

# Factors Affecting The Members Participation On Cooperative In North Sumatera

Ernita, Firmansyah, Agus Al Rozi

**Abstract:** This research discuss about a variety of factors that might affect increased participation of members in cooperative. As the owners and users, the role of a member is decisive importance in business development of cooperatives. The importance of improving the participation of members as a solution in improving the performance of cooperatives, which is still low so far is need to be explored. The study was held in several municipalities and regencies in North Sumatera, by involving a hundred respondents. First, tested reliability and validity of an instrument, next test the assumption classical, includes of normality, multicollinearity, and heteroscedasticity. Next, the data is analyzed using Pearson correlation test and multiple linear regressions. The results showed that there is a significant correlation between all the independent variables with the participation of member, with the respective correlation level of  $r_1 = 0.509$ ,  $r_2 = 0.672$ ,  $r_3 = 0.606$ ,  $r_4 = 0.713$ ,  $r_5 = 0.626$ ,  $r_6 = 0.709$ , and  $r_7 = 0.660$ . The regression equation model is obtained as follows:  $Y = 0.859 + 0.089 X_1 + 0.122 X_2 + 0.060 X_3 + 0.199 X_4 + 0.138 X_5 + 0.096 X_6 + 0.097 X_7$ , and coefficient determinant  $R^2 = 0.749$ . The research get a concept model for development participation members, where the factor is significantly affected by service quality (X4), motivation non material (X1), infrastructure (X5), motivation material (X2), management capability of the Board (X6), and education and training (X7), while perception member (X3) is not significant effected. This research concluded that the participation of the members of the cooperative can be enhanced by improving the quality of service to members, involve members in various activities, providing adequate facilities and infrastructure and enhance the capabilities of Board in managing, as well as provide a useful education and training.

**Keywords:** cooperative, member participation, motivation,

## 1 INTRODUCTION

Participation of members consisting of several kinds, namely participation in business activities (buying and selling/loan and save), participation in the capital of fertilization (consciousness members in meet their obligation, that is paying the major deposits, mandatory deposits, and voluntary deposits), participation members in make decisions and participation members in monitoring. Hence, research is aimed to know factor that affects increased participation of members in cooperative. This research beneficial in develop and improve the participation of members in cooperative. Suwatno (2010) has done a study of cooperative empowerment strategies in improving the economy of the community. He concluded that cooperative empowerment is done mainly by empowering members of the cooperative itself. The success of cooperative empowerment relies heavily on the participation of cooperative members, as actors and also stakeholders. Hanel (1985), Munkner (1987), and Soewardi (1995), also have a common view, that the participation of members is decisive factor in the success of the cooperative effort so that the participation of members low will affecting the development and accomplishment of an objective cooperative. The low participation member is complex problem for involving many factors and dimensions, the interplay each other, as dimensions inside of human beings themselves, from the environment, or dimensions of an offender organization other.

A factor of in human, as factors motivation and perception members, they are factor that interact with each other. Motivation members in cooperative divided into motivation material and non material. Besides, there are also various dimension affecting level participation members in cooperative, as service quality, management capability, the availability of facilities and infrastructures, education/training, and so on. Dimensions of an offender organization which certainly affect participation members are management of Board, like transparency/openness, innovation, cooperation and so on. All dimensions above interplay each other. Participation of members consisting of several kinds, namely participation in business activities (buying and selling/loan and save), participation in the capital of fertilization (consciousness members in meet their obligation, that is paying the major deposits, mandatory deposits, and voluntary deposits), participation members in make decisions and participation members in monitoring. Hence, research is aimed to know factor that affects increased participation of members in cooperative. This research beneficial in develop and improve the participation of members in cooperative.

## 2 METHOD

### 2.1 Location of Research

The research was conducted on April to June 2014, in some cooperatives in North Sumatera Province, Indonesia, there are in Medan City, District Binjai, Deli Serdang, Serdang Bedagai and Langkat.

### 2.2 Population dan Sampel

The population in this research is active cooperative organizations, namely the organization of cooperatives that still carry out Annual Member meeting. According to data from State Ministry of Cooperatives and SME's Republic of Indonesia (2012), that the number of cooperatives in North Sumatera Province is as much as 6,395 units, but only 200 units were still active and running the Annual Member meeting. The sample used was as much as 100

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respondents as member of the cooperative. The sample is done purposefully, namely cooperatives where members are ordinary people. Therefore, the research is done on some cooperatives, such a Village Unit Cooperative, Save and Loan Cooperative, and Service Cooperative, in North Sumatera. The instruments used are questionnaire with Likert's scale 1-5.

**2.3 Operational Definition**

Variables	Dimensions	Indicators
The participation of members (Y). Participation is a process whereby a group of people (members ) find and implementing the ideas (Ropke, 2012) Participation is the mental and emotional involvement of people, in group situation that encourages to group goals and share responsibilities for them (Davis and Newstrom, 1997)	Participation in decision making	Presence in a meeting; liveliness suggestions and advice in a meeting; liveliness found deviations in; liveliness suggestions and advice outside meeting
	Participation in capital contribution	Compliance pay main and mandatory saving; having voluntary saving
	Participation in enjoy the result	Balance proportional; liveliness transact; willingness use service loan and save; willingness utilizing credit facility
	Participation in supervising	Intensity visits; liveliness give critique; receptivity suggestions
Motivation is encouraged from the outside against someone that wants to implement something (Martoyo, 2000). At the lowest level, the motivation is material and in the next, the motivation level is nonmaterial (Maslow, 1943)	Motivation nonmaterial (X1)	Always involved; compliance businesses; growing business; availability of the goods; Increased self-esteem
	Motivation material (X2)	A balance that keeps increasing; profit; got a bonus/commission /incentives; got allowance in the feast
Perception (X3) Perception is process whereby individuals to regulate and interpret their impression of sensory to give meaning to environment (Robbins, 2008)	External Perception	The process of services easy and fast; employees be kind and gracious
The quality of service (X4) Cooperative services to	Attitudes and abilities employees	Understand products and services in depth
	Engineering	An easy loan-save

members are the services provided by cooperative in developing its members business (Mahri, 2006 )	services;	service; The credit facility which is light
	Goods availability	Completeness kinds of goods and services; the price of goods and services that are less expensive; goods/ service quality
Managerial of Board (X6) Managerial capabilities is a knowledge, skills, attitudes and behavior, that must be owned by someone who can make the work became more effective so it can achieve the objectives that have been set up with efficiency.		Honesty; the ability to manage; education; communication skills; concern; experience; and the unity of the management
Education and training (X7) Education and training is an activity that is carried out to make the members and devices aware of the cooperative ideology, the practice of and methods of work (Sударsono, 2004)	Education aims to provide knowledge and training aimed at the improvement of behaviour (Brown, 1989)	The intensity of education and training; conformity materials for members; education and training being beneficial

**2.4 Data Analysis**

Before the actual research is executed, then the reliability test and the validity of the research instrument is done first. Furthermore, the test is carried out, covering classical assumptions of normality test, heteroscedasticity test, and multicollinearity. Data analysis is using Pearson Correlation test and multiple linear regression analysis aided by IBM SPSS Statistics Program version 20.

**3 RESULTS AND DISCUSSIONS**

Reliability and validity testing of the research instrument obtained results as shown in Table 1 below.

**TABLE 1 RELIABILITY AND VALIDITY TEST**

Variable	Koefisien of Cronbach $\alpha$	Status
X1 : Motivation non material (MN)	0.650	Reliable
X2 : Motivation material (MN)	0.802	Reliable
X3 : Perception (PC)	0.586	Reliable
X4 : Quality of service (QS)	0.737	Reliable
X5 : Facility and infrastructure (FI)	0.557	Reliable
X6 : Management of board (MB)	0.794	Reliable
X7 : Education and training (ET)	0.525	Reliable
Y : Partisipation of members (PM)	0.827	Reliable

From the table above, it appears that all variables having a coefficient cronbach alpha > 0.5, which means that all variables that are tested as constructs is reliable as instrument on actually study. The most reliable method is to look at the normal probability plots comparing the cumulative distribution of the actual data with the cumulative distribution of a normal distribution. Normal distribution would form a straight diagonal line, and plotting the data will be compared with the diagonal line. If the data distribution is normal, then the line that describes the real data will follow the diagonal line. According to Santoso (2001), normality can be detected by looking to scatter data on an axis diagonal of a graph normal P-P Plot of Regression Standardized Residual. A model is said to meet the assumption of normality when data is spread around the diagonal line and follow the direction of the diagonal lines. From a classic assumption test then it is seen that data have shown that a normal distribution. In addition to using graphics methods, the test of normality can also be done using the Kolmogorov-Smirnov test, as shown in Table 2.

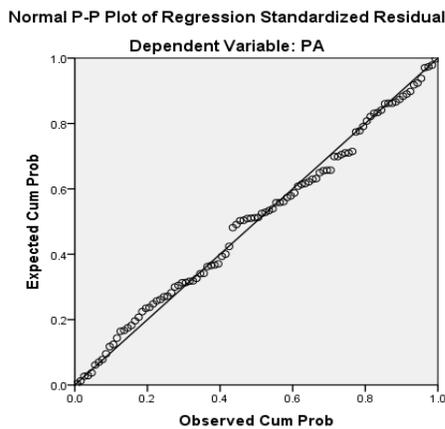


FIGURE 1 NORMALITY TEST USING GRAPH METHODS

In addition to using graphics methods, the test of normality can also be done using the Kolmogorov-Smirnov test, as shown in Table 2 below.

TABLE 2 KOLMOGOROV-SMIRNOV TEST FOR

NORMALITY

		MN	MM	PC	QS	FI	MB	ET	PM
Normal Parameters	N	30	30	30	30	30	30	30	30
	Mean	3.93	3.83	3.98	3.93	4.00	3.87	3.98	3.91
	Std. Dev.	.3	.3	.8	.3	0	1	.8	.6
	Absolute	.545	.692	.603	.508	.590	.502	.603	.394
Most Extreme Differences	Positive	.118	.107	.141	.200	.168	.155	.141	.184
	Negative	-.115	-.107	-.141	-.200	-.168	-.155	-.141	-.184
Kolmogorov-Smirnov Z		.646	.587	.771	1.096	.920	.850	.771	1.006
Asymp. Sig. (2-tailed)		.798	.881	.593	.181	.366	.465	.593	.263

- a. Test distribution is Normal.
- b. Calculated from data.

From Table 2 above the value of Asymp Sig. (2-tailed) shows that all observed variable has a value of p > 0.05, so it can be concluded that data from the observed variable is normal distribution.

TABLE 3 MULTICOLLINEARITY TEST

Model	Collinearity Statistics	
	Tolerance	VIF
Motivation non material (X1)	.737	1.357
Motivation material (X2)	.440	2.272
Perception (X3)	.551	1.814
Quality of service (X4)	.576	1.736
Facilities and infrastructure (X5)	.375	2.664
Management of board (X6)	.383	2.609
Education and training (X7)	.354	2.825

From Table 3 above, the result of testing multicollinearity finds that the value of Tolerance and VIF as on Table 4. Hence, it is concluded that doesn't happen multicollinearity because all variables study it has value Tolerance > 0.10 and VIF < 10. Furthermore, test heteroscedasticity in the study is by using means column plot.

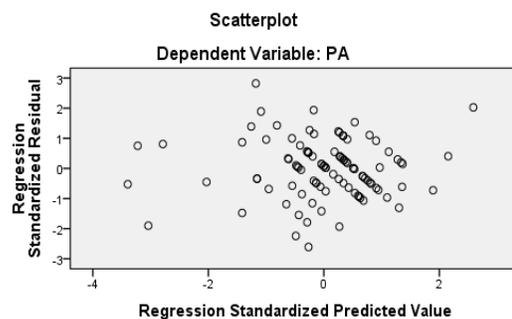


FIGURE 2 RESULTS OF COLUMN PLOTS

From Figure 2 shown that the plot is random, a residue not

describe as undulated, the presence of a certain style widens or narrows, so that it can be concluded that Linear regression models on this study are free from heteroscedasticity. The analysis correlation Pearson to all variables study obtained the result as follows:

**TABLE 4 PEARSON'S CORRELATION (SIG.2-TAILED)**

	MN	MM	PC	QS	FI	MB	FT	PM
MN	1							
MM	.439**	1						
PC	.426**	.586**	1					
QS	.358**	.494**	.533**	1				
FI	.222*	.448**	.366**	.451**	1			
MB	.415**	.677**	.502**	.538**	.625**	1		
ET	.299**	.533**	.465**	.530**	.758**	.609**	1	
PM	.509**	.672**	.606**	.713**	.626**	.709**	.660**	1

From the table above, it can be seen that all the independent variables are significantly correlated with participation of members. Correlation between one variable with another is also significant. From Table 6 we can see the result of multiple linear regression analysis.

**TABLE 5. MULTIPLE LINEAR REGRESSION ANALYSIS**

Variable	B	Nilai t	Sig.
Constanta	0.859	4.263	0.000
Motivation non material (X1)	0.089	2.566*	0.012
Motivation material (X2)	0.122	2.099*	0.039
Perception (X3)	0.060	1.292	0.199
Quality of service (X4)	0.199	4.652**	0.000
Facility and infrastructure (X5)	0.136	2.152*	0.034
Management of board (X6)	0.096	1.954*	0.049
Education and training (X7)	0.097	1.962*	0.044
R Square	0.749		
Adjust R Square	0.730		
F-test	39.26**		
Sig.(2-tailed)	0.000		

From Table 5 above, it is seen that all the variables examined showed a significant influence to participation of members, unless the variable perception. Variable perception is not significant increase participation of members. The value of the coefficients determination  $R^2 = 0.749$ , means that a change of 74.9 % of a variable participation member described by independent variable namely, motivation non material, motivation material, quality of service, facilities and infrastructure, management of board, as well as education and training, while the rest 25.1% described by another variable outside of independent variable. The value of  $F = 39.266^{**}$  with  $\alpha < 1\%$ , means that of independent variables (motivation non material, motivation material, perception, quality of service, facilities and infrastructure, management of board, and education and training of cooperative) are very significantly affect cooperative performance. Therefore, of research results Multiple Linear Regression equations of model, is:

$$Y = 0.859 + 0.089X_1 + 0.122X_2 + 0.060X_3 + 0.199X_4 + 0.138X_5 + 0.096X_6 + 0.097X_7, \text{ which:}$$

$$Y = \text{Participation of Member}$$

- X1 = Motivation Non Material
- X2 = Motivation Material
- X3 = Perception
- X4 = Quality of Service
- X5 = Facility and Infrastructure
- X6 = Managerial of Board
- X7 = Education and Training

#### 4 CONCLUSION

1. There is a significant correlation between all of independent variable (non-material motivation and motivational material, perception, quality of service, facilities and infrastructure, managerial of board, education and training) with the participation of the member, with the level of correlation as  $r_1 = 0.509$ ,  $r_2 = 0.672$ ,  $r_3 = 0.606$ ,  $r_4 = 0.713$ ,  $r_5 = 0.626$ ,  $r_6 = 0.709$ , and  $r_7 = 0.660$ , respectively.
2. There is a significant affect between all of independent variables, except the perception (i.e non material motivation and motivational material, quality of service, facilities and infrastructure, managerial of Board, education and training with the participation of members.
3. The regression Equation Model is obtained as follows:  
 $Y = 0.859 + 0.089 X_1 + 0.122 X_2 + 0.060 X_3 + 0.199 X_4 + 0.136 X_5 + 0.096 X_6 + 0.051 X_7$ ,

#### ACKNOWLEDGMENT

The authors wish to thank to DIKTI for their grant support of this research.

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