

Descriptive Analysis of Cooperative Management Competency Enhancement for Increasing Members' Welfare and Business Strategies

Agus Haryono*
University of Merdeka Malang
agus.haryono@unmer.ac.id

Mujiarto
University of Merdeka Malang

Boge Triatmanto
University of Merdeka Malang
boge.triatmanto@unmer.ac.id

Nanik Wahyuni
Universitas Islam Negeri Maulana Malik Ibrahim,
Malang

Abstract. This study aims to proceed the analysis through qualitative descriptive and further explore the welfare of management and members of cooperatives in a sustainable manner by observing the business strategies and competency of members. This research was conducted at women's cooperatives in Malang district with the method of observation of female cooperative members to explore competencies, strategies that have been implemented as well as the welfare of members. Data mining was carried out by direct interviews and distributing questionnaires to cooperative members. The analysis was carried out with descriptive qualitative, namely frequency analysis to find out the responses of 171 respondents with a questionnaire. The results showed that respondents in this study responded well to welfare indicators. This indicates that someone who joined as a member of a cooperative is more effective in improving their welfare. This increase in welfare was marked by an increase in family income, although the increase was not significant with an increase in prices for necessities. Besides, improving health and education is also better than before becoming a member of the cooperative.

Keywords: *women's cooperative, sustainable welfare, competence development, business strategy*

INTRODUCTION

Until now, if the data collection is done carefully, less than one-third of the existing cooperatives, have received a helping hand from the government or become part of a government program [1]. This indicates that community participation in cooperatives still plays a significant role in economic life in Indonesia. However, the growth of the people's desire for cooperatives raises slowly. Although the number of newly established cooperatives continues to increase, community participation in cooperative membership is still

relatively low [2]. Why cooperatives in Indonesia are less meaningful in their economic role because only less than one-fifth of Indonesia's population is a member of cooperatives.

Now, the activities of Indonesian cooperatives are already set in various economic sectors, but the dominance of cooperative business forces is still grouped in savings and loan activities. Community participation in cooperative membership moves between 10% and 15% of the population, both viewed between time and regions [2]. So far, small industries and cooperatives do not have an orientation to the development of the local economy so that the existence of the economic region has not been able to provide trickling down effects that can encourage the local economy. This is certainly related to factors of production, markets, and the competence of local economic actors to enter the mass production process chain and to deal with large industries [2], [3].

Optimizing economic improvement through increasing the welfare of cooperative members, it is necessary to conduct an in-depth study with intensive research. This research was conducted to find a model for improving the welfare of cooperative members through increasing competence and changing business strategies. We consider that to provide optimal results in improving the production, marketing, and developing cooperatives and their members, the competency development of the management and members of the cooperative becomes the main social capital. This study aims to improve the welfare of cooperatives and their members, by increasing competence and determining the right business strategy so that cooperatives and cooperative members can compete and develop, both in terms of the efficiency of the production process, capital, marketing networks compared to other economic actors.

Competence

Competence is the ability to carry out something obtained through education and training [4]. Competence describes the behaviors associated

with the desired performance and also describes the work context. In defining competencies, the competencies must: (1) have complex performance, (2) useful, as described by the service and product, (3) reality-oriented, (4) predictable for the present and future, (5) has a high priority among performance expectations, and (6) explain performance patterns [4] - [6]. Based on the above understanding, it can be concluded that competency is a set of behaviors that contains a unique appearance pattern that describes the implementation of relevant tasks.

Competence in terms of professional competence is defined as a summary of key professional and personal skills and talents and behavioral patterns that must be possessed and demonstrated by individuals to successfully achieve the specified professional goals and perform related professional tasks, duties, and responsibilities [4]. Competence can be defined as a superior player ability [7]. Competence is defined as a proven ability to use knowledge (and) skills. This is also explained in terms of responsibility and autonomy [8], [9]. Different views can be applied to what is known as general human competence, which, to some extent, reflect all human efforts in an organization.

Business Strategy

The intensity of roots is rooted in three types of environments, namely: perfect competition, pure monopoly, and imperfect competition. Perfect competition is characterized by the following conditions: 1). There is no product differentiation, 2). Company knowledge is the same; 3). No entry obstacles; 4). No obstacles out 5). Distinctions are atomic [10], [11]. Very tight competition occurs in both perfect and monopolistic competition markets, in imperfect competition markets and monopolistic markets, many operating companies may emerge fierce competition, and to win the competition requires a competitive strategy that is superior [12], [13].

Business strategy is an effort of business actors in making policies and guidelines that are committed to integrated actions designed to build excellence in business competition to meet and achieve business objectives. Typological typologies have been developed including, prospector, defender, analyzer, and reactor [13]. There are two different types of strategies, namely low-cost strategy and product differentiation strategy, [14], [15]. Other opinions are based on the way the company responds to environmental changes and alignment to the company's environment [16].

Well-being

The level of welfare is a concept used to express the quality of life of a community or individual in an area at a certain period [3], [17]. The concept of

welfare owned is relative, depending on how each individual evaluates his welfare. Prosperity for someone with a certain level of income cannot also be said to prosper for others [2], [18].

According to the Central Statistics Agency (2019), welfare is a condition in which all physical and spiritual needs of the household can be met following the standard of living. The dimension of people's welfare is realized to be very broad and complex so that a level of people's welfare can only be seen through a certain aspect. Therefore, people's welfare can be observed in various specific aspects.

METHOD

The design of this study is quantitative descriptive, this study was designed by looking at the welfare conditions of current and previous members, explored the development of the welfare of members from year to year. Besides, an exploration of the competency of the members of the cooperatives currently held is also carried out as well as the strategies that have been carried out in maintaining their business.

The population in this study is the management of cooperatives and members of women's cooperatives in the Malang Regency. The cooperative members taken were 171 active cooperative members. The sampling technique used purposive sampling to facilitate the development of cooperative members' competency development in making business strategy changes. The technique of analysis used descriptive qualitative analysis to explain the interrelationships between variables based on the opinions or ideas of respondents to explore the empowerment of cooperatives and their members who have been running and exploring community expectations of cooperative programs.

RESULT & DISCUSSION

The results of the data analysis of the mean indicators of each variable in this study can be presented in Table 1.

In member welfare variable, the indicator that has the highest value is the level of family education with a value of 4.20, the two indicators of the level of family health with an average value of 4.07, the three indicators of home improvement and facilities have an average value of 4.02 while the increase in income has an average value of 3.60. From this analysis it can be concluded that the welfare of cooperative members is relatively good, which is indicated by the relatively high level of family education, this is indicated by the mean variable value of 3.86. However, the welfare of members of the cooperative can still be improved by increasing income, according to respondents' perceptions, this aspect has not reached its

optimum. However, external factors still play a dominant role in improving the welfare of cooperative members. The income that still needs to be optimized according to respondents is affordability in meeting the needs of families, which has experienced a continuous increase, while the income is relatively fixed. This is perceived by respondents that income has so far not been sufficient to meet family needs.

Table 1. Variables and Mean Indicators

Variable	Indicator	Number of Questionnaires	Mean Indicator
Welfare	Income Level	2 items	3.60
	Educational level	2 items	4.20
	Family health	2 items	4.07
	House Improvement and facilities	2 items	4.02
	Mean Variable		3.86
Business Strategy	Product Changes	3 items	3.56
	Changes to Services	3 items	3.57
	Change in Distribution	3 items	3.50
	Mean Variable		3.57
	Entrepreneur Motivation	3 items	3.59
Competence	Experience	3 items	3.91
	Creativity	3 items	3.66
	Intellectual Capability	4 items	3.92
	Emotional Ability	3 items	3.73
	Mean Variable		3.65

The variable of business strategy has an average value of 3.57. This value is a moderate value which illustrates that the business strategy that has been applied by cooperative members, in general, is still traditional and has not even been thought of for developing a sustainable business strategy. This can be shown from the mean value of each indicator in the business strategy variable. The first indicator of product change has a mean value of 3.56. This indicator explores the provision of quality products, creating new products, and the availability of new products to anticipate consumer demand. This mean value indicates that the average member of the cooperative in making product changes does not anticipate changes that are aligned with consumer demand. This is because there has not been a touch of parties who care about the business continuity development of cooperative members. The second indicator of service change and the third indicator of change in the distribution has the same mean value of 3.57. This means that so far the members of the cooperative only run a standard business, in general, they reasoned just to survive and can finance their daily lives.

The competency variable has an average value of 3.65, this means that according to respondents' perceptions the competency of cooperative members is good enough. This variable has five indicators, among those indicators which have the lowest mean value is an indicator of entrepreneurial motivation with a mean value of 3.59. This indicates that the motivation to run a business properly and correctly that is owned is still not optimal, especially the motivation to learn

continuously from mistakes to be used as enthusiasm to keep going forward and developing. Thus, special attention is needed on these indicators. The second-lowest is an indicator of creativity with a mean value of 3.66, this indicates that the members of cooperatives in entrepreneurship tend to run their businesses as they are reluctant to be creative, making the cooperative members' businesses relatively stagnant and only to meet the needs of their families. While the indicators that have the highest are indicators of intellectual ability that have a mean of 3.92, and indicators of experience that have a mean value of 3.91. This indicates that experience and ability to run a business are important according to respondents' perceptions as a provision for running a business. In this regard, the regional government must be more serious in providing strong motivation to the efforts of cooperative members. This can be done by providing training both related to motivation and creativity.

Competence in this study is formed by indicators of motivation, experience, creativity, intellectual abilities, and emotional abilities [8]. These five indicators provide varied contributions from the largest to the smallest, while the largest contribution is made by an indicator of intellectual ability and the smallest contribution is made by entrepreneurial motivation. This indicates that intellectual ability or knowledge is important for an entrepreneur, especially the ability of business management. This needs to be supported by good experience in the occupied business [19], [20].

Business strategy is an effort of business actors in taking integrated policies and guidelines to build a business competitive advantage. The analysis shows that respondents gave a positive appreciation that service changes are an important indicator in implementing business strategies [15], [21]. This shows that cooperative members have a high enthusiasm because they are sure of the consequences for their welfare so that they try as optimal as possible to continue to provide the best service to consumers. This is consistent with the results of previous studies that changes in the structure of doing business contribute to the welfare of cooperative members.

The results of the empirical analysis show that respondents in this study responded well to welfare indicators. This indicates that a person who is a member of a cooperative is more effective in improving welfare compared to someone who is not a member of a cooperative [1], [22]. This increase in welfare was marked by an increase in family income, although the increase was not significant with an increase in prices for necessities. Besides improving health and education it is also better than before becoming a member of the cooperative.

CONCLUSION

The involvement of actors and business associations in the continuous improvement of the members' welfare still needs to be optimized. This is apparent from the respondents' perceptions of empowerment carried out on HR members of women's cooperatives. Thus, it is necessary to optimize the empowerment of business actors. Increasing the welfare of business members on a sustainable basis by implementing a business strategy, is still not fully implemented in almost all business actors in improving the competencies carried out by women cooperatives, and activities.

Based on respondents' perceptions of competency improvement, it is still not optimally achieved by small businesses. Based on descriptive analysis, it was found that the first objective of competency improvement. The implementation of a more effective business strategy will be able to improve the welfare of members of women cooperatives that are sustainable. Besides, the application of this business strategy is also able to mediate the effect of competence on improving the welfare of women cooperative members. This means that increasing the welfare of women cooperative members will be more effective when the competencies of business actors are improved and subsequently the skills of the business actors are applied by practicing business strategies which will further improve the welfare of the members of the sustainable business actors.

Based on the analysis of the results of this study, it is recommended for women entrepreneurs and cooperative associations that the welfare of women cooperative members can be improved by increasing the competence of women entrepreneur's cooperatives members. Competency improvement marked by entrepreneurial motivation, experience, creativity, intellectual abilities, and high emotional abilities must be followed by the application of business strategies as well as more intensive ones. As a result, the welfare of business members can be continuously improved. For future research, it is suggested to explore further indicators of business strategies that focus on the process of change undertaken by women cooperatives.

REFERENCES

- [1] M. Syaiful, "Kesejahteraan Anggota," *J. Prog. Ekon. Pembang.*, vol. 1, pp. 96–110, 2016.
- [2] N. Mubarak, S. A. Jannah, and S. Laksanawati, "Analisis Identifikasi Masalah Utama Koperasi Di Kabupaten Banyuasin Dalam Mewujudkan Kesejahteraan Anggota," *I-ECONOMICS A Res. J. Islam. Econ.*, vol. 4, no. 2, pp. 194–213, 2019.
- [3] S. H. Paramata, "Peran koperasi Annisa Dalam Meningkatkan Kesejahteraan Anggota di Desa Parungi Kecamatan Boliyohuto Kabupaten Gorontalo," *J. Ilmu Adm.*, vol. 4, no. 2, pp. 1–6, 2015.
- [4] M. Blašková, R. Blaško, and A. Kuchar, "Competences and Competence Model of University Teachers," vol. 159, pp. 457–467, 2014.
- [5] C. Conway, "Developing Senior Management Competences at Ocean Group," vol. 7, no. 1, pp. 7–12, 1994.
- [6] I. Polnaya, N. Nirwanto, and B. Triatmanto, "The evaluation of lecturer performance through soft skills, organizational culture and compensation on Private University of Ambon," *Acad. Strateg. Manag. J.*, vol. 17, no. 2, pp. 1–9, 2018.
- [7] S. Kunjiapu and R. Mohamad, "Stepping Up the Ladder : Competence Development through Workplace Learning Among Employees of Small Tourism Enterprises," vol. 7, no. C, pp. 10–18, 2010.
- [8] Z. Rahimi, E. Resi, and A. Kožo, "Determining the Level of Management Competences in the Process of Employee Motivation," vol. 41, pp. 535–543, 2012.
- [9] D. Ismail, A. Khairy, and A. Domil, "Managerial Competence , Relationship Quality and Competitive Advantage among SME Exporters," *Procedia - Soc. Behav. Sci.*, vol. 115, no. Iicies 2013, pp. 138–146, 2014.
- [10] Z. Hoque, "MARKET COMPETITION , COMPUTER-AIDED MANUFACTURING AND USE OF MULTIPLE PERFORMANCE MEASURES : AN EMPIRICAL STUDY," no. March 2000, pp. 23–45, 2001.
- [11] C. Lee and H. Yang, "Organization structure , competition and performance measurement systems and their joint effects on performance," *Manag. Account. Res.*, vol. 22, no. 2, pp. 84–104, 2011.
- [12] T. Mmutle and L. Shonhe, "Customers' perception of service quality and its impact on reputation in the hospitality industry," *African J. Hosp. Tour. Leis.*, vol. 6, no. 3, 2017.
- [13] E. D. Carlström, "Strategies for change: Adaptation to new accounting conditions," *J. Account. Organ. Chang.*, vol. 8, no. 1, pp. 41–61, 2012.
- [14] H. Chin-Fu, "A contingency theoretical model of manufacturing strategy," *Int. J. Oper. Prod. Manag.*, vol. 16, no. 5, pp. 74–98, 1996.
- [15] O. Iglesias, N. Ind, and M. Schultz, "History matters: The role of history in

- corporate brand strategy,” *Bus. Horiz.*, no. xxxx, 2019.
- [16] L. Teeratansirikool, S. Siengthai, Y. Badir, and C. Charoenngam, “Competitive strategies and firm performance: The mediating role of performance measurement,” *Int. J. Product. Perform. Manag.*, vol. 62, no. 2, pp. 168–184, 2013.
- [17] M. Markantoni, A. Steiner, J. E. Meador, and J. Farmer, “Do community empowerment and enabling state policies work in practice? Insights from a community development intervention in rural Scotland,” *Geoforum*, vol. 97, no. October, pp. 142–154, 2018.
- [18] M. Koslowsky, “Ease of movement and sector affiliation as moderators of the organizational and career commitment: Turnover intentions link,” *Int. J. Manpow.*, vol. 33, pp. 822–839, 2012.
- [19] M. Bohlouli, N. Mittas, G. Kakarontzas, T. Theodosiou, L. Angelis, and M. Fathi, “Competence Assessment as an Expert System for Human Resource Management: A Mathematical Approach,” *Expert Syst. Appl.*, vol. 70, pp. 83–102, 2016.
- [20] M. An and S.-L. Han, “Effects of experiential motivation and customer engagement on customer value creation: Analysis of psychological process in the experience-based retail environment,” *J. Bus. Res.*, no. February, pp. 1–9, 2020.
- [21] B. Leavy and B. Leavy, “Assessing your strategic alternatives from both a market position and core competence perspective,” 2011.
- [22] E. Tremblay, A. Hupper, and T. M. Waring, “Co-operatives exhibit greater behavioral cooperation than comparable businesses: Experimental evidence,” *J. Co-op. Organ. Manag.*, vol. 7, no. 2, p. 100092, 2019.