to my classmates for always being there since the very early stages of this degree's journey, surviving together, whenever me and my friends became unmotivated and lost track. I might not be able to complete the assignments and this journey cannot be completed successfully without them.

Last but not least, I want to express my sincere gratitude and thanks to everyone who helped me either directly or indirectly in completing this internship from the starting point till the end of this stage.



## 2.0 STUDENT'S PROFILE



### CONTACT ME AT



### SKILLS SUMMARY

- Project Management Skills
- Problem solving Skills
- Organizational Skills
- Software Skills

### LANGUAGES

- Malay
- English

### REFERENCE

PUAN NORRAEFA BINTI MD TAIB  
Academic Advisor (Senior Lecturer)  
Faculty of Business and Management  
UiTM Kampus Bandaraya Melaka

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Program Coordinator (Senior Lecturer)  
Faculty of Business and Management  
UiTM Kampus Bandaraya Melaka

# NOR SYAKIRAH AZRA BINTI A.WAHAD

## HUMAN RESOURCE

### PROFESSIONAL SUMMARY

An undergraduate student looking for the opportunity for the internship placement. I am extremely motivated to constantly develop my skills and grow professionally. I am confident in my ability to come up with interesting ideas and very passionate about learning and consistently advancing my knowledge.

### EDUCATION

#### Universiti Teknologi Mara, Kampus Bandaraya Melaka

Bachelor of Business Administration (Hons.) Human Resource Management | October 2020 - Present

- CGPA : 3.60

#### Sekolah Menengah Kebangsaan Belara, Kuala Terengganu

Sijil Tinggi Persekolahan Malaysia in Social Science | 2018 - 2019

- CGPA : 3.67

### SKILLS AND ABILITY

- Successful working in a team environment as well as independently.
- Responsible to lead teamwork by example and encouraging them, thereby achieving project goals.
- Ability to manage a varied workload in a fast-paced environment, especially aggressive deadlines.
- The ability to work under pressure and multi-task.
- The ability to follow instructions and deliver quality results.

### INVOLVEMENT AND ACHIEVEMENT

- Appointed a student representative as a Vice President (MPP) during STPM. (SMK Belara, 2019)
- Awarded with the Virgil Council Membership Badge. (SMK Belara, 2019)
- The dean's list is awarded for 1-3 semesters consecutively and also in semester 5. (UiTM, 2020)
- Appointed as the BSMM Association's Exco Keahlian and Kebajikan. (UiTM, 2021)
- Successfully coordinate events for the community in the 3rd semester entitled, "Preparation for Entering Universities." (UiTM, 2022)
- Successfully create an event for the BSMM association entitled "Rawatan Rumah Asas." (UiTM, 2022)

### 3.0 COMPANY'S PROFILE

#### 3.1 Company's name, logo, location, operation hour

Koperasi Kakitangan Kerajaan dan Badan-Badan Berkanun Berhad, also known as KOKANUN Berhad is one of the financial institutes. The previous name of KOKANUN Berhad was The East Coast General Employees Co-Operative Thrift and Loan Society Limited. Moreover, the headquarters of KOKANUN Berhad was located at No. 1-3, Wisma Armon, Jalan Kamaruddin, 20400 Kuala Terengganu, Terengganu Darul Iman. There are 3 other branches that are known as Muassasah Mortgage (MGIK). MGIK stands for *Muassasah Gadaian Islam* (Ar-Rahnu) KOKANUN which is Islamic Mortgage Tax Service.

This activity is open to members and non-members. The first one is located at Kuala Terengganu (MGIK K.Trng). Another 2 branches are located at Dungun (MGIK Dungun) and Batu Enam (MGIK Bt.Enam). The total employees from the headquarters including the MGIK branch, was 17. The headquarters and all the branches were officially located in Terengganu Darul Iman. Furthermore, I was stationed at the headquarters of KOKANUN Berhad. The operation hour of KOKANUN is from Sunday to Thursday from 8:30 a.m to 5:30 p.m. The image above is the company's logo.



*Figure 1: Company Logo*

### 3.2 Vision, mission, objective, goals

The KOKANUN vision is “Towards making KOKANUN a leading prosperous and viable cooperative in Malaysia” and their mission is “KOKANUN is fully committed to providing a variety of quality facilities and services that meet the needs of customers and the general public to enhance physical and spiritual development”. Moreover, this company's objective is to provide goods and services to its members and thus enable them to attain increased income and savings, investments, productivity and also their purchasing power. Not only that, the goal of this cooperative is to increase the economic interests of its members in accordance with the principles of the cooperative. Additionally, there are 7 fundamental principles of cooperative.

- i) Voluntary and open membership
- ii) Democratic management and control
- iii) Economic involvement among members
- iv) Autonomy and freedom
- v) Promotion of training education and information
- vi) Active cooperation between cooperatives
- vii) Concern for the community

### 3.3 Background of establishment

KOKANUN Berhad was established on 10 April 1964, with the registration number, 3994. It has been almost 60 years since this company was established and operated. It was sustained until now. Moreover, the establishment has its own purposes and its history. In general, the cooperative movement throughout Malaysia did not grow genetically or naturally from the life of the local community. The economic recession in the 20th century had a great impact on the country's economy. The narrowness of life faced especially by the Malay farmers who are so squeezed due to the poverty factor in addition to being burdened by high debts. The Malay community during the British colonial period, especially the rural community, was facing debt problems with middlemen. They went into debt by mortgaging the land and the situation caused some of them to lose their land.



For the Malay community, land is their own property and life. Through the land, they try to earn money through cooperation that has been practiced since generations. The practice of cooperation that was passed down from one generation to the next for hundreds of years is no longer a practice that helps their lives, but has become an obstacle to their progress. On the other hand, this movement was introduced to help solve the problem of indebtedness and oppression that occurs between debtors and creditors among residents of urban and rural areas.

For their leadership style, the company uses a democratic style. It did not change from the beginning when this company started to operate. All the members can participate in choosing their leader. Regarding this, subject to acts, regulations and UUK, the highest authority (*Ahli Lembaga Koperasi*) of KOKANUN is vested in the General Meeting of Representatives (*Mesyuarat Agung Anggota Perwakilan*) where each member of the elected representatives is entitled to attend and have one vote. The General Meeting of Representatives is held every year while the Regional General Meeting (*Mesyuarat Agung Kawasan*) for the election of representatives is held every 2 years. Other than that, KOKANUN has 9 representative areas which are Kuala Terengganu A, B, C, Marang, Kemaman, Dungun, Hulu Terengganu, Besut and Setiu. The selection of representatives is based on 1 representative for every 25 members and a limit of 15 representatives for each area.

### 3.4 Organizational structure

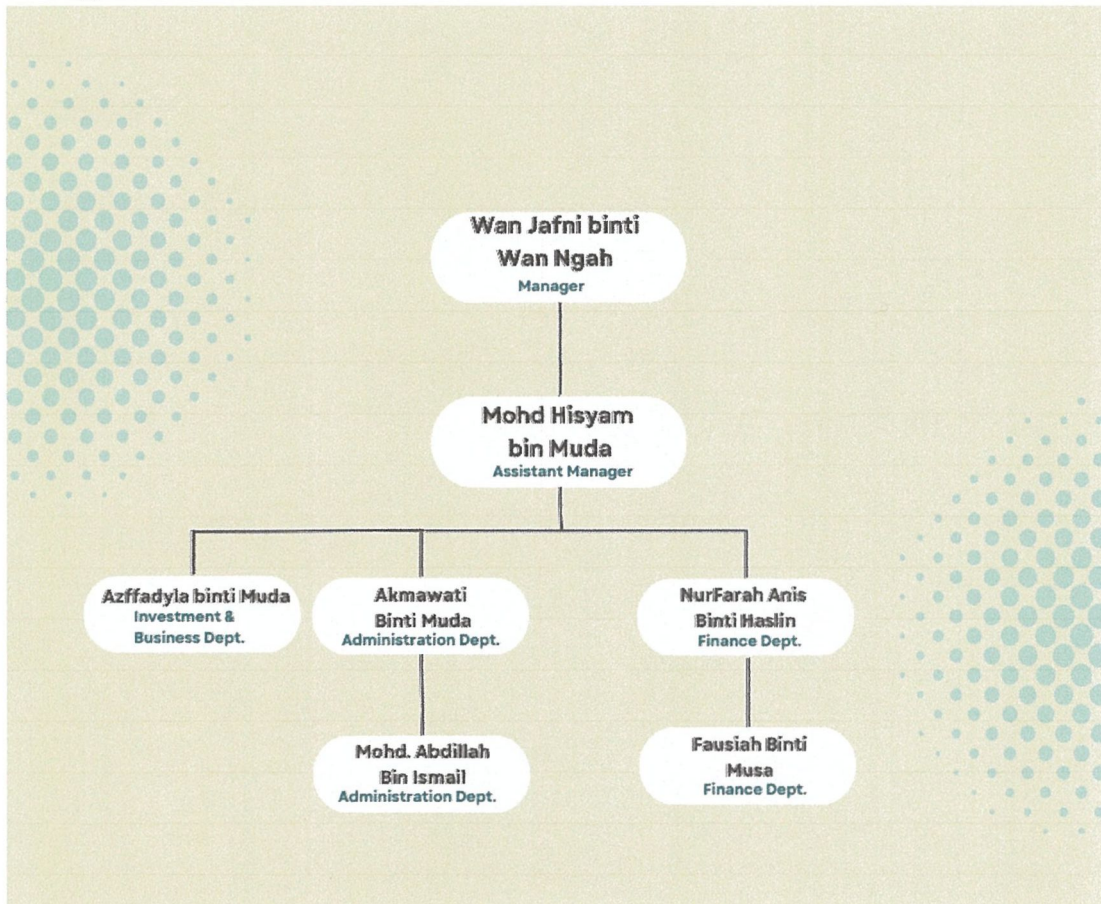


Figure 2: Organizational chart

### 3.5 Product/services offered

This organization offers a wide range of services. The primary service offered is credit activity (financing). For example, KOKANUN Berhad provided 2 primary loans which are, Money Loan Scheme and Consumer Credit Loan Scheme. According to that, these cooperatives also offer various types of loans to its members. For instance, Normal Loans, Consumer Loans, Emergency Loans and many more. Each loan agreement has its particular terms and conditions. Only the registered members can make loans if their requirements and specifications are fulfilled. Furthermore, for the time being, their services and activities have been expanded and diversified. They are not only focused on their core business, which is credit, but they have broadened beyond their primary function which is into other related activities.

1. Consumerism activities in the supply and marketing of goods in retail and wholesale to members and non-members
2. Property development activities in the housing and industrial sectors
3. Service activities in the education support, transportation, rental, trade, insurance, publishing, general welfare donation, **middleman's sacrificial worship**
4. Buying, selling, transferring ownership, establish, renting, securing, leasing, mortgaging and owning movable and immovable property
5. Establishing a subsidiary pursuant to section 19 of the Act with the approval of the commission
6. Provide other beneficial activities with the approval of the general meeting of representatives.



## 4.0 TRAINING'S REFLECTION

### 4.1 Duration

I started my internship on the 1st of March, 2023 and finished it on August 15, 2023. It lasted six months, equal to 26 weeks in total. That six months I finished with a roller coaster of emotions. It was an exciting period, but it also made me shudder sometimes. However, I have finished my industrial training with a blessing.

### 4.2 Specific department's you have been assigned to

I have been stationed under the administration and finance department. I have been given the responsibility to handle diverse tasks. All the tasks that I have been done are all related to the admin task and financing.

### 4.3 Roles, responsibilities, tasks, and assignments given

As I mentioned before, I have been assigned to the administration and finance department. So all the tasks and responsibilities are new experiences for me. For the first time, I was introduced to the company systems which is *Sistem Pengurusan Berkomputer Angkasa* (SPBA). This is the most important part since when I have been given the tasks; they all are mostly related to that system. This main system is used to record all the company data such as money flow, member's data, loan history data and many more. However, for the starting period, I have been given simple tasks first such as filing tasks, and writing down minutes of the meetings and data transfer to the Microsoft Excel. I also was taught on how to use and manage the photocopy machines since most of the tasks required me to use those machines.

Besides, in that first month, I also was assigned to do the real phone call with the high council of KOKANUN. The purpose of calling them is to inform and invite them to the company's meeting. This is my first time handling a phone call during my internship. That task was not easy for me because I have a fear and easily panic when it comes to dealing with people either in a phone call or in person. This was not easy as people said. However, I have handled that task with success. Additionally, in that starting period also, I was asked to key in some data to that system for the payment vouchers. Even though I have little skills using that system, but they still asked me to

use it with their guidance in order for me to get used to that system. During that period, I always ask the senior staff a favour to help and teach me on how to use those systems. After a while, I get used to the systems and knew how to handle it very well. I was struggling at first but after that, I can manage it without the help of them. Moreover, at the end of the first month, I was also required to print every member's annual balance verification statement and make a copy of some documents for the meeting and filing purposes.

For the second month, I have been given an additional different task compared to the previous month. However, the task is still related to the systems. I have been assigned to key in the data to the systems for monthly salary deduction of the members. That monthly deduction must be recorded to the systems for every acceptance receipt. Moreover, after 1 month of my training period, I have been 100% responsible to handle the salary deduction for the upcoming months. This was a big responsibility for me since the task is overall given to me to handle. However, I am actually blessed with the trust that they put on me to manage the tasks given. Furthermore, I was also assigned to blast the notice of the meeting to the members of KOKANUN. I was blasted by that notice through WhatsApp personally. This is because I have to send it one by one to the members based on their different areas.

The purpose of blasting this notice is to inform and invite them to the meeting. This is the crucial meeting that must be attended by every member. This is due to the fact that the purpose of this meeting is to inform and update the members of every detail and benefits that are new to them. Additionally, in that second month, I also photo state many payment vouchers that need to be key in its data into the systems and also made a phone call with the former members to ask them to come to the office to take their fees cheque. I also do some filing tasks like make a file's label and organize the documents when I already finish doing the main tasks.

Furthermore, in the third month of training, I have been assigned to work outside of the office. For the first time, I was ordered to work at The Serai Cottage, Hulu Terengganu as an officer. I was there as an officer to make sure the meeting flow went well. I am on duty at the registration session before the meeting starts and an allowance allocation session at the end of the meeting. For the next meeting at Batu Buruk Beach

Resort, Kuala Terengganu, I was also assigned as an officer. The task is still the same. This is a new experience for me to work outside of the office because in the previous 2 months, I just ordered to work in front of the personal computer. Besides that, I also do a lot of finance tasks such as recording the salary deduction to the systems. Since I've been using those systems for two months, I've become familiar and expert at using them. I also have been trusted to make a journal or make some audit for the double key in data in that system. I have gone through every member's statement to find out any double key in data for 2018 and 2019. This task is quite lengthy and time consuming. However, this was a new experience for me.

Moreover, in the fourth month, my tasks are more to answering a phone call. I become more confident since I know how to respond to their inquiries. Considering I was still new and didn't know much about the details and how this firm operated before, I was quite afraid and hesitant to deal with them. However, after 3 months, I have learned a lot about the payment process and how it works. I also respond to some emails and WhatsApp from the members. Not only that, some of the tasks requires me to do calculations for the expenses of KOKANUN assets for the previous years. However, for the last 2 months, I still repeatedly do the same task which is related to the data key in for monthly salary deduction and also for the payment vouchers into the company systems. So, until the very end of my training period, I have no issues to handle all those tasks.

Additionally, in that 6-month period of my internship, I have also always dealt with the customers or the members of KOKANUN. This is because I was placed in front of the office or at the counter. I was given the responsibility to deal with the customers since I was located at the counter. Simply said, I also being customer services since I serve them frequently. Some of them sometimes collect their cheque of their fees. Some of them also come to the office to make a loan, fill out the insurance form and many more. In my opinion, from all the tasks given, this one is very difficult and tough for me. Especially when it comes to dealing physically with the customers. I have to answer immediately if there are any questions asked from them.



#### 4.4 Benefits that you received and gained

I also get the full allowance every month which is RM300. This company also will not cut my allowance even though I take a leave in the training period. These are the benefits that I received that other companies do not offer. I said that because some of my friends told me, their companies will cut their internship allowance if they want to take a leave. Furthermore, I also get the additional allowance if on duty outside the office and also on the weekend. Moreover, I also can apply for leave a day before that leave. Compared to other companies that my friends intern with, they must apply for leave 10 days before a leave. I believe they all are being strict with their internship workers but companies are not. Luckily, I get the benefits that some of my other friends didn't get.

I also gained many new skills as long as I am here. For instance, financing skills. Before this, I had a basic knowledge of accounting because of my elective subject but still ambiguous since it is not practical. That means, I just understand and make calculations. But then, when I do my internship here, I can have a clearer and better understanding because some of the tasks require me to apply the skills. Moreover, I also can sharpen and develop my current skills to be better and have a chance to improve my interpersonal skills. For example, my communication skills. I can feel my communication skills have improved since I always communicate with the senior staff and also with my customers. Furthermore, communication in the field of real working environment has made me more confident since we must deal with many types of people in real life. At first, it was very difficult for me to be in these situations and facing people, especially to communicate with them. However, when I forced myself to talk to them, I now became more confident and communication skills also were instantly can be improved.

## 5.0 SWOT ANALYSIS

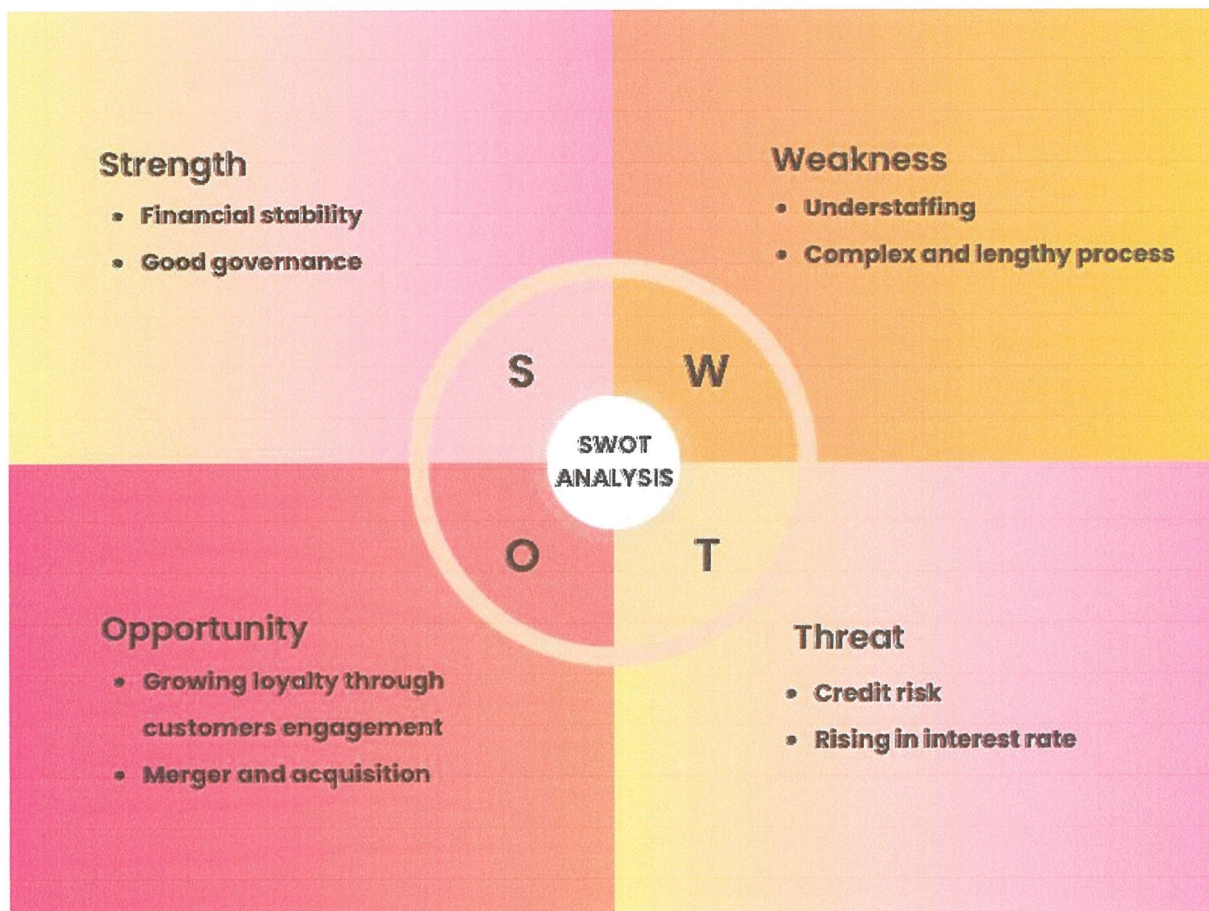


Figure 3: SWOT Analysis

## 6.0 DISCUSSION AND RECOMMENDATION

### 6.1 STRENGTH

#### 6.1.1 Financial Stability

Financial stability can be defined as the company's condition and abilities in managing their finances. On the other hand, it also refers to the overall stability of the organization's financial systems. According to the one of the article, financial stability can be defined as a healthy financial system which can perform financial services smoothly, including delivering financial services, investment, and funding of various sectors in the economy. By looking back, this organization maintained its existence and continued to thrive for many years due to its financial stability.

Obviously, financial stability is very crucial since it plays a significant role to the organization for its long term success. Consider the possibility that the business might be unable to survive and could collapse if there were fewer resources at its disposal and less money available. In contrast, this firm, which was founded in 1964, has been running and continues to operate for around 59 years. They have managed to be able to function successfully up until this stage and provide their services to their customers with consistency over time. This is because of their financial stability from the business start to run and up until now. As this component would have a long-term impact on the business, we cannot simply overlook it.

Furthermore, due to their survival, there are so many reasons behind that. One of the reasons is, KOKANUN Berhad had many assets as their financial resources such as lands, buildings, houses, and many more. All of these assets and resources are all utilised to generate revenue. Some of their assets, for instance, have been used as rental properties. KOKANUN Berhad will earn a monthly additional revenue from the clients' rental property. Other services offered by this business include renting out vehicles such as vans and lorries. Aside from that, they also sell bird nests products and detergent to clients as their own brand-name goods.



In my opinion, if they use social media, all of their side businesses will substantially increase their revenue significantly. Imagine if their hundreds of members helped spread the word and promote the products and services the company provides on social media; as a result, more people would be exposed to them in the meantime, which would boost sales and the company's income would also increase. I believe, this company may be expanded to the global market if it utilises all of their assets and resources effectively.

### 6.1.2 Good Governance

Governance is an approach and practices that gives the framework for managing organizations. It specifies who gets to make decisions very well, who has the ability to act on behalf of the business, and who is responsible for how an organization and its employees behave and perform. Simply speaking, to put it straightforwardly, it is the administration practices that have been practised and cultivated by the staff. There are a total of eight fundamental characteristics of good governance. It follows the rule of law, participatory, consensus-oriented, responsible, transparent, responsive, effective, and efficient. According to the article Chartered Governance Institute (2021), each of these governance-related practices can contribute to the operational efficiency and success of an organization.

According to what I've observed, the company where I've been practising my industrial training behaves with these characteristics. In this case, KOKANUN Berhad practiced transparency in their decision making process. Transparency is the practice of making decisions and implementing them throughout in a way that complies with laws and regulations and is freely available and directly accessible to those who will be affected by such decisions and their enforcement. Additionally, it implies that individuals who may be directly affected by such decisions and how they are executed have unrestricted means of getting information and the updates over time. For example, every decision making about the company would be spoken out and discussed in the meeting. As a result, all decisions aren't solely made for one person; rather, they are made for everyone.

Besides that, it is also obvious that this organization uses effectiveness and efficiency in their task-related and decision-making. In this circumstance, the term of effectiveness and efficiency demonstrate how the structures and procedures deliver outcomes that satisfy the expectations and the needs of society while making the optimal use of the resources at their disposal. This is because of the fact that every decision-making process and its institutions are entitled to it. As mentioned above, they must be able to come up with decisions that comply with and fulfil every community need. This is very extremely important and cannot be overlooked.

Based on the article, good governance is very crucial since good governance allows the management team and the board to operate businesses ethically, lawfully, sustainably, and successfully, for the benefit of stakeholders like shareholders, employees, clients, and consumers, as well as for the good of society as a whole. However, the main purposes of good governance are to decrease corruption, including minorities' viewpoints, addressing oppressed people during the decision-making process, and actively responding to the present and future needs of the community.

Thus, in my opinion, if these companies had and practised all those eight fundamental characteristics of good governance, I believe they would create positive energy and maintain it continuously. As a result, they can deliver very high quality services to their customers.

## 6.2 WEAKNESS

### 6.2.1 Understaffing

Employee shortage, also referred to as understaffing, is the condition where the company has fewer staff to work on the daily task. It also describes a scenario in which a company doesn't have a sufficient number of staff members. The same concerns, which includes understaffing, are also being experienced by KOKANUN Berhad. For instance, this organization does not have inadequate staff in both the administrative and finance departments. When this occurs which the company is understaffed, it indicates that not sufficient staff members are employed to fill all the shifts.

As we all know, one of the most important resources for an organization to function effectively and successfully operate is human talent. Without humans, tasks and job duties are unable to be completed unless they rely entirely on non-human abilities. According to the article written by Mary Nestor-Harper, he claims that while having too many employees increases overhead costs and negatively impacts corporate profitability and growth, yet having too few employees may also obviously have a negative long-term impact on the organization.

In another circumstance, when a firm doesn't have sufficient staff, its production will slow down, another personnel issue will arise, and this will harm and adversely affect the company in a similar way. That implies that when there are fewer employees to serve customers as well as run production lines, the quality of both the product and the service is going to drop. This is because a smaller workforce must work faster in order to manage a greater volume of workload. They likewise have more work to do since there are fewer employees. Long-term, chronic stress caused by carrying out too much work can also end up in physical, mental, and emotional exhaustion.

Along with this exhaustion, they will lose motivation, enthusiasm, and tend to be disregarding their work. When quantity is prioritised over quality, errors will also directly increase. Increased workload will therefore make it even harder to complete job duties and accomplish expectations for performance. For real, when the staff members are taking time off or a leave or are in need of a medical certificate (MC),



some payment processes may occasionally be delayed. Imagining that you have a shortage of workers and that one on your staff needs to take unavoidable leave. It would obviously affect the work process.

Aside from that, the business could be negatively impacted and would suffer if these problems persisted. In order to cover the whole work process, KOKANUN Berhad needs to hire more employees. This is due to the possibility that problems like slower work processes and other similar ones may not arise when they have an adequate staff.

#### 6.2.2 Complex and lengthy process

Other than that, the process is also complex and very lengthy. Simply said, every process requires some time and seems to be complicated, particularly when it comes to all the payments process. This is because there are so many procedures and steps that must be followed and completed. In this case for instance, once the registered members retire and willingly or voluntarily quit from being a member, their members fee will be returned. This is because of the fact that they need to allocate some of their monthly salary to pay the fees when they want to become the members of KOKANUN as per requirements. We will thus return their fees whenever they withdraw or stop from being members. In this situation, there will be several procedures and processes involved in paying back or refunding their fees.

First thing first, they must fill out the form for a specific reason to discontinue from being a member of KOKANUN and their application would be brought to the meeting. The purpose of the meeting is to discuss the allocation of the budget that is needed in order to make sure the budget is adequate to refund the members' money and also to make sure all the high council acknowledges this matter. After that meeting, the payment approval will take 6 months to be proceed. After that 6 months, the payment voucher would be processed.

Besides that, after the payment voucher is successfully processed, it must also be approved and signed by the high council before the payment can be proceed. This is the last step and procedure that must be made before the process of refunded fees

payment. After all the process and approval have been done, the refund will be successful. Additionally, they can make the application to take half of their fees which is a maximum RM2000.00, but it still requires the same procedure and process to make the payment successful. Another case, if the members retire or voluntarily stop from being a member of KOKAKUN, they also must wait for their turn to sit in the queue for the payment to be processed.

I believe all this process is very complex and time-consuming. However, all these processes and procedures are very important to make sure the payment or money flow is received safely to the former members. Sometimes, this complex and lengthy process triggers the member's complaint. They are losing patient when it comes to money. As a result, we cannot create zero complaints from the members. After all, all these procedures and regulations must be followed in order to comply with the company policy and legal with the law. The company is not doing this based on their own ways but there are the rules that they must obey with. They cannot simply approve and allow any payment without the consent of the high council of KOKANUN Berhad.

Therefore, in my opinion, it is important to continually remind the members of all the payment procedures and also the terms and conditions of how the work process. This would prevent them from having high expectations and placing too much hope for what they already understand. This is also very crucial since there would be no complaints and less issues among the members.

## 6.3 OPPORTUNITY

### 6.3.1 Growing Loyalty Through Customer Engagement

When we look back at the previous year, this company has had many registered members until now. The current number of KOKANUN loyal members around 600 and something in total. The members' engagement has grown positively since the company was established. Based on what I have research, businesses consider having a strong customer engagement to be a crucial benefit and also valuable assets. The loyalty from them is very strong. Even though the members from another district come and join the membership of KOKANUN.

For instance, the members from Besut, Setiu and Hulu Terengganu come and join us as the members. As we know, the headquarters of KOKANUN is located at Kuala Terengganu. We can see their effort and their loyalty to be our members. Moreover, some of the members are loyal to this company and become the KOKANUN's members for a long period, until they retire. For example, one of the former members became a member from 1984 until 2022. For real, it is around 38 years in total. This shows that he has been a member of KOKANUN for many decades. Aside from that, there are also some of the members that being the members have blood relations between them such as siblings and also husband and wife.

We can see here, in this case, they might be promoting these opportunities to their family members and also their relatives if they are getting the benefits that KOKANUN have provided to the members. If they are not happy with the benefits, they might quit earlier than the retired date and will not promote this to their contacts. I believe they all stay loyal to the KOKANUN because they feel the company protects their wellbeing. This is because, by being the members of KOKANUN, they will get a lot of benefits. They also can feel the honesty and their interest and benefits that they gain when they can promote this to their family members and their relatives. Furthermore, in my opinion, these opportunities might contribute to the expansion of these businesses. Based on the article written by Himanshu Rajak, 2023, expansion of a new business can be difficult yet rewarding and worthwhile. This is because, when there are many new members who take a part and join this company, it would positively



affect the company either internally or externally. The chance of the company broadening its business activities exists when many new members join and take part and also remain devoted or committed like the previous former members did.

### 6.3.3 Merger and acquisition

Furthermore, KOKANUN Berhad might get opportunities like merger and acquisition with other corporations in the future. Mergers and acquisitions (M&A) is a general term used to describe the process of combining companies through various types of transactions. However, there are differences between merger and acquisition. According to the article written by Christina Majaski, 2021, both of these terms are frequently used to describe the merger of two businesses, but there are key differences involved between them both. When two separate corporations come together to form a new, joined organization, it referred to as a merger. An acquisition, on the other hand, is the taking over of one entity by another. M&A is an effective instrument that has the capacity to completely change your company overnight.

In this case, KOKANUN Berhad has cooperation between other corporations. For instance, corporations with *Suruhanjaya Koperasi Malaysia, Angkasa Terengganu* and others. Mergers and acquisitions mean greater financial strength for both companies involved in the transaction. According to the last year article, a business may be able to reach a greater number of customers due to a bigger marketing budget when two companies combine or when one company purchases another. This is because when both companies share their financial resources through a merger or an acquisition, they can accomplish more. Beside, having greater economic power can lead to higher market share, and reduced competitive threat. In most cases, bigger companies are harder to compete against. So, I believe, from these opportunities, there is a big possibility for KOKANUN Berhad to merge or acquire another company. As a result, these opportunities might develop the KOKANUN image and reputation. When this happen, KOKANUN Berhad will well known and these company can growth instantly.

## 6.4 THREAT

### 6.4.1 Credit Risk

As we all are aware, this organization provides financial support to their customers like any type of loans. All their services are also related to finance. So, the potential of the borrower to not pay back will happen. This is what we call credit risk. Credit risk also can be defined as the probability of a financial loss resulting from a borrower's failure to repay a loan or fail to meet the contractual obligations. According to one of the articles, credit risk is described as the risk that a lender suffers as its cash flows interrupted when a borrower fails to pay its interest or principal. When lenders offer many types of loans, there are big opportunities and chances for the borrower to make the loans. Furthermore, there is a risk that the borrower may not repay the loan. Similarly, if a company offers credit to a customer, there is a risk that the customer may not pay their invoices. This has normally happened recently since our economic conditions are not very stable. Sometimes people are struggling to survive in their everyday life. We cannot blame them but all the rules and obligations they must be obeyed to it if they want to make a loan. Before taking out a loan, they should first always give considerable thought to their financial conditions.

In this case, KOKANUN Berhad will face these issues if their customers are not able to follow all the terms and conditions of the loans. Up to a certain point, we had previously sent them a warning letter, but they kept refusing to pay and still having difficulty with their repayment. But yet they still refusing, and not responding to us and still do the same. After that, we have to include the third party which is lawyer to settle down this issues. As a result, they all finally respond to us and start to make their loan repayment. Such issues may not occur and could be avoided if customers follow and comply with the loan requirements, and we as lenders won't engage any other third parties or outsiders. In the other words, the company might not have these issues since there are the terms and conditions that must be followed by the borrowers, and there are also the strict rules but the possibility to face this credit risk might have. We can see here, these issues are actually caused by the community or the members itself who does not follow and obey the company term and conditions. Thus, KOKANUN Berhad might face losses if their customers are not able to repay their loans back.

Additionally, the company should be stricter to the members when it comes to the punishment. Strict punishment means zero tolerance policy. Based on the article, the purpose of implementing a zero tolerance policy is to reduce and eliminate not appropriate or harmful behaviours. Policies that enforce zero tolerance make sure that everyone who breaches a set of rules or the law will experience and suffers the same punishment. Like I mentioned before, up to one point, we had to involve a third party in this case. This is because some of them ignore our warning letter and keep refuse to pay the money. When they are brave enough to do this, I believe the company rules or policy is not that enough to make them obey and scare them. So, the company should revise their policy and also enforce the new rules and regulations and make them stricter. As a result, the company can minimize the problems regarding the credit risk issues.

#### 6.4.2 Rising in interest rate

Last but not least, rising in the interest rates are also one of the threats that KOKANUN Berhad will face. Based on the article written by, Caroline Banton (2023), interest rate can be defined as the amount a lender charges a borrower and it is a percentage of principal. It was a charge to the borrower for the use of assets. Assets borrowed can include cash, consumer goods, vehicles and property. For every loan, the interest rate is applied to the principal, which is the amount of the loan. To be clear, the interest rate is the cost of debt for the borrower and the rate of return for the lenders. The money to be repaid is usually more than the borrowed amount since the lenders require compensation for the loss of use of the money during the loan period. Because of this, an interest rate can be thought of as the “cost of money”. That means, interest rates can make borrowing higher. This is because rising interest rates typically make all debt more expensive. This fact accordance to the article written by, Kimberly Amadeo (2022).

Back to the case, currently, KOKANUN Berhad offered the fixed interest rate at lowest 3.99% to the borrower. As we are aware, the amount that the borrower will pay to the lenders depends on the interest rate. Imagine when the rate rises dramatically, the debt will become more expensive. As a result, this will discourage people and tend to stop them from borrowing because they will pay more from the actual amount that they have borrowed. Obviously, the borrower will be affected immediately if the



interest rate is rising. So, in these situations, higher interest rates may lead to a slowdown in borrowing as consumers take out fewer loans. As a result, it can reduce the borrowing demand between the borrowers. If demand drops and decreases constantly, the organization may reduce output and cut jobs. Same goes to this organization, if their members stop or slow down their borrowing, the company will slowly lose their income. If we look back, the company is actually lucky if the interest rate is high since they will get more but at the same time, they will lose their income since the members stop borrowing.

Furthermore, when these happen, we cannot force people to make the loans. So, KOKANUN Berhad must offer a fixed interest rate and cannot simply adjust the interest rate since it can affect the company income. If not, they might lose interest to make the loan from this company.

## 7.0 CONCLUSION

In conclusion, this company has its own strength, weakness, opportunity and also threat. If the company realize their strength and opportunity, I believe, they can growth even more and become one of the reputable cooperatives. Other than that, if they also realize about the negatives impact of their weaknesses and threats, they should not have overlooked at them. I also want to highlight about this opportunity given to the student that must require making industrial training after their study. This on the job training is very crucial since the student must apply their knowledge in their area of study and also to demonstrate or contribute their soft skills to the company that they practical with. These opportunities are not coming twice but only once. The student itself must take this opportunity and do their very best although there is the specific period that they require to work on it. Moreover, this exposure to the student as a training worker while undergoing their degree also one of the great opportunity as the student can experiencing the real working environment while engaging themselves with the professional people. After all, I have learned a lot as I trained there. These are very exciting moments since everything was new to me. These precious experiences I will not easily forget.

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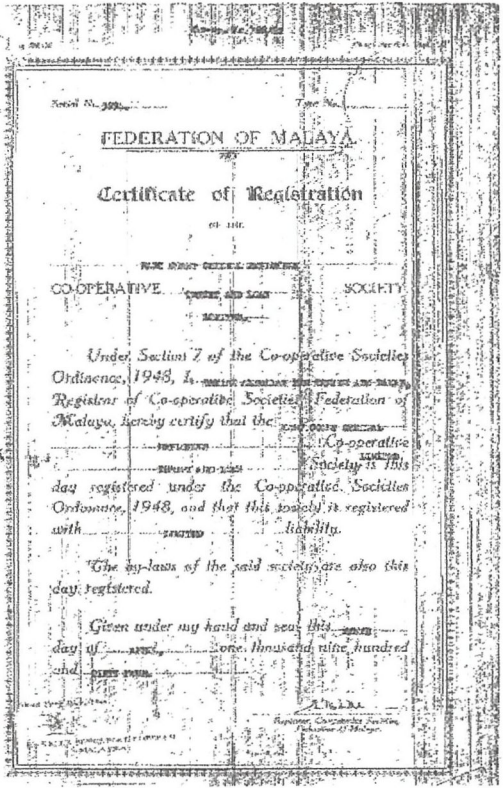
9.0 APPENDICES



Figure 4: Headquarter



Figure 5: MGIK



**KEMENTERIAN KEWANGAN MALAYSIA**  
**SUKU AKAJIL PENDAFTARAN SYARIKAT BUMIHUTERA**

NO. 1000  
 NO. 1000  
 NO. 1000

MAJLIS PERDAGANGAN MALAYSIA  
 MAJLIS PERDAGANGAN MALAYSIA  
 MAJLIS PERDAGANGAN MALAYSIA

**DATO' HAJI ABDULLAH BIN HAJI ABDULLAH**  
 Ketua Pegawai Kanan  
 Jabatan Pendaftaran Syarikat Bumihutera  
 Kementerian Kewangan Malaysia

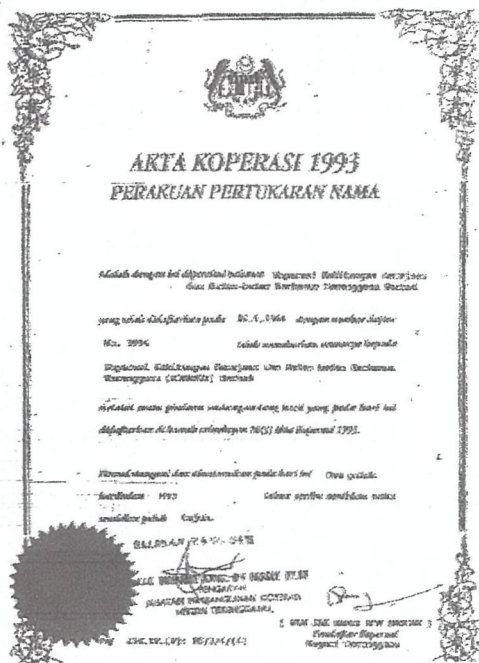
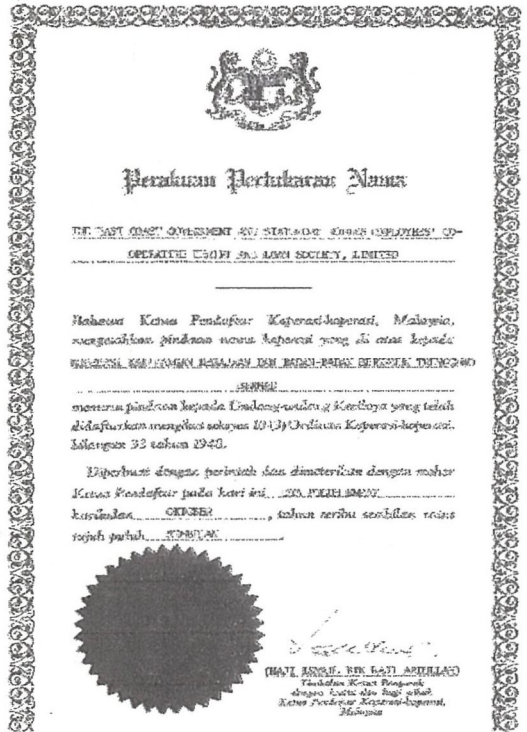
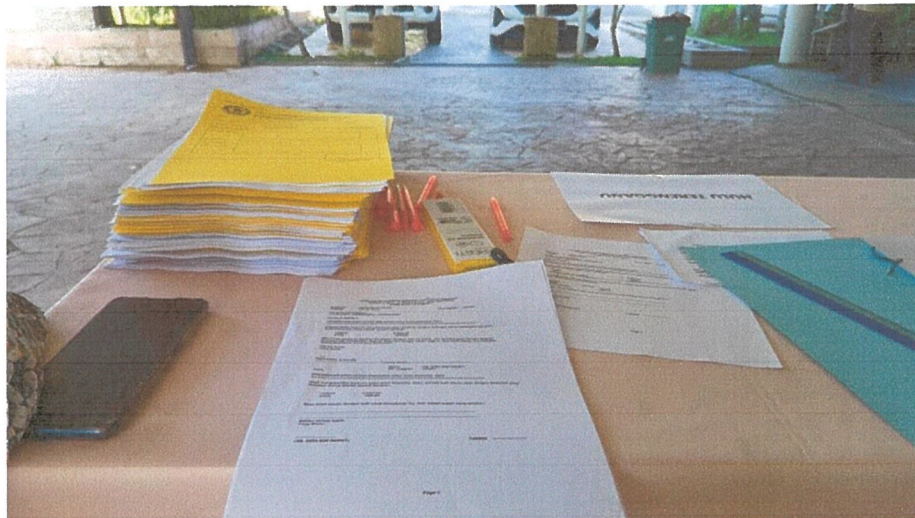


Figure 6: Company's Certificate









*Figure 8: The Serai Cottage, Kuala Berang*



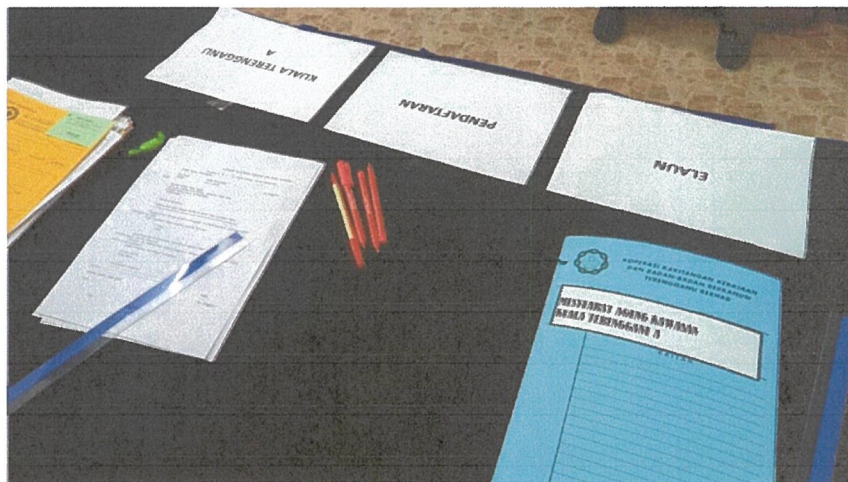


Figure 9: Batu Buruk Beach Resort, Kuala Terengganu