



Initial Analysis on Predictors of Mosque Cooperatives Performance: A Co-operator's Perspective

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Abstract. Performance is a crucial aspect of any organization, including mosque co-operatives. Mosque co-operatives are expected to show good financial and non-financial performance. Mosque co-operatives need to ensure sustainable financial performance to continue benefiting the socio-economic well-being of the members and community. Besides, the strong financial performance of mosque co-operatives provides additional support to mosque institutions' activism. Hence, a question arises on the determinants of mosque co-operatives' financial and non-financial performance. Therefore, this study attempts to examine the predictors of performance from the perspective of mosque co-operators through the lens of Intellectual Capital Theory. The study found that the top three predictors of performance for mosque co-operatives are board members' competencies, spirituality, managers' competencies, and stakeholders' support, indicating the essentials of human capital, relational capital, and spiritual capital. This study provides initial insights to regulators, policymakers, and co-operators in enhancing the performance of religious-based co-operatives.

Keywords: Cooperatives; Co-operators; Intellectual capital; Mosque; Performance

1. Introduction

One of the key performance indicators of Malaysian National Cooperative Policy 2 (NCP 2: 2011-2020) is to register 16,000 co-operatives by 2020 (MCSC, 2011). Among the initiatives taken to meet the target is the setting up of 6025 mosque co-operatives. There are three objectives of mosque co-operatives highlighted by the Malaysian Cooperative Societies Commission (MCSC) that are (i) to enhance the socio-economic of mosque co-operatives' members through economic activities, (ii) to mobilise resources, i.e. financial capital and human capital of mosque co-operatives members, and (iii) to create job opportunities for co-operative mosque members and their families (MCSC, 2016). Based on the latest statistic by the Ministry of Entrepreneurship Development and Cooperatives (MEDAC, 2021), at the end of 2019, there were 446 mosque co-operatives nationwide with 300 of them categorized as active, 69 non-active, and 77 dormant. The record showed 30,515 mosque co-operative total members and generated an aggregate income of RM 15.37 million. While the figures indicated promising prospects, they also revealed multiple

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areas of improvement requiring greater attention and focus.

In the Mosque Cooperatives Strategic Development Plan 2017-2020, the review subsection identified factors leading to poor performance of mosque co-operatives, namely the mosque co-operatives' structure, support from members and community, and internal governance (MCSC, 2016). Even though the review was not prepared based on the intellectual capital framework, the findings revealed that mosque co-operatives operate as small scaled businesses and operations, offer less diversified products and services, and experience a lack of funding. Therefore, this factor is regarded as structural capital. Moreover, the report showed that mosque co-operatives suffered low support from members regarding purchasing products or services, poor attendance in programmes, including mosque co-operatives' Annual General Meeting (AGM), and a lack of awareness of members' rights and rights duties (MCSC, 2016). Therefore, this factor is considered relational capital. Besides, mosque co-operatives are without proper internal control mechanisms due to the incompetence of board directors' members; hence, the situation indicates human capital concern. Thus, this study is carried out to explore determinants of performance through an intellectual capital framework based on mosque co-operators' perspectives.

2. Literature Review

2.1. *The Underlying Theory: Intellectual Capital Theory*

Sveiby (1997) considers that intellectual capital consists of human capital, relational capital, and structural capital. The first element represents knowledge, competence and the intellect of the employees. Structural capital refers to organisational systems, culture, practices and processes, while relational capital represents relationships with customers, sponsors, and distributors. In Bontis (2001), intellectual capital is the sum of human and structural capital. Human capital consists of employee efficiency and the firm's culture and values.

In contrast, structural capital refers to the intangible assets owned by the firms, such as the use of software, databases, trademarks and work process, which support the employees in performing their tasks and also includes the relationship built with the customers. Extending this concept, Zaytsev et al. (2020) argued that value-added intellectual capital is the sum of value-added structural capital, human capital and physical capital. However, while Intellectual Capital Theory has progressed significantly in the literature on organisational performance, there is still an indecisive classification of capital. As a majority of studies classified capital into structural capital, relational capital, and human capital; some studies like Khyakin and Toechkina (2021), Khalique et al. (2020), Khalique et al. (2018), Khalique and Mansor (2016), Khalique et al. (2013), and Khalique et al. (2011), and Ramezan (2011). offered suggestions for enhancement of categorisation, such as introducing a new type of capital like physical capital, spiritual capital, service capital, technological capital, and social capital.

In the context of co-operatives, Intellectual Capital Theory has been explicitly deployed by researchers like Khan et al. (2016) examined the impact of structural, relational and human capital on co-operatives' performance. The study specifically refers to human capital as the employees' skills and abilities, which could increase the firm's efficiency in providing consumer services, which could be gained through training and education. Structural capital refers to the stored knowledge which lies within the firm and will remain even if the employees leave the firm. This is such as databases, work processes and others. Finally, relational capital refers to the firm's relationship with its customers since a good

relationship with the customers may help the firm to meet the consumers' demands and thereby sustains its revenues and profits.

Meanwhile, some studies did not specifically deploy the Intellectual Capital Theory in explaining co-operatives' performance; however, they highlighted the element of Intellectual Capital Theory in driving co-operatives' performance, such as relational capital and human capital. For example, a study by [Yaacob et al. \(2012\)](#) found that active members' participation contributes to the co-operatives' success. Besides, [Othman et al. \(2013\)](#) highlighted the essential of co-operatives to continuously encourage the involvement of members in the decision-making process to maintain its. Additionally, [Othman et al. \(2014\)](#) supported that loyalty of the members, and their active participation is vital for the survival of the co-operatives sector since it could help the co-operative increase their efficiency.

2.2. Dual Performance Objectives of Co-Operatives

[Hind \(1999\)](#) and [Kaur \(2006\)](#) argued that a co-operative's performance measures financial and non-financial indicators due to dual objectives that drive the existence of co-operatives, i.e., economic and social goals. Despite such objectives, co-operative faces a challenge in the dynamic business world. It needs to deal the typical objective of a co-operative is to maximise the benefits to its members and ensure that their needs are met with the competition and must be able to operate like other business entities in order to continue offering benefits to its members ([Rajaratnam et al., 2009](#)). Therefore, traditional analysis ratios like profitability, efficiency, liquidity, and leverage widely measure a co-operative's financial performance ([Hind, 1999](#)).

On the other hand, co-operative performance is also examined through non-financial performance perspectives. It is referred to as offering performance information in non-monetary terms ([Kaur, 2006](#)). Studies by [Hind \(1999\)](#) and [Mayo \(2011\)](#) have argued that member-based organisations should prioritise co-operatives' non-financial performance more than financial performance. The non-financial performance usually includes governance, social responsibility initiatives towards members, their families, and society, compliance with established regulations, service delivery quality, and customer or members' satisfaction. In the context of mosque co-operatives, the Department of Islamic Development Malaysia ([JAKIM, 2010](#)) also described the contribution toward mosque institutions' well-being in terms of activism enhancement, infrastructure well-being, and good governance. In a similar vein, [Sallehuddin et al. \(2017\)](#) categorised mosque co-operatives' performance into two dimensions: financial performance and non-financial performance. The financial performance consists of common financial ratio indicators, while non-financial performance covers good governance, corporate social responsibility, members, customer satisfaction, and contribution to mosque institutions' well-being.

2.3. Intellectual Capital Component – Structural Capital

2.3.1. Co-Operative Characteristics

[Rajaratnam et al. \(2009\)](#) proposed several organisational or physical characteristics as determinants of co-operatives' success. These include size, types of function provided, and diversification of activities. An assessment by [Ward and McKillop \(2005\)](#) found that the size of co-operatives' assets significantly influences credit co-operatives' financial performance. Besides, a more substantial credit co-operative had a lower cost to income-percentage and enjoyed economies of scale than a smaller credit co-operative. Earlier, [Trencher \(1996\)](#) used the number of members as an indicator to measure co-operatives' size.

A type of function provided by a co-operative was also found to influence the co-operative's financial performance ([Ward & McKillop, 2005](#)). The study showed that co-operatives offering credit and agriculture-related functions are financially well-off than co-

operatives providing other types of operations. Besides, [Mustapa et al. \(2013\)](#) showed that giving shariah-compliant products determines the credit co-operatives' success. Additionally, [Noordin et al. \(2011\)](#) evidenced that consumer, credit, agriculture, services, and transportation function co-operatives perform better than other functions provided by co-operatives. Furthermore, offering a variety of functions to members and societies leads to the diversification of co-operatives' activities.

Diversification of activities enables co-operatives to carry out multiple business segments, thus reducing the risk of relying on a part only. Besides, diversification of activities facilitates cooperation to fulfil various needs of its members. Hence, it significantly influences the performance of co-operatives ([Carr et al., 2008](#)). In addition, by diversifying its activities, the co-operative can increase its membership, size, and resources ([Trechter, 1996](#)). [Carr et al. \(2008\)](#) found that a performing co-operative diversifies its activities, but these activities are integrated or concentrated on a set of core activities. Indeed, the diversification strategy of mosque co-operatives is strongly highlighted through Mosque Cooperatives Strategic Development Plan 2017-2020 ([MCSC, 2016](#)). It expects more co-operatives to enrol in high-value economic sectors viz; tourism, healthcare sector, plantation sector, agriculture sector, properties sector, wholesale and retail, and financial service. A similar emphasis is echoed in the Malaysia Cooperative Transformation Plan 2021-2025 by the Ministry of Entrepreneurship Development and Cooperative ([MEDAC, 2021](#)). Concerning the cost of operations, studies like [Bryunis et al. \(2001\)](#) and [Boyer et al. \(2008\)](#) evidenced that cost of operation has a significant influence on co-operative financial performance. A low operating cost and prudent spending allow co-operative and adequate financial records to generate higher income and enable the co-operative to benefit its members sustainably.

2.3.2. Internal Control and Supervision

[Noordin et al. \(2011\)](#) identified adequate internal supervision and control as one of the success determinants of co-operative performance. Internal supervision and control concern co-operatives' internal monitoring aspects such as risk management and records or document control. Adequate internal supervision and control allow a co-operative to proactively prepare and safeguard its survival during unprecedented events or facing risks threatening situations. In the study, [Noordin et al. \(2011\)](#) measured adequate internal supervision and control by looking into co-operative internal control policies, spending and investment policies, and accurate financial accounting and reporting policies. The study indicated that a performing co-operative has accurate financial reports and records, but more efforts are needed to improve internal control and risk management programs, especially investment and spending policies.

Besides, [Zakaria et al. \(2021\)](#) found the importance of palatable governance practices towards more excellent performance among oil palm co-operatives in Malaysia. The good governance aspect encompasses clear responsibility of board governance, management, employees, and members, sound management system and practices, and proper audit and control. Additionally, [Chareonwongsak \(2017\)](#) highlighted the importance of structural elements such as apparent board authority and function, composition, meeting quality, transparency in the evaluation process and compensation setting process and financial compensation as predictors of co-operatives performance in Thailand.

2.4. Intellectual Capital Component – Relational Capital

2.4.1. Members' Support

[Rajaratnam et al. \(2009\)](#) emphasised members' support as the determinant of co-operatives' performance, particularly members' participation and education. However, a

previous investigation by [Lluch et al. \(2006\)](#) confirmed that co-operative members' active involvement significantly influences co-operative performance. In addition, [Bryunis et al. \(2001\)](#) suggested that sufficient capital gathered from members contributes to co-operative success. Besides, [Amini and Ramezani \(2008\)](#) identified members' education as a determining factor in co-operative performance. Hence, continuous education to members, in terms of enhancing their awareness of members' rights and responsibilities, needs to be given extra focus.

Similarly, [Noordin et al. \(2011\)](#) evidenced that performing co-operative members consistently attend the co-operative's Annual General Meetings, provide sufficient capital, and consume products or services from their co-operatives. [Khan et al. \(2016\)](#) also supported members in determining the performance of co-operatives in Malaysia. Additionally, [Abdul-Rahman and Zakaria \(2018\)](#) also cited the lack of members' support as one of the factors causing the poor performance of mosque co-operatives in the state of Selangor.

2.4.2. Stakeholders' Support

Like other co-operatives, mosque co-operatives also require support from various stakeholders to success financial and non-financially. Indeed, the MCSC is the regulator and an enabler for co-operative sectors in the country. It monitors co-operative registration, members' satisfaction, and compliance with rules and regulations among co-operatives as a regulator. As an enabler, it provides financial and non-financial assistance to co-operatives. Financial aid includes funding, working capital, grants, discounts, rebates, and advance financing. It also offers technical and know-how advice to co-operatives. In the context of mosque co-operatives, it also plays a leading role. In this aspect, [Noordin et al. \(2011\)](#) discovered that a performing co-operative received a wide range of support vis-a-vis technical, financial, material and moral support from the MCSC and other federal and state government-based agencies. Another important stakeholder is the National Industrial Association for Co-operatives (ANGKASA), which provides assistance to mosque co-operatives. It has launched initiatives to assist new mosque co-operatives, such as research and development, managerial consultancies, and financing programs. It also holds an annual conference for mosque co-operatives board members and managers to equip them with the latest information and economic opportunities. It also works alongside the Institute of Cooperative Malaysia (IKM) in providing knowledge, training, and learning opportunities to mosque co-operative officials.

In Malaysia, a mosque is administered by a mosque committee, commonly appointed by the community or congregation. The list then is endorsed by state religious authorities since the Federal Constitution's Ninth Schedule states that, among other things, the administration of Malay customs and mosques comes under the purview of the state government ([Sulaiman et al., 2007](#)). There are two critical organs in each state's administration of Islamic affairs – the Islamic Religious Council (IRC) and the Islamic Religious Department (IRD). The former is for policymaking, while the latter is for implementing policies through programs and procedures. [Abdul-Rahman and Goddard \(1998\)](#) evidenced a different working culture among state Islamic Religious Councils, influencing the organisation's productivity and performance. Mosque co-operative is closely connected to mosque institutions; thus, to succeed, mosque co-operatives need support from the mosque committee, the state IRC and IRD ([Norwahi, 2014](#); [Othman et al., 2014](#)). Additionally, [Abdul-Rahman and Zakaria \(2018\)](#) found that the lack of support from mosque committees and state Islamic religious authority contributed to the lack of performance among mosque co-operatives in Selangor.

2.5. Intellectual Capital Component – Human Capital

2.5.1. Board Members' Competencies

The co-operatives' board members must acquire several skills, competencies, and experience. Moreover, the competencies and skills of managers can be enhanced through continuous training (Bryunis et al., 2001). On the co-operative board aspect, Noordin et al. (2011) discovered that a performing co-operative has more working experience, is older in terms of age and continuity element, and has vast expertise in engaging co-operatives movement board members than a non-performing co-operative. Furthermore, the study also supported that a board member of a performing co-operative shall acquire specific skills, competencies, ability, and knowledge to confront challenges and deal effectively with hardships faced by the co-operative. In Thailand, Chareonwongsak (2017) also found evidence that board members' skills are essential in driving co-operatives' performance. In Indonesia, Marwan et al. (2018) revealed that the entrepreneurship abilities of board directors significantly and positively influence the members' participation in co-operatives' programmes or initiatives. Besides, Lajuni et al. (2019) showed that board members' financial planning competency is an important predictor of co-operatives' financial and non-financial performance.

2.5.2. Managers' Competencies

The managers' competency is another identified co-operative success factor in Rajaratnam et al. (2010). Planning skill is considered a vital competency for co-operatives managers, and it was found to significantly influence a co-operative's financial performance, particularly in generating high sales growth (Noordin et al., 2011). Besides, sound planning skill by managers is needed to ensure entities like co-operatives remain competitive, adaptive to dynamic changes in the business environment, and deploy the proper practice in dealing with uncertainties (Rajaratnam et al., 2009; Rajaratnam et al., 2010; Noordin et al., 2011). In addition, Pathak and Kumar (2008) evidenced that one of the factors contributing to the closure of multiple co-operatives in Fiji is insufficient planning skills, particularly long-term planning among the managers. Furthermore, Fathonih et al. (2019) urged managers to play active roles in monitoring and enhancing employees' skills towards improving customer service and customer satisfaction in the service industry. In addition, Ssekakubo et al. (2014) found a significant and positive relationship between managers' competency and the financial performance of savings, credit and co-operative societies in Uganda. Besides, Wan-Idris (2019) confirmed that the competent human capital of co-operatives, including knowledgeable, talented and skilful managers is a primary predictor in ensuring the success of women co-operatives in Malaysia. In the more recent study, Mohamed et al. (2020) contended that the lacking performance of mosque co-operatives is also closely linked with the ability, experience and skills of managers to manage co-operatives in line with the current trend in order to be able to survive in the volatile, uncertain, complex and ambiguity challenging business environment.

2.6. Intellectual Capital Component – Spiritual Capital

2.6.1. Spirituality

Spirituality is a sense of relatedness or connectedness to others, providing meaning and purpose in life, fostering well-being, and having a belief in and a relationship with a power higher than the self (Hawks et al., 1995). Studies like Rocha and Pinheiro (2020) and Fathonih et al. (2019) have been carried out to examine the impact of spirituality on organisational performance and organisational members' behaviour. Additionally, Sachitra and Chong (2019) found the support of religiosity and spirituality influence in explaining

the performance of agribusiness farms in Sri Lanka, while [Adi and Adawiyah \(2018\)](#) found similar evidence in the context of entrepreneurs in West Java and Central Java, Indonesia. Besides, [Gill and Marthur \(2018\)](#) also found an association between spirituality and organisational performance among socially responsible agribusiness entrepreneurs in India. In a related study, [Mubarak et al. \(2015\)](#) found a strong influence of spirituality on organisational performance and the individual success of selected successful entrepreneurs in Kelantan.

As the study focuses on the success model of mosque co-operative, the influence of spirituality is imminent, as it is closely related to mosque institution – a centre of worship where Muslims perform their daily, congregational, and weekly Friday prayers. Other activities include celebrating important events in the Islamic calendar, like Ramadhan's fasting month and Eid Mubarak. In leading mosque co-operatives, board members, managers, and members have accountability to Allah (vertical relationship) and accountability to other people and surroundings (horizontal relationship). In fulfilling these horizontal relationships, mosque co-operatives board members, managers, and members are considered *Khilafah* (vicegerency). As *Khilafah*, they are given trust in managing mosque co-operatives' resources viz financial and non-financial resources by Allah as the ultimate owner of all resources. Therefore, they are expected to utilise the resources to benefit the community and surroundings. These benefits include the economic enhancement of society as the history of the Prophet Rasulullah s.a.w described the mosque's function as the centre of economics ([Sulaiman et al., 2007](#)). Furthermore, the concept of cooperation itself is consistent with two Islamic teachings – *ta'awun* (helping each other – cooperation spirit among co-operative members and *adl* (fair and just – the surplus of cooperation is shared fairly and equitably among co-operative members ([Wan-Adlina, 2014a; 2014b](#)). Therefore, it is expected that spirituality will affect the mosque co-operatives performance and contribution to mosque institutions.

3. Research Method

3.1. Research Design

This study used a quantitative research design as it intends to explain and measure antecedents of mosque co-operatives performance, based on Intellectual Capital Theory. In detail, the study deployed descriptive research to gauge respondents' thoughts and perceptions of mosque co-operators regarding the understudied issue. According to [Neuman \(2006\)](#), descriptive research describes "the characteristics of a population through the administration of questionnaire or survey form by asking the same set of questions or a large number of individuals either by mail, telephone or in-person". Therefore, to facilitate data collection, the study used a cross-sectional survey.

3.2. Population and Sample of the Study

This study population encompassed all participants of an annual business workshop organised by ANGKASA. The participants were mosque co-operatives' board members from the central region, encompassing the state of Selangor, Negeri Sembilan and the Federal Territory of Kuala Lumpur. Every year, ANGKASA organises a business workshop in each region to equip board members of mosque co-operatives with the latest knowledge, concepts and idea of governance, administration, and operation management. The other regions include the northern, east, southern, and Sabah & Sarawak region. The business workshop is part of the continuous professional development initiatives by ANGKASA, MCSC and IKM. Hence, using a convenient sampling method, a questionnaire was

distributed to all 51 mosque co-operators who attended the annual business workshop for the central region.

3.3. Research Instrument

Data was collected using a questionnaire. The deployment of the questionnaire in co-operative research has been widely adopted in Malaysia, for instance by [Ismail et al. \(1990\)](#), [Kaur \(2006\)](#), [Rajaratnam et al. \(2009\)](#), [Rajaratnam et al. \(2010\)](#) and [Khan et al. \(2016\)](#). The questionnaire was prepared in Bahasa Malaysia. It was divided into two parts. First, Part A collects respondents' demographic information. Next, Part B captures respondents' perceptions of determinants of mosque co-operatives' performance. Based on [Khalique et al. \(2011\)](#), the questionnaire items on determinants of mosque co-operatives performance were formulated from structural capital, relational capital, human capital and spiritual capital. Structural capital consists of the mosque co-operative's characteristics and internal control and supervision. Next, Relational capital involves members' support and stakeholders' support. Human capital refers to board members' competencies and managers' competencies. Finally, spiritual capital explains the spirituality aspect in driving mosque co-operatives' performance. Respondents were required to provide a response using a five Likert scale, ranging from strongly disagree to agree strongly. A short briefing was conducted to explain the research, its objectives and purposes, the questionnaire's structure, and the respondents' expectations. Respondents were given time to complete the questionnaire and were requested to return them after the last session of the business workshop. However, respondents were free to attempt or not to attempt the questionnaire.

3.4. Analysis Technique

For data analysis, the study employed descriptive analysis via the utilisation of SPSS 27. According to [Singh et al. \(2006\)](#), the central idea of the descriptive technique is 'in getting the thoughts, perceptions and opinion of a large population regarding a particular issue and 'is concerned primarily with determining "what is." Hence, based on Intellectual Capital Theory, descriptive analysis is appropriate to gauge the initial understanding of mosque co-operators' towards determinants of performance. The descriptive analysis provided information on several respondents stating particular preferences from strongly disagree to agree strongly. Besides, it provided analysis in terms of percentage. Additionally, the descriptive analysis derived the mean score of each determinant, which then enabled the ranking analysis.

4. Results and Discussion

4.1. Respondents' Profile

From 51 distributed questionnaires, 41 were completed and returned. It was 80.39% of the response rate. After further checking, all 41 questionnaires were used for further analysis. The summary of respondents' profiles is presented in Table 1.

4.2. Data Analysis and Findings

Table 2 depicts respondents' feedback towards structural, human, relational, and spiritual capital driving mosque co-operatives' performance. In total, 37 respondents or 90.2%, agreed on the essential of co-operative characteristics in driving performance. A total of 37 respondents, or 90.2%, state a level of agreement on the essential of internal control and supervision to spur the performance of mosque co-operatives. In total, 39 or 95.1% state level of agreement on the importance of having competent, skilful and talented board members to spur mosque co-operatives' performance. Similarly, 39 respondents or 95.1%, agreed on the importance of having capable, insightful, and knowledgeable managers to spearhead mosque co-operatives' performance. Like a previous indicator, 38

or 92.7% of states agree on the crucial of members' support to drive mosque co-operatives' performance. A total of 37 respondents, or 90.2%, state a level of agreement on the significance of stakeholders' support to spearhead mosque co-operatives' performance. In total, 37 or 90.2% of state-level agreements on the importance of spirituality spur mosque co-operatives' performance.

Table 1 Respondents' Profile

Categories	Details	Frequency	Percentage %
State	Negeri Sembilan	31	75.6
	Selangor	10	24.4
Position	Chairman of Board	6	14.6
	Secretary	11	26.8
	Treasurer	6	14.6
	Board Member	18	41.5
Education	First degree	5	12.2
	Professional	2	4.9
	Diploma	11	26.8
	Higher School Certificate	6	14.6
	School Certificate	11	26.8
Co-operatives experience	Lower School Certificate	6	14.6
	Less than 5 years	32	78.0
	6 to 10 years	4	9.8
	11 to 15 years	3	7.6
Gender	More than 25 years	2	4.9
	Male	37	90.2
	Female	4	9.8
Working experience	Public service	20	48.8
	Private	10	24.4
	Self-business	11	22.0

Further assessments were carried out to determine the mean of each predictor. With a value of 5.54, the highest mean indicates that the main predictor of mosque co-operatives' financial and non-financial performance is board excellence from co-operators' perception. The next highest mean, with a value of 5.41, is spirituality. Next are stakeholders' support and managerial excellence, with a mean of 5.39. Finally, the lowest mean with a value of 5.22 is for internal control and supervision. Table 3 depicts the mean value of each predictor of mosque co-operatives' financial and non-financial performance.

Table 2 Respondents' Feedback on Structural, Human and Relational Capital

Structural Capital	Response	Frequency	%	Valid %	Cumulative %
Co-operatives Characteristics	Disagree	1	2.4	2.4	2.4
	Slightly disagree	1	2.4	2.4	4.9
	Slightly agree	2	4.9	4.9	9.8
	Agree	18	43.9	43.9	53.7
	Strongly agree	19	46.3	46.3	100.0
Internal control and supervision	Disagree	1	2.4	2.4	2.4
	Slightly disagree	1	2.4	2.4	4.9
	Slightly agree	2	4.9	4.9	9.8
	Agree	21	51.2	51.2	61.0
	Strongly agree	16	39.0	39.0	100.0
Human capital Board members competencies	Disagree	-	-	-	-
	Slightly disagree	2	4.9	4.9	4.9
	Slightly agree	-	-	-	-
	Agree	13	31.7	31.7	36.6
	Strongly agree	26	63.4	63.4	100.0
Managers competencies	Disagree	-	-	-	-
	Slightly disagree	2	4.9	4.9	4.9
	Slightly agree	-	-	-	-
	Agree	19	46.3	46.3	51.2
	Strongly agree	20	48.8	48.8	100.0
Relational capital Members support	Disagree	1	2.4	2.4	2.4
	Slightly disagree	1	2.4	2.4	4.9
	Slightly agree	1	2.4	2.4	7.3
	Agree	18	43.9	43.9	51.2
	Strongly agree	20	48.8	48.8	100.0
Stakeholders support	Disagree	1	2.4	2.4	2.4
	Slightly disagree	1	2.4	2.4	4.9
	Slightly agree	2	4.9	4.9	9.8
	Agree	14	34.1	34.1	43.9
	Strongly agree	23	56.1	56.1	100.0
Spiritual capital Spiritual	Disagree	1	2.4	2.4	2.4
	Slightly disagree	1	2.4	2.4	4.9
	Slightly agree	2	4.9	4.9	9.8
	Agree	13	31.7	31.7	41.5
	Strongly agree	24	58.5	58.5	100.0

Table 3 Mean Score for Predictors of Mosque Cooperatives' Success

Predictors	Mean	Rank
Co-operative characteristics	5.29	5
Internal control and supervision	5.22	6
Board member competencies	5.54	1
Managers competencies	5.39	3
Members' support	5.34	4
Stakeholders' support	5.39	3
Spirituality	5.41	2

Therefore, the findings revealed that from an intellectual capital framework perspective, human capital, i.e. board member competency, is ranked as the top determinant. It is followed by spiritual capital, i.e. spirituality. Then, human capital, i.e. managers' competency and social capital, i.e. stakeholders' support, is equally important as the third essential predictor of mosque co-operatives' performance.

4.3. Discussion and Implications of the Study

The board members' competency is a crucial human capital element in driving mosque co-operatives' performance. The board member is responsible for determining the direction of the mosque co-operative, overseeing the management and staff, allocating resources effectively and efficiently, protecting the members' interests and rights, and representing the entity in dealing with various stakeholders, especially the regulator and apex co-operative. Therefore, a competent board member is essential in ensuring the board's performance. On a similar note, [Chumnumporn et al. \(2022\)](#) admitted the essential of leaders in navigating enterprises through new perspectives like Industrial Revolution 4.0 demand. Hence, continuous and systematic training is needed to enhance board members' competency.

Furthermore, skills-related training is crucial among board members to bring mosque co-operatives into highly impacted economic activities such as financial services, healthcare, tourism, and plantation, which require technical skills related to marketing, information communication technologies, and production. Besides, more professionals are needed to join the mosque co-operatives' board, enhancing the pool of talents, ideas, and knowledge. Secondly, spirituality is an intangible element of capital that provides purpose for an individual in carrying out tasks and duties. It reminds individuals about the superpower that governs and controls their life and surrounding. Intense spirituality also guides individuals like co-operators to make the right decision, act ethically, and avoid sins, i.e. fraud, corruption, and breach of trust. The element of spirituality is essential in the context of mosque co-operative as it is closely associated with ensuring the well-being of mosque institutions – the sacred place in Muslim society. Hence, efforts to enrich spiritual and ethical values among mosque co-operatives leaders, officials and members shall be strengthened through the learning process.

Besides another crucial human capital element is mosque co-operatives managers' competencies. Managers play a crucial role in implementing and monitoring the initiatives approved by the mosque co-operatives' board. Hence, managers require business acumen skills to plan, coordinate, organise and control resources towards achieving mosque co-operatives' economic and social objectives. Moreover, the relevant competency of managers is required as mosque co-operatives have to deal with dynamic changes in the business environment, especially during the post-pandemic Covid-19 and the emergence of the digital economy. Therefore, structured training and development programmes for mosque co-operatives' managers are essential to ensure updated information and knowledge, permitting managers to execute the tasks effectively.

Furthermore, relational capital, like vital stakeholders' support, is essential to drive mosque co-operatives' performance. The critical stakeholders of mosque co-operatives involve mosque committee members and officials, state Islamic religious authorities, regulators and apex co-operative. Strong stakeholder support enables mosque co-operative to deploy more resources, and this has been recommended by [Maarouf and Korableva \(2022\)](#) that government endeavours are essential for supporting enterprises' ability to obtain external financing in carrying out innovation initiatives.

5. Conclusions

This study is limited to mosque co-operators in two states, Selangor and Negeri Sembilan. Thus, generalization should be carried out with caution. In addition, the study is considered exploratory; therefore, the findings cannot determine the bivariate and multivariate relationship between predictors of mosque co-operatives' financial and non-financial performance. The study sample can also be expanded by incorporating mosque co-operatives in other states. Furthermore, the comparative analysis may be carried out to obtain a holistic understanding of mosque co-operatives' performance in other jurisdictions such as Indonesia, Cambodia, Thailand, Vietnam, Singapore and the Philippines.

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