

# The Prospect of Co-Operative Structure in Secondary Education Graduates

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**Abstract**—Structural empowerment has been studied in various organizations, but has not been studied in co-operative organizations, whereas empowerment is an important issue in co-operatives. Co-operative Structural empowerment is the ability of individuals to use co-operative structures to achieve their goals. The co-operative structure referred here is the opportunity, information, support, organizational resources, formal power and informal power that can be utilized by members to develop themselves. The co-operative is a movement that has been lasting for more than one hundred years and has succeeded in increasing the welfare of the poor and uneducated. The purpose of this study was to see the extent to which the role of education influences the structural empowerment of co-operative members. The research method used was a survey by collecting structural empowerment scale from 290 co-operatives members. Data were analyzed using one-way Analysis of Variance technique. The results showed that there were differences in the structural empowerment of co-operative members in terms of their education level. Secondary education has the highest mean followed by higher education and basic education. Therefore co-operatives have good prospects for secondary education graduates. The future of co-operatives lies with the graduates of secondary education.

**Keywords:** *structural empowerment, co-operatives members, education level*

## I. INTRODUCTION

Structural empowerment is the employee's perception of the level of accessibility of opportunities, information, support, resources, formal power and informal power from the organization used to complete the work for which he is responsible [1]. One of the earliest proponents of empowerment was Kanter [2] then developed by Laschinger [1] by making a structural empowerment measurement tool known as the Conditions of Work Effectiveness Questionnaire (CWEQ) I and II. Structural empowerment is examined in organizational contexts such as education [3], banking [4] nursing [5], but it has never been done in co-operatives even though empowerment is an important issue in co-operatives [6].

Several research showed that co-operatives can empower their members [6-8]. Saha and Sangwan defined empowerment in co-operative in four dimensions, namely economic, social, interpersonal and political dimensions [9]. The economic

dimension shows how a person can control sources of income such as income, access to loans and expenses. The social dimension shows gender equality between men and women towards public access such as education, health and worship. Interpersonal dimension means being able to make decisions. The political dimension means that individuals can choose their own political choices without intimidation. Lecoutere who examined empowerment in the context of farmer co-operatives used the ability to achieve economic prosperity, diversification of livelihoods, knowledge and adoption of good agronomic practices and social networking as indicators of empowerment [10]. Mathur distinguished empowerment in co-operatives into two forms namely extrinsic empowerment and intrinsic empowerment [6]. Extrinsic empowerment is a socio-economic factor that can make individuals empowered while intrinsic empowerment is a change in attitudes and behaviors of co-operative members to make decisions, realize their own capacity and increase their potential. Co-operatives as an environment of extrinsic empowerment aimed at increasing the intrinsic empowerment of members, but does not explain extrinsic empowerment of what makes members intrinsically empowered [6]. It can be concluded that the concept of empowerment in co-operatives varies.

The indicators in the studies mentioned above are broad and do not put members as the main subjects assessing the extent to which co-operatives empower them. Co-operative is indeed considered as an organization that can empower its members but is not explained in more detail which aspects of the co-operative that can. Therefore, research is needed to show which aspects that make a co-operative empowers its members. The concept of Kanter's structural empowerment can be used to explain this [2]. Based on Mathur's point of view the concept of Kanter's structural empowerment can be considered as extrinsic empowerment which prepares the environment for the development of intrinsic empowerment [2,6]. Kanter's structural empowerment can be used to see the perception of co-operative members about the level of their accessibility to opportunities to develop, get important information, support, resources, formal power and informal power from co-operatives [2]. Access to opportunity refers to the possibilities for growth and movement within the co-operative as well as the opportunity to increase knowledge and skills [1]. Access to resources relates to one's ability to acquire the financial means, materials, time, and supplies required to develop their self [1].

Access to information refers to having formal and informal knowledge that is necessary to be effective in the co-operative [1]. Access to support involves receiving feedback and guidance from other members, management and board of management [1]. Formal Power: derived from specific tasks or obligations such as; flexibility, adaptability, creativity associated with discretionary decision-making, visibility, and centrality to organizational goals [1]. Informal Power: derived from social connections, and the development of communication and information channels with other members, management and board of management [1].

The perception of co-operative members on the level of accessibility of co-operatives is one new way to evaluate co-operatives. Indicators that have been used to measure the success of co-operatives are based on increasing the number of members, capital and assets [11,12]. These indicators emphasize co-operatives as a business unit that has the aim of making a profit, whereas profit in co-operatives are not the goal, the goal is the empowerment of members and groups [13,14] and hence members' perceptions of the level of accessibility of co-operative to empower them are important to study.

Empowerment in a co-operative is an educational process which starts from changes in ways of thinking which are then followed by changes in attitudes and behaviors [7,14,15]. Education of members is one of the co-operative principles [16]. Hatta had the idea to formalize co-operative education at the secondary school level in Indonesia, but the idea was not implemented [15]. The educational process of co-operative members is informal; nevertheless it can empower members [6,7,9].

The co-operatives in Sikka Regency are growing rapidly and expanding out of Sikka Regency and even East Nusa Tenggara Province. The rapid development of these co-operatives occurred in the community with an average length of school of only 6.54 years and a labor force whose majority did not complete primary school [17]. Co-operative members in Sikka Regency come from different formal education backgrounds. Why do co-operatives develop rapidly in communities with an average level of formal education is as low as in Sikka? Empowerment research in co-operatives evaluated from the level of education is accentuated more on the background of gender inequality, and what is examined is empowerment in women who are uneducated, low and middle educated. The results of the study showed that women who are not educated and have low education can be empowered by the co-operative [9]. In the Sikka Regency context, women and men are treated equally so that in the Sikka context the empowerment of co-operatives is not examined in situations of gender inequality. Thus this research provides new information about empowerment in co-operatives with a neutral perspective and covers all levels of education, not only in low and uneducated educational levels but also includes higher educational level. Empowerment research on members with higher education levels is rarely done because members with higher education tend to have been empowered by the formal education process and not by processes within co-operatives, but studies on co-operative members with higher education show that co-operative members with higher education tend to

consider co-operative as a company or service provider, not live up to co-operatives as organizations to empower members [18]. Members raise capital and the remaining business results are a result of equity participation, not feeling they are owners [19]. Based on this background, the formulation of the problem in this study is whether the structural empowerment of co-operatives can be distinguished based on their level of education?

## II. METHOD

The hypothesis of this study was the structural empowerment of co-operatives can be distinguished based on their level of education. This study involved 290 co-operative members as participants. Basic education consists of elementary schools. Secondary education consists of junior high and senior high school and higher education consists of diploma, bachelor and master. Participants were co-operative members who live in Sikka regency, East Nusa Tenggara Province, Indonesia. The measuring instrument used was the scale of structural empowerment scale in the context of co-operatives adapted from the Laschinger Conditions of Work Effectiveness Questionnaire II (CWEQ-II) [1]. Responses were given on a Likert-type scale from 1 (*none*) to 5 (*a lot*). Scores of reliability on the adaptation of each sub scale CWEQ-II have ranged from 0.760 to 0.911. The original scale consisted of 19 items, but were adapted into Indonesian and co-operative context, there were 28 valid items with a reliability of 0.962.

## III. RESULTS

A homogeneity test was performed using Levene statistics. Homogeneity test results indicated that the data were homogeneous. Homogeneity test results are presented in table I.

TABLE I. RESULTS OF STRUCTURAL EMPOWERMENT HOMOGENEITY TEST

Levene Statistic	Degree of freedom 1	Degree of freedom 2	Significant
0.293	2	287	0.746

Hypothesis test results with one-way Analysis of Variances showed that there was a significant difference in mean on the scale of structural empowerment of co-operatives (CWEQ-II) members based on the level education, with a value of  $F = 3.812$  and a significance level of  $P = 0.023$ . Hypothesis test result are presented in table II. The hypothesis was support by data. Structural empowerment of co-operative members can be distinguished by level of education.

TABLE II. HYPOTHESIS TEST RESULTS

	Sum of Squares	Degree of freedom	Mean Square	F	Significant
Between Groups	5115.150	2	2557.575	3.812	0.023
Within Groups	192532.726	287	670.846		
Total	197647.876	289			

Descriptive data showed that members of co-operatives with secondary education had the highest mean when compared to basic and high education levels. The description results are presented in table III.

TABLE III. DESCRIPTIVE RESULTS

Level of Education	N	Mean	Standard Deviation	Minimum	Maximum
Basic education	65	79.353	25.044	30	140
Secondary education	128	90.093	25.587	35	139
High education	97	84.989	26.855	28	140
Total	290	85.979	26.151	28	140

#### IV. DISCUSSION

The results showed that the highest structural empowerment perceptions were found in members of secondary school graduates, followed by higher education and low education graduates. These results indicate that in the context of Sikka regency, co-operative have good prospect for high school graduates. The empirical reason why the level of co-operative empowerment occurs at the secondary school level is because the initial motivators of cooperatives in Sikka Regency were members with secondary education and teachers with middle education levels in the late of 1960s to early 1970s. At that time there was no higher education in Sikka and in Flores in general. Graduates of tertiary education at that time worked directly in government offices, while the co-operative movement itself took place in the village and was mobilized by community-based social institutions by recruiting movers from high school graduates and teachers with a secondary school education level. Co-operative loan is usually taken by less educated people and higher educated people are more likely to work in regular salaried jobs [9].

The theoretical reason why members of secondary school graduates have the highest perception value is the role of secondary school graduates as movers and leaders in groups or organizations that belong to uneducated and poorly educated members [9]. The composition of the level of education at the age of the workforce in Sikka shows that most of the population are elementary school graduates, no primary school graduates and no education of 66.36 percent [17]. The group actively involved in co-operatives because it is easier to access loans from co-operatives than banks. The second largest group is high school graduates both secondary and senior high school by 29.49 percent [17]. High school graduate become movers and leaders in co-operative groups.

The results of this study proved that co-operatives become an external empowerment that can be an environment where intrinsic empowerment grows. The co-operative will be a good environment if the co-operative can provide the access to its members to get opportunities to develop, get valuable information to support developing members, get support and resources. In addition, co-operatives can also enable their members to have power through formal and informal activities. Formal activities include the implementation of rights and

obligations as members who are bound by the rules while informal activities take the form of the dynamics of the personal relations among co-operative members and parties related to the co-operative. Members of co-operatives with secondary education level become members who have the most positive perceptions of aspects of Kanter's structural empowerment [1]. This is a good prospect for co-operatives to overcome the gap in education level within co-operatives. In principle, the co-operative is egalitarian [16] but there exist the possibility that in the co-operative there is a dominance between groups. When compared with the context of Sikka regency, the results of this study are interesting because 90% of managers of rapidly developing co-operatives are secondary graduates who then continue their undergraduate education after successfully becoming co-operative managers.

#### V. CONCLUSIONS

The Structural empowerment of co-operative members can be distinguished based on the level of its members education. Members with secondary education have the highest perception of access that can be obtained from co-operatives to develop themselves, obtain valuable information, support from other members and resources, formal and informal strengths in co-operatives. Thus the members of co-operatives with secondary graduates have good prospects to develop co-operatives.

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