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CONTENTS

THE COOPERATIVE CHARACTERISTICS AND ITS RELATION TOWARDS TRUST IN COOPERATIVE BRAND

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ABSTRACT

This study attempts to examine the dimensions of cooperative characteristics towards trust in cooperative brand. Although there are abundance of studies on brand's trust in the marketing literature, little has been done on the factors leading to brand's trust in the cooperative context. Specifically, the present study serves as a groundwork to examine the dimensions of cooperative characteristics and its relation towards trust in the cooperative brand among cooperative members with a focus on Sarawak consumer cooperatives as a research site of the study. Cooperative integrity, cooperative reputation, perceived motives of cooperative, and trust in cooperative as a dimension of cooperative characteristics are looked into so as to assess their impact on trust in the cooperative brand. A quantitative approach was adopted using self-administered questionnaire. By using field data collected from 135 consumer cooperative members in Sarawak, all postulated relationships are examined using partial least squares structural equation modelling (PLS-SEM). The findings suggest that cooperative characteristics, namely cooperative integrity, perceived motives of cooperative and trust in cooperative have significant effect on trust in cooperative brand. However, cooperative reputation shows insignifcant impact on trust in cooperative brand. The study highlights the need to inculcate cooperative members' with adequate knowledge about cooperative as well as to provide platform for them to acquire their experience with the cooperative so as to transform into their trust in the cooperative brand. The study also provides the managerial implications to cooperative as a retail provider as well as cooperative members' and future directions of the research .

Keywords: *Cooperative Characteristics, Trust, Cooperative Brand, and PLS*

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INTRODUCTION

Cooperative is a form of organization and business entity which has been widely recognized all over the world. The nature of cooperative is slightly different compared to other types of business organization in terms of its ownership model and basic aims. Historically, It was initially established in the year 1922 to ensure the welfare of rural people and due to its impact on people's economic developement, it has ever since extending its establishment until today. Cooperatives play significant roles towards economic development of the country (Aini, Hafizah & Zuraini, 2012). It has become the third crucial engine of growth after public and private sector (Othman, Mohamad & Abdullah, 2013). Over the years, the cooperative has emerged as a voluntarily organization which opens to the public who are in the need to fulfil their social and economic benefits and willing to take the responsibilities as a member without gender, social, racial, political, or religious discrimination (Skurnik, 2010).

Cooperatives are viewed as one of the community development tools. Their participation in business activities benefits the members and creates job opportunities to members' families and local communities. The participation of cooperatives in various business activities has created more job opportunities, increase the level of income of the society, and indirectly tackle the unemployment and poverty issues (Ahmad, Yaacob & Ibrahim, 2012). Nevertheless, one of the major challenges faced by many cooperatives today is the attainment of support from members and their trust with the cooperative brand itself. The popularity of cooperative brand nowadays has become less fascinating to the people due to existing attractive brands that monopolize the market. Additionally, the Cooperative brand is also different with other business brands. This is due to the nature of a cooperative which is a member-driven business enterprise that seek to strike a balance between pursuing profit and meeting the economic, social, and cultural needs and aspirations of members and their communities. Numerous studies have been conducted on cooperative until lately, but still, the clear meaning on cooperative brand is not underpinned just yet.

Generally, cooperative brand is a brand from the company itself or in other words, the brand is owned by the company itself. Cooperative is also known as a working or acting together energetically for a typical reason or advantage. A corporate brand is a form of a product brand that envelops a much more extensive scope of affiliations. For instance, a corporate brand may be more likely to invoke associations based on people and relationships, programs and values, and corporate believability, and on common product and their mutual qualities or benefits (Keller & Richey, 2006).

As a member-based organization, the issue of gaining members' trust is crucial as to ensure the vision of the cooperative can be realized. Trust has been seen as the fundamental and imperative part of any connection or even as the key ideas which direct the relations (Louis & Lombart, 2010). Morgan and Hunt (1994) argued that trust towards the brand would prompt dependability and responsibility for it since trust can create relations of high esteem. However, members' trust towards cooperative brand remains less discussed and not many studies have been looking into the antecedents toward trust in the cooperative brand.

Therefore, the present study serves as a groundwork to examine the effect of the four dimensions of cooperative characteristics on trust in the cooperative brand through the lens of consumer cooperative in Sarawak. The findings will provide more insights into the managerial implications from marketing perspectives and future research in market branding in the contexts of cooperative industry and the developing economy.

LITERATURE REVIEW

Organizational characteristics behind the brand also influence the degree of trust in brand (Lau & Lee, 1999). Members of a cooperative need to have knowledge on cooperative organization in order to achieve trust towards their brand. The characteristics of organizational proposed by Lau and Lee (1999) are trust in organization, organization reputation, perceived motives of organizational, and organization integrity. Trust is a viable method for decreasing a consumer's uncertainty (Morgan & Hunt, 1994). As organizations need to keep current customers as well as to get new customers, one needs to analyze whether the advancement of consumer trust is a marketing strategy that goes beyond relationship management. Thus, the trust of a consumer is a valuable and significant resource for an organization.

On the off chance that a corporate brand no longer meets the quality desires of a customer, another brand will be chosen (Sichtmann, 2007). Sichtmann (2007) also mentioned how consumers trust the organization brand which may give positive consequences towards the entire organization. The same concept also applies to cooperative organization. A success of cooperative relies on their members (Kari & Othman, 2008). These researchers (Kari & Othman, 2008) argued that members' trust in cooperative organization can contribute to their socioeconomic objective. Besides, members' participation also plays significant roles in contributing to cooperatives' performance. It can be defined as the involvement of their members in the activities of an organization. The support from all cooperative members plays a significant role in order to ensure that the cooperative movement can be more viable and effective, and at the same time provide the advantage to every of their members (Yaacob, Khan, Yaacob, & Hussin, 2014). Therefore, based on the discussion above, it is hypothesised that:-

H_1 : There is a positive relationship between integrity and trust in cooperative brand

The integrity of the organization behind a brand is the consumer's recognition that adheres to a set of acceptable principles, for example, staying faithful to its commitments, being ethical, and being honest (Lau & Lee, 1999). Integrity is the desire that another will act in accordance with socially accepted standards of trustworthiness or a set of principles that the trustor accepts, for example, not telling a lie and giving sensibly confirmed information (Ridings, Gefen & Arinze, 2002). Integrity applies in the organization since it is the presence of standards of reciprocity, firmly connected with benevolence, that allow the members to properly function. If the company behind a brand is seen to have trustworthiness, the brand is prone to be trusted by consumers (Lau & Lee, 1999).

H_2: There is a positive relationship between reputation and trust in cooperative brand

Reputation of an organization frequently serves as an indicator of organizational success, because well-regarded organizations are thought to be successful (Kuenzel & Halliday, 2010). Company's reputation affects people's recognition and confidence in product and service quality. The good reputation of the company can increase the trust of the consumer to invest in the organization since the reputation is good. As such, customers have more trust in the company's product or service offerings if the firm has a positive reputation as the result of good quality performance because every element complement the other (Chang, 2012). The reputation of a firm and its products and services play an essential role in making an attractive esteem for its customers (Roig, Garcia, Tena & Monzonis, 2006). If a consumer sees that other people believe the organization behind a brand is known to be reasonable, consumer may feel more secure in getting and utilizing the organization's brand (Lau & Lee, 1999). This is much greater than trust in the brand. By showing the sacrifices in concerning a member, it may develop a reputation for fairness in the organization. Thus, when members perceived their reputation for fairness, they are more likely to trust the organization (Lau & Lee, 1999).

H_3: There is a positive relationship between perceived motives and trust in cooperative brand

Perceived motives of an exchange partner influence trust in that partner (Lau & Lee, 1999). Lau & Lee (1999) also proposed that the extent to which a cooperative management behavior is pertinent to the members' needs influences confidence and trust in the leader. Hence, benevolence of motives, processes is an important factor in a relationship. In the context of brand, when members perceived the company behind the brand to be benevolence in motives and act in the member's best interest, the members are inclined to trust the brand. Perceived benevolence alludes to the trustor's belief that the other party cares over him or her and has his or her best interests on a basic level (Levin, Whitener & Cross, 2006). Therefore, this is significantly related to trust.

H_4: There is a positive relationship between trust in the organizaton and trust in cooperative brand

At the point when an entity is trusted, smaller entities that go under its fold tend to be trusted too, because they are included in a bigger element (Lau & Lee, 1999). In the case of organization and its brand, the organization is the bigger element and the brand is the smaller entity in its fold. Consequently, a consumer who places trust in an organization is liable to trust its brand. Supported by Hansen, Jr. & Batista (2002), trust in an organization can pursue the collection goals. Trust in an organization typically develops among members with affective in nature. The trust that develops between members and management will be more cognitive in nature as a result of the relatively evaluation of information (Hansen, Jr. & Batista, 2002). This also strengthens the relationship among members so that they remain in a group and show their commitment towards it.

RESEARCH FRAMEWORK

COOPERATIVE CHARACTERISTICS

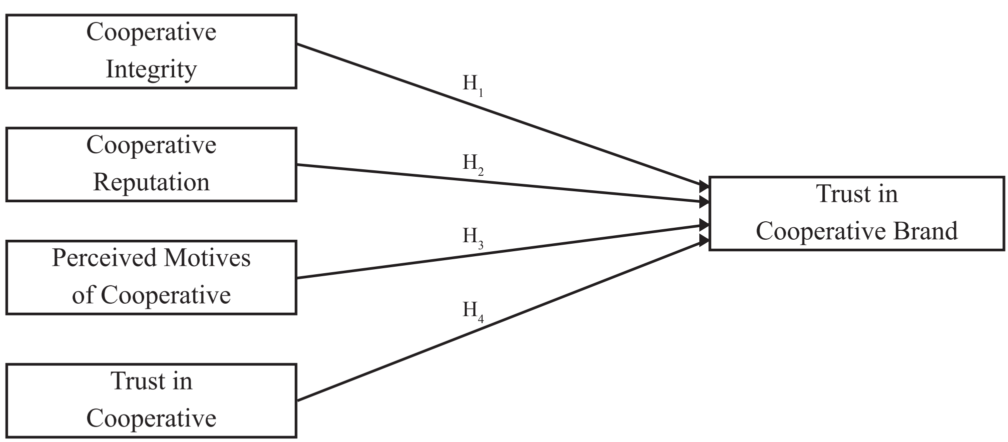

Figure 1: Research Framework (Lau & Lee, 1999)

Framework developed in this study is based on the work of Lau and Lee (1999). While trust in the cooperative brand is modelled as the dependent variable, the dimensions of cooperative characteristics such as cooperative integrity, cooperative reputation, perceived motives of cooperative and trust in cooperative are modelled as the independent variables.

In light of the literature and the framework, four hypotheses are formulated to address the research problems and objectives: -

H_1 There is a positive relationship between cooperative integrity and trust in cooperative brand

H_2 There is a positive relationship between cooperative reputation and trust in cooperative brand

H_3 There is a positive relationship between perceived motives of cooperative and trust in cooperative brand

H_4 There is a positive relationship between trust in cooperative and trust in cooperative brand

METHODOLOGY

In this present study, cooperative members were used as the sample respondent. A non-probability sampling method was used to select the target respondents since the sampling frame for the cooperative members in Sarawak is treated strictly and confidentially, thus, there is no way to provide every respondent having an equal chance to be sampled. Due to confidentiality and the constraints of the research carried out, probability sampling techniques such as random or systematic sampling were not applicable as they could provide more useful results (Saunders, Lewis & Thornhill, 2003). The sample of the study consisted of consumer cooperative members in Sarawak, East Malaysia. The consumer based cooperative was selected in this study due to the growth in terms of the number of consumer cooperatives that have been established and also realizing the industry as a contributor to the socio economic development that can help to bring significant transformation to the country (Malaysian Cooperative Societies Commission, 2011). G-power analysis was used to determine the sample size, which held adequate statistical power to explain the relationship in the model. By running a priori power analysis using medium effect size with a significance level of 0.05 and probability of rejecting null hypothesis at 95 percent with 4 predictors, therefore the minimum sample size required for this study was 129.

The current study adopted a quantitative approach using self-administered questionnaire. In order to ensure the usability of the questionnaire, a pre-test procedure was conducted (Hunt, Sparkman & Wilcox, 1982). A total of three hundred questionnaires were distributed among the consumer cooperative members. The data collection is carried out by distributing the questionnaires conveniently to the cooperative office. Cooperative office across the state of Sarawak is the ideal place to do the questionnaire distribution phase. At the end of the survey period, a total of 135 usable responses were collected. Items in the questionnaire were measured using a 7-point Likert scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree) except the items in demographic background section. Items that measure the key constructs were derived from established measurement scale (Rempel, Holmes & Zanna, 1985; Larzelere & Huston, 1980; Lau & Lee, 1999; Richard, 1978; Atakora, 2014). The measurement items were also reworded and rephrased to enhance the understanding of the respondents. The data was then keyed in into SPSS and imported to Smart PLS 3.0 to perform latent variable analysis (Ringle, Wende & Becker, 2015). This software utilizes structural equation modelling of partial least squares (PLS-SEM) approach to enhance predictive relevance by maximizing the variance of key target variables by different explanatory variables (Hair, Hult, Ringle & Sarstedt, 2014). SEM has its ability to assess latent variables at the observation level (outer or measurement model) and test the relationship between latent variables on the theoretical level (inner or structural model) that leads the researchers to appreciate the usefulness of the technique (Bollen,1989). SEM is a methodology that has been claimed and recognized beneficial in a behavioural and science study where the constructs are unobservable (Sharma, 1996).

FINDINGS

Demographic Profile

Table 1 presents the demographic profiles of 135 respondents involved in this study. Most of the respondents are found to be female, aged between 21-40 years old. In terms of their educational background and the length of membership, majority of the respondents are SPM to Diploma holders and they have been the members of the cooperative for less than three years. From the descriptive analysis of the demographic profile of the respondents, we can conclude that more participation among members of cooperative is needed in order to position the consumer cooperative to remain relevant and sustainable among their respective members.

Table 1: Demographic Profile

Variable		*Frequency*	*Percent*
Gender	Male	58	43.0
	Female	77	57.0
Age	20 and below	4	3.0
	21-30 Years	41	30.4
	31-40 Years	36	26.7
	41-50 Years	27	20.0
	Above 50 Years	27	20.0
Highest Education Level	PhD	2	1.50
	Master	4	3.0
	Bachelor Degree	16	11.9
	Diploma/STPM	40	29.6
	MCE/SPM/SPMV	59	43.7
	LCE/SRP/PMR	11	8.1
	Others	3	2.2
Length of Membership	Below 3 Years	58	43.0
	4-6 Years	38	27.4
	7-9 Years	14	10.4
	Above 10 Years	25	18.5

Measurement Model

In assessing a reflective measurement model, there are three types of analysis required; the assessment of construct reliability, convergent validity, and discriminant validity. As shown in Table 2, the composite reliability, which is considered as a better measure of internal consistency (Nunally & Bernstein, 1994) was greater than 0.7 for all constructs. It indicates that the measures used to operationalize the constructs under study have high internal consistency. The composite reliability (CR) values of 0.96 (Trust in Cooperative), 0.741 (Cooperative Reputation), 0.749 (Perceived Motives of Cooperative), 0.955 (Cooperative Integrity), 0.961 (Trust in Cooperative Brand) show that these constructs have high levels of internal consistency. For the Cooperative Reputation construct, one item CORE3 had been deleted due to low loadings. In additon, the average variance extracted (AVE) value of 0.50, indicating that measures are capable in explaining more than 50 percent of the constructs' variances. Similarly, all constructs demonstrate the good convergent validity.

Table 2 : Internal Consistency and Convergent Validity

Construct	Item	Loading	Composite Reliability	AVE	Convergent Validity (AVE>0.5)
Trust in Cooperative	TRU1 TRU2 TRU3 TRU4 TRU5	0.854 0.934 0.931 0.938 0.885	0.960	0.826	Yes
Cooperative Reputation	CORE1 CORE2 CORE3	0.973 0.521 Deleted	0.741	0.609	Yes
Perceived Motives of Cooperative	PMC1 PMC2 PMC3	0.528 0.588 0.964	0.749	0.518	Yes
Cooperative Integrity	COIN1 COIN2 COIN3 COIN4	0.916 0.876 0.934 0.940	0.955	0.840	Yes
Trust in Cooperative Brand	TRUC1 TRUC2 TRUC3 TRUC4 TRUC5	0.889 0.897 0.958 0.896 0.914	0.961	0.83	Yes

Criteria: Composite Reliability >0.708 (Hair et al., 2010), (Hair et al., 2014) AVE> 0.5 (Hair et al., 2010), (Hair et al., 2014).

Discriminant validity is evaluated using heterotrait-monotrait (HTMT) ratio (Henseler, Ringle & Sarstedt, 2015). Table 3 illustrates the assessment of discriminant validity using Henseler's HTMT (2015) criterion. Henseler, Ringle and Sarstedt (2015) proposes HTMT inference score ranging between -1 to 1 (-1<HTMT<1) indicates the distinction between two constructs. This indication shows that the discriminant validity has been ascertained.

Table 3 : HTMT Criterion

	Cooperative Integrity	Cooperative Reputation	Perceived Motives of Cooperative	Trust in Cooperative	Trust in Cooperative Brand
Cooperative Integrity					
Cooperative Reputation	0.781				
Perceived Motives of Cooperative	0.463	0.856			
Trust in Cooperative	0.737	0.988	0.381		
Trust in Cooperative Brand	0.813	0.859	0.469	0.799	

Criteria: Discriminant validity is established at -1<HTMT<1

Assessment of Structural Model

Prior to assessing the structural model, the model is examined to address colinearity issues. The variance inflation factor (VIF) values for each constructs range from 1.729 to 2.864, which are substantially lower than the offending value of 5.0 (Hair et al., 2014) and 3.3 (Diamantopoulos & Siguaw, 2006) as shown in Table 4. The results indicate that colinearity is not a concern in the present study.

Table 4 : Collinearity Assessment

	Trust in Cooperative Brand
Cooperative Integrity	2.481
Cooperative Reputation	2.816
Perceived Motives of Cooperative	1.729
Trust in Cooperative	2.864

Table 5 presents the results of path co-efficient assessment using the bootstrapping procedure for each of the hypothesised relationship in the model. Cooperative integrity (β=0.342, p = 0.000) is found to be positively and significantly related to trust in cooperative brand. Perceived motives of cooperative (β=0.184, p = 0.009) and trust in cooperative (β=0.343, p = 0.000) also found to be positively and significantly associated with trust in cooperative brand. However, cooperative reputation (β=0.112, p = 0.180) is found to be inversely and insignificant relationship towards trust in cooperative brand.

Table 5 : Path Co-efficient Assessment

	Beta	Standard Error	T Statistics	P Values	LL	UL	Results
Cooperative Integrity -> Trust in Cooperative Brand	0.342	0.079	4.328**	0.000	0.158	0.452	Supported
Cooperative Reputation -> Trust in Cooperative Brand	0.112	0.084	1.343	0.180	-0.062	0.274	Not Supported
Perceived Motives of Cooperative -> Trust in Cooperative Brand	0.184	0.070	2.617**	0.009	0.032	0.300	Supported
Trust in Cooperative -> Trust in Cooperative Brand	0.343	0.090	3.807**	0.000	0.178	0.498	Supported

**p<0.01, *p<0.05 (one-tailed)

Note: LL indicates Lower Limit and UL Indicates Upper Limit at 95% and 99% confidence Interval

The assessment of coefficient determination (R^2), the effect size (f^2), and the predictive relevance (Q^2) of exogenous variables on endogenous variables in this study are presented in Table 6. The value of co-efficient of determination (R^2) is 0.72. This suggests that the exogenous variables in this study, namely, cooperative integrity, cooperative reputation, perceived motives of cooperation and trust in cooperative explain 72 percent of variances in trust in cooperative brand. The Q^2 value of 0.552 for the trust in a cooperative brand which is larger than 0 (Hair et al., 2014) suggesting that all exogenous variables possess the predictive ability over the endogenous variable. Each of the exogenous variables (Cooperative Integrity, Cooperative Reputation, Perceived Motives of Cooperative and Trust in Cooperative, f^2 =0.168, f^2 =0.016, f^2 =0.07, f^2 =0.147) has small, small to medium, and medium to large effect size on the endogenous variable.

Table 6 : Determination of Co-efficient (R^2), Effect Size (f^2), and Predictive Relevance (Q^2)

	Coefficient of Determination	Predictive Relevance	Effect Size f^2	
	R^2	Q^2	Trust in Cooperative Brand	Effect Size
Cooperative Integrity	0.72	0.552	0.168	Medium to Large
Cooperative Reputation			0.016	Small to Medium
Perceived Motives of Cooperative			0.07	Small
Trust in Cooperative			0.147	Small to Medium

DISCUSSION AND CONCLUSION

This paper empirically examined the relationship between the dimensions of cooperative characteristics; cooperative integrity, cooperative reputation, perceived motives of cooperative, and trust in cooperative on trust in cooperative brand among members of consumer cooperative in Sarawak. The measure of the stated dimensions is important because according to Lau and Lee (1999), organizational characteristics can influence the degree of consumers trust on the organizational brand (Sichtmann, 2007). From the results, three dimensions of cooperative characteristics namely cooperative integrity, perceived motives of cooperative and trust in cooperative show significant relationship on trust in cooperative brand. Previous study by Palanski, Surinder and Yammarino (2010) suggested that the uses of integrity in management is considered as a virtue within the framework to resolve the misunderstanding and differences in opinion. The results also indicate that cooperative integrity shows medium to large effect size, which suggests that the cooperative integrity dimension is the most critical dimension in the cooperative characteristics that leads to trust in cooperative brand. In a cooperative perspective, benevolence motives give high impact towards trust in the cooperative brand (Huang, Zazale, Othman, Aris & Ariff, 2015).

The concept of trust in the organization becomes an antecedent towards the trust in organizational brand. Positive attributes can occur in the organization that can lead to trust in brands such as communication (Kaveh, 2012). The members of the cooperative can spread a good word of mouth to other members about their trusted cooperative organization so that they can assist them to trust the cooperative brand. Overall, the findings show that organizational characteristic dimensions such as cooperative integrity, perceived motives of cooperative and trust in cooperative are important dimensions that contribute to enhance the trust in the cooperative brand. To ensure the cooperative members continuously putting their trust on the cooperative brand, cooperative needs to have high level of integrity in cooperative, perceived motives of cooperative, and trust in cooperative brand.

However, cooperative reputation shows insignificant relationship on trust in cooperative brand. This is due to the uniqueness of the cooperative's business model which is a member-based organization compared to other corporate business models that currently exist. Apart from that, the values of the cooperative itself should be translated in a well manner among the cooperative members as to enhance their trust in the cooperative brand. The experiences among members also need to be enhanced so that the cooperative culture can be built and eventually will lead to trust in the cooperative brand. A Study by Donald Lange (2011) found that organizational reputation does not ensure trustworthiness towards the organizational brand, in fact, it is just to let consumers know about the brand of the company itself.

There are several limitations of this study, which suggests areas for future research. Instead of using a trust in cooperative brand as an outcome variable, future research should look into brand loyalty as an outcome variable which could bring more impactful result of the cooperative to remain competitive in the marketplace. It is necessary to look beyond the behavioural relationship in a static manner. Trust in a cooperative brand can be modelled as a mediator between cooperative characteristics and cooperative brand loyalty. The present study is limited in a sense that it does not consider the brand characteristics of cooperative that may lead to trust in the cooperative brand and brand loyalty. Finally, it is important to explore more possible factors that lead to trust in cooperative brand and brand loyalty by conducting in-depth studies on market branding subject matter to understand the phenomena further.

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PENGLIBATAN BELIA DALAM PENGURUSAN TERTINGGI KOPERASI

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Maktab Koperasi Malaysia

ABSTRAK

Belia merupakan pelapis masa hadapan yang disifatkan sebagai aset negara yang mempunyai semangat tinggi serta penentu kejayaan program dan dasar yang dilaksanakan oleh kerajaan. Kajian ini bertujuan untuk mengenal pasti faktor-faktor yang mempengaruhi penglibatan belia dalam pengurusan tertinggi koperasi dan isu-isu serta cabaran yang mereka hadapi. Kajian ini melibatkan 300 responden terdiri daripada mereka yang berumur antara 18 hingga 40 tahun yang merupakan Anggota Lembaga Koperasi (ALK) atau kakitangan yang terlibat dalam pengurusan tertinggi koperasi di semenanjung Malaysia. Kajian ini menggunakan kaedah kuantitatif dengan menggunakan borang soal selidik. Kaedah analisis yang digunakan adalah deskriptif, kolerasi dan regrasi berganda. Hasil kajian menunjukkan bahawa penglibatan belia dalam jawatan utama (Pengerusi, Setiausaha dan Bendahari) koperasi adalah rendah. Minat merupakan faktor utama mendorong belia menyertai koperasi. Manakala, kepimpinan merupakan faktor paling mempengaruhi penglibatan belia dalam pengurusan tertinggi koperasi. Antara isu utama dalam pengurusan tertinggi koperasi yang dihadapi belia ialah kerjasama, perancangan aktiviti dan pengetahuan tentang koperasi. Manakala, kekangan masa dan keyakinan masyarakat pula, menjadi cabaran utama dalam pengurusan tertinggi koperasi.

Kata Kunci: *Pengurusan Koperasi, Penglibatan Belia, Faktor Pendorong*

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LATAR BELAKANG KAJIAN

Malaysia menggunakan kriteria usia untuk menentukan belia. Kerajaan Malaysia mendefinisikan belia yang berusia antara 15 - 40 tahun. Majlis Belia Malaysia, badan payung organisasi belia juga menggunakan kriteria usia 15 - 40 untuk menentukan kategori belia. Sekitar 46 peratus daripada penduduk negara ini berada dalam kategori umur 15 - 40 tahun dan dikelaskan sebagai belia (Jabatan Perangkaan, 2015). Dalam konteks perancangan pembangunan belia, belia Malaysia dibahagikan kepada dua segmen: 15 hingga 25 tahun untuk pembangunan belia yang asas seperti pembinaan watak dan pembangunan nilai, kemahiran dan kecekapan profesional dan vokasional; dan segmen 26 hingga 40 tahun, yang terutama disasarkan untuk inisiatif dan pengalaman pembangunan kepimpinan (Kwan Meng, 2012; Hamzah, 2005).

Koperasi mempunyai matlamat sosial dan ekonomi. Prinsip koperasi menekankan peranan koperasi dalam masyarakat. Penglibatan belia dalam gerakan koperasi bukan sahaja menambah dorongan baru ke seluruh gerakan tetapi juga membahas salah satu isu mendesak dalam gerakan koperasi iaitu keanggotaan dan kepemimpinan. Terdapat keperluan terhadap koperasi berusaha untuk merekrut anggota belia ke dalam koperasi, supaya mempunyai pengganti berpotensi dan dipersiapkan untuk mengambil alih peranan kepimpinan dari pemimpin mereka sekarang sebagai pengganti kepada koperasi masing-masing supaya ada kesinambungan dan kekuatan koperasi.

Gerakan koperasi di Malaysia bermula pada tahun 1922 dengan penubuhan koperasi kredit di negara ini oleh koloni British. Bagaimanapun, koperasi pada hari ini tidak terhad menjalankan aktiviti kredit sahaja malah mempunyai pelbagai aktiviti (Hayati, 2008). Koperasi kredit bagaimanapun tetap menjadi tulang belakang kepada gerakan koperasi. Sehingga 2016, terdapat 13,428 buah koperasi di negara ini dengan keanggotaan 7.1 juta orang, modal saham terkumpul RM13.9 bilion dan aset bernilai RM130.7 bilion. Daripada jumlah ini, 2,376 buah adalah koperasi sekolah (Suruhanjaya Koperasi Malaysia, 2016). Koperasi mempunyai lebih daripada 5 juta anggota merangkumi kira-kira 46% daripada penduduk negara yang berusia 20 tahun ke atas tidak termasuk koperasi sekolah.

Penglibatan belia dalam koperasi juga sangat penting kerana mereka adalah pemimpin pelapis untuk gerakan koperasi pada masa akan datang. Sekiranya gerakan koperasi tidak menyediakan rancangan untuk mewujudkan pemimpin pelapis pada hari ini, gerakan koperasi akan menghadapi masalah ketandusan pemimpin untuk memenuhi misi dan visi koperasi pada masa hadapan. Berdasarkan pemerhatian, kebanyakan barisan Anggota Lembaga Koperasi (ALK) yang memimpin koperasi berumur 40 tahun ke atas. Ini menunjukkan penglibatan belia dalam gerakan koperasi sangat kurang.

Oleh itu, secara realitinya koperasi dikendalikan oleh anggota veteran dengan gaya pengurusan, idea-idea dan nilai-nilai yang tidak bersesuaian dengan cita rasa belia pada hari ini. Kegiatan koperasi dan gaya pengurusan yang tidak sepadan dengan keperluan dan aspirasi belia antara faktor penyumbang kepada kurangnya penglibatan golongan belia dalam gerakan koperasi. Menurut Mansor (2012), gerakan koperasi perlu diberi perhatian untuk membentuk generasi pemimpin koperasi bagi memastikan kesinambungan koperasi sebagai entiti yang diamanahkan dengan tanggungjawab untuk meningkatkan pembangunan komuniti dan sosio-ekonomi agar dapat terus maju dan mencapai matlamatnya.

Golongan belia merupakan tunjang utama kepada pembangunan sesebuah negara. Koperasi pula berperanan melibatkan golongan belia sebagai agen pembangunan ekonomi negara dan secara tidak langsung dapat meningkatkan taraf hidup masyarakat. Matlamat ini terlaksana sekiranya anggota koperasi mengambil langkah proaktif dengan mengembangkan aktiviti perniagaan melalui penglibatan secara lebih aktif dalam mempelbagaikan aktiviti ekonomi dan keusahawanan mereka. Seiring dengan peredaran masa, koperasi perlu bertindak pantas dan proaktif dalam merebut peluang-peluang perniagaan walaupun perlu bersaing sesama sendiri atau dengan sektor swasta untuk terus relevan dan kekal dalam dunia perniagaan (Ali Hanafiah Daud, 2012). Di samping itu, peranan belia tidak boleh dinafikan kerana tanpa penglibatan belia akan melemahkan koperasi. Justeru, aspirasi, minda dan pandangan mereka perlu ditransformasikan sejajar dengan nilai dan prinsip koperasi (Mohamad Jaapar Muhayat, 2012).

Dalam memberi nafas baru kepada gerakan koperasi di Malaysia, penglibatan belia adalah sangat signifikan bagi memastikan kekuatan sesebuah koperasi dapat diperkukuhkan dan berkesinambungan. Belia mempunyai peranan yang besar dalam menentukan hala tuju sesebuah koperasi kerana golongan ini diakui memiliki sifat berani bersuara dalam melontarkan idea-idea bernas mengenai sesuatu perkara.

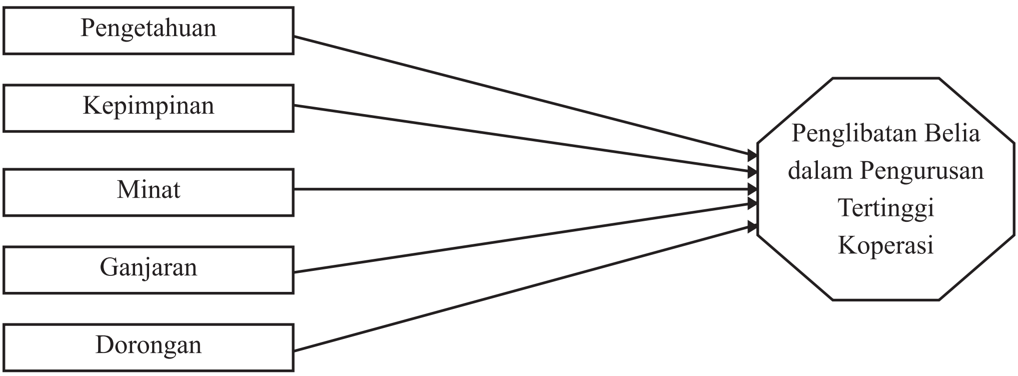
OBJEKTIF KAJIAN

Objektif kajian ialah untuk:

1. Mengenal pasti profil belia dalam pengurusan tertinggi koperasi.
2. Mengenal pasti faktor pendorong belia menyertai koperasi
3. Mengenal pasti hubungan signifikan antara faktor pendorong dengan penglibatan belia dalam pengurusan tertinggi koperasi

KERANGKA KAJIAN

Dalam penyelidikan ini, setelah mengambil kira pelbagai faktor yang mendorong penglibatan belia dalam koperasi, hanya lima faktor pemboleh ubah tidak bersandar sahaja yang dikaji iaitu pengetahuan, kepimpinan, minat, ganjaran dan dorongan. Pemboleh ubah bersandar pula ialah penglibatan belia dalam pengurusan tertinggi koperasi.



Rajah 1: Hubungkait antara Faktor-faktor Pendorong Penglibatan Belia dalam Pengurusan Tertinggi Koperasi

METODOLOGI

Penyelidikan ini menggunakan kaedah kuantitatif. Bagi tujuan kajian ini, pengumpulan data menggunakan borang soal selidik sebagai instrument kajian. Ia melibatkan 3 bahagian iaitu profil responden, faktor-faktor pendorong penglibatan belia dalam koperasi dan isu, cabaran dan cadangan oleh belia. Responden bagi kajian ini ialah belia yang berumur antara 18 hingga 40 tahun yang menjawat jawatan di koperasi sebagai ALK atau eksekutif/pengurus.

Antara kelebihan data primer adalah maklumat yang lengkap dapat diperolehi kerana penyelidik mengumpul data sendiri, menggunakan borang soal selidik, wawancara dan pemerhatian langsung. Analisis yang digunakan adalah analisis deskriptif statistik (bilangan, peratus dan min skor) dan analisis inferential statistik (korelasi *Pearson* dan regrasi berganda). Analisi kolerasi digunakan untuk mengukur kekuatan dan arah hubungan linier antara dua pembolehubah.

HASIL KAJIAN

Profil Demografi

Jadual 1 menunjukkan profil demografi sebanyak 300 responden yang terdiri daripada 110 (36.6%) lelaki dan 190 (63.4%) wanita dari kalangan belia yang mengambil bahagian dalam kajian ini. Umur responden tertinggi adalah dalam tempoh 31-35 tahun (31%). Ini diikuti oleh 26-30 tahun (30.3%), 36-40 tahun (26%) dan 21-25 tahun (12.6%). Majoriti responden adalah Pengurus 181 orang (60.3%). Selebihnya, mereka adalah ALK 119 orang (39.7%). Ia juga mendapati bahawa Pengerusi, Setiausaha dan Bendahari hanyalah 39 (13%) daripada jumlah responden.

Jadual 1: Profil Demografi

Pemboleh Ubah		Bilangan	Peratus
Jantina	Lelaki	110	36.6
	Perempuan	190	62.4
Umur	21-25	38	12.6
	26-30	91	30.4
	31-35	92	31.0
	36-40	78	26.0
Jawatan	Pengerusi	7	2.3
	Setiausaha	23	7.7
	Bendahari	9	3.0
	ALK	80	26.7
	Pengurus	181	60.3

Faktor-faktor yang Mendorong Penyertaan dalam Koperasi

Jadual 2 menunjukkan skor min faktor yang mendorong penyertaan belia dalam koperasi mengikut jawatan. Di antara faktor-faktor ini, faktor minat menunjukkan skor min tertinggi bagi kedua-dua jawatan. Sementara itu, faktor kepimpinan mendapat skor min yang paling rendah untuk ALK dan pengetahuan mendapat skor min terendah bagi Pengurus.

Jadual 2 : Min Skor Faktor Pendorong Belia Menyertai Koperasi mengikut Jawatan

Faktor	ALK	Pengurus
Minat	4.01	3.85
Ganjaran	3.79	3.80
Dorongan	3.60	3.63
Pengetahuan	3.65	3.57
Kepimpinan	3.59	3.70

Faktor Pendorong Penglibatan Belia dalam Pengurusan Tertinggi Koperasi

Jadual 3 menunjukkan hasil analisis korelasi di antara lima faktor pendorong dengan penglibatan belia dalam pengurusan tertinggi koperasi. Faktor kepimpinan adalah faktor yang paling mempengaruhi penglibatan belia dalam pengurusan tertinggi koperasi dan diikuti oleh faktor minat.

Jadual 3 : Analisis Korelasi antara Faktor Pendorong

		Pengetahuan	Minat	Ganjaran	Dorongan	Kepimpinan	Penglibatan
Pengetahuan	Pearson Correlation	1					
	Sig. (2-tailed)						
	N						
Minat	Pearson Correlation	.452**	1				
	Sig. (2-tailed)	.000					
	N	300					
Ganjaran	Pearson Correlation	.402**	.663**	1			
	Sig. (2-tailed)	.000	.000				
	N	300	300				
Dorongan	Pearson Correlation	.453**	.642**	.638**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	300	300	300			
Kepimpinan	Pearson Correlation	.595**	.653**	.555**	.507**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	300	300	300	300		
Penglibatan	Pearson Correlation	**.384****	**.457****	**.354****	**.421****	**.547****	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	300	300	300	300	300	

**. *Correlation is significant at the 0.01 level (2-tailed).*

Sebagai kesimpulan, berdasarkan sampel kajian, majoriti belia (60.3%) di koperasi memegang jawatan sebagai Pengurus Koperasi. Selebihnya, didapati 39.7% daripada jumlah responden memegang jawatan ALK. Daripada lima faktor pendorong, faktor minat merupakan faktor utama yang mendorong belia menyertai koperasi. Manakala, didapati apabila mereka berada dalam koperasi, faktor kepimpinan merupakan faktor yang paling mempengaruhi penglibatan dalam pengurusan tertinggi koperasi.

Faktor penglibatan mempunyai lima komponen. Secara purata (median) majoriti dalam kalangan responden mempunyai penglibatan yang tinggi (median =4.00) untuk menyertai dan terlibat secara aktif dalam aktiviti koperasi. Nilai min skor ialahsederhana iaitu antara 3.37 (Saya terlibat dalam membuat keputusan) dan 3.68 (Saya terlibat secara aktif dalam semua aktiviti koperasi).

Jadual 4 : Penglibatan Belia dalam Pengurusan Tertinggi Koperasi

Item	Min
Saya terlibat secara aktif dalam semua aktiviti koperasi	3.68
Saya menghadiri mesyuarat ALK/Pengurusan	3.59
Saya terlibat dalam merancang aktiviti perniagaan koperasi	3.55
Saya terlibat dalam Jawatankuasa Kecil Koperasi	3.43
Saya terlibat dalam membuat keputusan	3.37
Min Skor Keseluruhan	**3.52**

Penglibatan belia dalam pengurusan tertinggi koperasi berada pada tahap sederhana sebagai perancang, pelaksana dan pembuat keputusan. Ini menunjukkan bahawa penglibatan belia dalam pengurusan tertinggi koperasi masih kurang. Justeru, koperasi perlu memberi peluang dan galakan kepada belia agar mereka dapat memainkan peranan yang lebih signifikan. Dalam masa yang sama, belia itu sendiri perlu bersikap proaktif untuk merebut peluang melibatkan diri dalam pengurusan tertinggi koperasi.

KESIMPULAN

Daripada hasil dapatan kajian, didapati kurangnya motivasi untuk belia menyertai koperasi. Daripada kajian juga menunjukkan bahawa penglibatan belia masih kurang dalam pengurusan tertinggi koperasi. Pada masa ini, belia banyak memainkan peranan sebagai anggota biasa. Bagi menggalakkan penyertaan belia dan meningkatkan penglibatan mereka dalam pengurusan tertinggi koperasi, imej dan aktiviti koperasi perlu ditambahbaik untuk menarik minat mereka.

Secara umum, penglibatan belia adalah penting untuk pembangunan dan kemapanan gerakan koperasi. Koperasi perlu menambah aktiviti yang dapat menarik belia menjadi anggota dan dengan itu belia dapat melibatkan diri dalam pengurusan tertinggi koperasi. Penglibatan belia secara aktif di koperasi dapat menjadikan koperasi sebagai pemacu ekonomi untuk anggota dan masyarakat setempat. Kelangsungan hubungan antara veteran dan belia perlu dipertingkatkan supaya mereka mendapat kata sepakat dan saling menghormati dalam membuat keputusan. Dengan cara ini, belia boleh menyumbang lebih banyak idea dalam aktiviti dan tadbir urus koperasi. Kepercayaan harus diberikan kepada belia dalam menguruskan dan mentadbir koperasi supaya kepimpinan boleh diwarisi dan bersedia untuk mentadbir koperasi dengan berintegriti.

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MODEL SISTEM PENGUKURAN PRESTASI KONTEMPORARI KOPERASI-KOPERASI TERBAIK MALAYSIA

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ABSTRAK

Sistem pengukuran prestasi merupakan alat pengurusan yang efektif untuk mengurus pencapaian objektif dan matlamat strategik koperasi. Kajian ini dijalankan untuk membina model sistem pengukuran prestasi kontemporari koperasi-koperasi terbaik Malaysia. Sampel kajian ini terdiri daripada pengerusi, setiausaha, bendahari, ahli lembaga dan pengurusan koperasi 100 terbaik tahun 2016. 328 maklumbalas yang diterima telah dianalisis dengan menggunakan pendekatan persamaan pemodelan berstruktur (structural equation modelling). Dapatan kajian membuktikan sistem pengukuran prestasi yang diamalkan oleh pihak pengurusan koperasi adalah bersifat kontemporari. Tiga komponen utama sistem pengukuran prestasi kontemporari iaitu strategik, komprehensif dan dinamik didapati padan dengan model yang dibangunkan. Model sistem pengukuran prestasi yang dibangunkan ini boleh dijadikan panduan penggerak koperasi untuk memastikan aktiviti yang dijalankan sentiasa selari dengan objektif jangka panjang dan memenuhi inspirasi Dasar Koperasi Negara (DKN) 2011 - 2020.

Kata Kunci: *Model Sistem Pengukuran Prestasi Kontemporari, Koperasi Terbaik Malaysia, Sistem Pengukuran Prestasi Strategik*

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PENDAHULUAN

Bilangan koperasi di seluruh Malaysia sehingga tahun 2016 adalah berjumlah 13,428 buah koperasi (Suruhanjaya Koperasi Malaysia, 2016). Pencapaian koperasi peringkat domestik menunjukkan untuk lima tahun ke belakang dari tahun 2012 hingga 2016, terdapat hanya 165 buah koperasi yang pernah tersenarai dalam Profil 100 Koperasi Terbaik Malaysia. Setiap tahun menunjukkan ada koperasi yang kekal dan ada koperasi yang baharu masuk dalam senarai profil ini tetapi bilangan koperasi yang baharu masuk tidak banyak berbanding bilangan koperasi yang kekal dalam senarai profil berkenaan (Suruhanjaya Koperasi Malaysia, 2016). Jadual 1 menunjukkan pergerakan bilangan koperasi yang kekal dan baharu masuk dalam senarai profil dari tahun 2013 hingga 2016 adalah seperti berikut:

Jadual 1 : Bilangan Koperasi yang Kekal dan Baharu Masuk dalam Profil 100 Koperasi Terbaik Malaysia

Perkara / Tahun	**2014 berbanding 2013**	**2015 berbanding 2014**	**2016 berbanding 2015**
Bilangan koperasi kekal dalam indeks	79	77	76
Bilangan koperasi baharu masuk indeks	21	23	24
Jumlah koperasi tersenarai dalam indeks	100	100	100

Sumber: Suruhanjaya Koperasi Malaysia (2017)

Sumbangan gerakan koperasi di Malaysia kepada Keluaran Dalam Negara Kasar (KDNK) sehingga 2016 pada tahap RM33.5 billion sedangkan Suruhanjaya Koperasi Malaysia (SKM) mensasarkan sebanyak RM50 bilion jumlah perolehan keseluruhan diperoleh oleh gerakan koperasi pada tahun 2020. Pihak kerajaan pula melalui Dasar Koperasi Negara (DKN) 2011 - 2020 mensasarkan gerakan koperasi untuk menyumbang kepada KDNK pada kadar yang lebih tinggi pada masa hadapan iaitu 10% menjelang tahun 2020 (Suruhanjaya Koperasi Malaysia, 2010).

Melihat kepada senario semasa kedudukan koperasi di peringkat global dan perkembangan gerakan koperasi di Malaysia, ia memberi gambaran masih banyak ruang yang perlu diperbaiki oleh gerakan koperasi di Malaysia bagi meningkatkan prestasi koperasi. Ini kerana walaupun ada sejumlah kecil koperasi yang boleh dibanggakan prestasinya di peringkat global dan domestik, tetapi masih banyak koperasi di Malaysia yang berprestasi rendah dan perlu membaiki prestasi masing-masing dengan meningkatkan keupayaan melalui pelaksanaan polisi yang efektif (Khan, Yaacob, Abdullah, & Ah, 2016), yang seterusnya dapat menyumbang kepada kemajuan ekonomi anggota, masyarakat dan negara. Justeru, kajian ini dijalankan untuk membina model sistem pengukuran prestasi kontemporari koperasi-koperasi terbaik Malaysia dan hasil kajian ini dapat digunakan oleh pihak berpentingan dalam pembangunan koperasi seperti Suruhanjaya Koperasi Malaysia, Maktab Koperasi Malaysia dan Ahli Lembaga Koperasi sebagai alat mengurus perancangan dan pelaksanaan tindakan strategik koperasi.

Perkembangan Koperasi di Malaysia

Kini, gerakan koperasi di Malaysia dikawal selia oleh Suruhanjaya Koperasi Malaysia (SKM) di bawah Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan (KPDNKK). Selain itu, sebuah lagi agensi di bawah KPDNKK yang juga mempunyai hubungan langsung dengan gerakan koperasi ialah Maktab Koperasi Malaysia (MKM) yang bertanggungjawab untuk membangunkan modal insan koperasi. Perkembangan koperasi di Malaysia pada masa kini boleh diukur melalui bilangan koperasi, bilangan anggota, jumlah modal syer dan yuran, jumlah aset dan jumlah perolehan. Keyakinan masyarakat terhadap gerakan koperasi mula meningkat melalui pertambahan jumlah koperasi yang didaftarkan, walaupun terdapat penurunan dalam bilangan anggota. Prestasi kewangan koperasi secara keseluruhan juga menunjukkan perkembangan yang baik apabila jumlah modal syer dan yuran, jumlah aset dan jumlah perolehan menunjukkan peningkatan sejak tiga tahun kebelakangan ini (Suruhanjaya Koperasi Malaysia, 2016). Jadual 2 menunjukkan perangkaan am koperasi di Malaysia dari tahun 2014 hingga 2016:

Jadual 2 : Perangkaan Am Koperasi di Malaysia dari Tahun 2014 hingga 2016

Perkara / Tahun	**2014**	**2015**	**2016**
Bilangan Koperasi	11,871	12,769	13,428
Bilangan Anggota	7,409,547	7,491,191	7,066,222
Jumlah Modal Syer dan Yuran (RM)	13.47 bilion	13.81 bilion	13.99 bilion
Jumlah Aset (RM)	116.79 bilion	123.28 bilion	130.74 bilion
Jumlah Perolehan (RM)	34.95 bilion	33.56 bilion	39.67 bilion

Sumber: Suruhanjaya Koperasi Malaysia (2016)

Dasar Koperasi Negara (DKN) merupakan dasar yang digubal untuk dijadikan rujukan dan panduan bagi memeta hala tuju gerakan koperasi ke arah pencapaian yang lebih gemilang. Dasar Koperasi Negara 2011 – 2020 merupakan kesinambungan kepada Dasar Koperasi Negara 2002 – 2010. DKN 2002 – 2010 diperkenalkan bagi menyediakan persekitaran yang komprehensif bagi gerakan koperasi melalui program pembangunan perniagaan, akses kepada sumber pembiayaan, penerapan pembudayaan keusahawanan, pengemaskinian perundangan dan peningkatan dalam pengawal seliaan koperasi (Suruhanjaya Koperasi Malaysia, 2010).

Dasar Koperasi Negara 2011 – 2020 yang meneruskan kesinambungan DKN terdahulu telah menggariskan lima teras strategik (Suruhanjaya Koperasi Malaysia, 2010) sebagai tunjang pelaksanaan iaitu:

1. Teras Strategik I – Meransang penglibatan koperasi dalam sektor ekonomi bernilai tinggi.
2. Teras Strategik II – Memantapkan keupayaan dan kebolehan koperasi.
3. Teras Strategik III – Mewujud dan meningkatkan keupayaan modal insan koperasi.
4. Teras Strategik IV – Meningkatkan keyakinan masyarakat terhadap gerakan koperasi.
5. Teras Strategik V – Memperkukuhkan koperasi melalui seliaan dan penguatkuasaan berkesan.

SOROTAN KAJIAN

Sistem Pengukuran Prestasi Koperasi di Malaysia

Sistem pengukuran prestasi amat penting bagi sesebuah koperasi kerana ia menjamin kelangsungan dan daya saing operasi. Koperasi di Malaysia sememangnya mementingkan ukuran prestasi daripada segi kewangan dan bukan kewangan (Sushila Devi, Nurizah, Mohd Shahron Anuar, Rafedah, & Farahaini, 2009), tambahan pula indeks koperasi terbaik Malaysia bermula tahun 2009 menggunakan faktor kewangan dan bukan kewangan sebagai penilaian. Sistem pengukuran prestasi amat penting kerana wujudnya koordinasi faktor kepimpinan berwawasan, kecekapan pengurusan, kestabilan, ciri-ciri fungsian dan keberkesanan operasi (Sushila Devi, Nurizah, Mohd Shahron Anuar, Rafedah, & Farahaini, 2010) dapat dikawal selia secara berterusan. Bagi mengurus risiko sesebuah koperasi seperti penggunaan pembiayaan luaran, kesukaran mengurus pelaburan dan penerokaan pelaburan baharu (Latiff, 2011) juga memerlukan sistem pengukuran prestasi yang bersifat kontemporari.

Kajian secara spesifik berkaitan amalan sistem pengukuran prestasi dalam kalangan koperasi masih lagi kurang. Faktor keusahawanan, sokongan, komunikasi, persaingan, susun atur dan pengurusan telah dikenalpasti sebagai faktor kritikal menentukan kejayaan koperasi yang menjalankan perniagaan kedai runcit di negeri Sarawak (Idris, Yacob, Abdullah, Mortadza, & Morshidi, 2013) dan ini memerlukan satu sistem pengukuran prestasi yang jelas. Begitu juga cabaran seperti perancangan dan pelaksanaan, dana, pengurusan dan pentadbiran yang dihadapi oleh koperasi yang menceburi bidang sektor perumahan (Nawawi, 2014) boleh diurus dengan menggunakan sistem pengukuran prestasi. Penggunaan sistem pengukuran prestasi kontemporari menjadi semakin penting kerana semakin aktif penglibatan ahli yang dilantik sebagai ahli lembaga koperasi, maka akan memudahkan maklumat dikongsi dengan ahli-ahli (Huang, Zazale, Othman, Aris, & Arif, 2015).

Sistem Pengukuran Prestasi Kontemporari

Idea awal kajian penggunaan sistem pengukuran prestasi kontemporari diutarakan oleh Burgess, Ong, dan Shaw (2007), namun ketika itu konsep kontemporari yang diutarakan merujuk kepada keseimbangan ukuran yang digunakan dalam sistem pengukuran prestasi agar ia meningkatkan kelebihan bersaing. Kebanyakan pengkaji pula mendefinisikan kontemporari berdasarkan ciri-ciri sistem pengukuran prestasi (Franco-Santos, Lucianetti, & Bourne, 2012). Contohnya, Cheng, Luckett, dan Mahama (2007) menyatakan sistem pengukuran prestasi kontemporari seperti kad skor imbangan menggabungkan ukuran prestasi kewangan dan bukan kewangan. Hall (2008) pula mendefinisikan sistem pengukuran prestasi kontemporari daripada aspek peranan iaitu sebagai satu sistem yang menterjemahkan strategi perniagaan kepada hasil yang boleh dicapai dengan gabungan ukuran kewangan, strategik dan operasi. Namun Franco-Santos et al. (2012) telah membuat semakan secara mendalam terhadap 76 kajian empirikal daripada jurnal akademik berkualiti dalam bidang perakaunan, operasi dan sistem. Mereka mendapati terdapat empat jenis sistem pengukuran prestasi kontemporari seperti jadual 3. Namun tiada definisi khusus yang dapat menjelaskan sistem pengukuran prestasi kontemporari dan ianya bergantung kepada takrifan yang diberikan penyelidik (Franco-Santos et al., 2012; Speckbacher, Bischof, & Pfeiffer, 2003).

Jadual 3 : Jenis Sistem Pengukuran Prestasi Kontemporari

Butiran	Komponen	Tujuan
Sistem Pengukuran Prestasi A	• Ukuran kewangan dan bukan kewangan dinyatakan secara implisit dan eksplisit terhadap strategi	• Pembuatan keputusan • Menilai prestasi organisasi
Sistem Pengukuran Prestasi B	• Ukuran kewangan dan bukan kewangan dinyatakan secara implisit dan eksplisit terhadap strategi • Hubungan sebab-dan-akibat antara ukuran dinyatakan	• Pembuatan keputusan • Menilai prestasi organisasi
Sistem Pengukuran Prestasi C	• Ukuran kewangan dan bukan kewangan dinyatakan secara implisit dan eksplisit terhadap strategi	• Pembuatan keputusan • Menilai prestasi organisasi dan pihak pengurusan (tidak dihubungkan dengan ganjaran kewangan)
Sistem Pengukuran Prestasi D	• Ukuran kewangan dan bukan kewangan dinyatakan secara implisit dan eksplisit terhadap strategi	• Pembuatan keputusan • Menilai prestasi organisasi dan pihak pengurusan • Dihubungkan dengan ganjaran kewangan

Berdasarkan sorotan literatur, tiga jenis sistem pengukuran prestasi akan dibincangkan iaitu strategik, komprehensif dan dinamik.

Sistem Pengukuran Prestasi Strategik

Tujuan asal perakaunan pengurusan adalah untuk menyediakan maklumat yang bermakna kepada pembuat keputusan kerana mereka sentiasa bergelumang dengan situasi yang kompleks dan tidak pasti (Hongren, Jr., & Oliver, 2009). Pembuat keputusan akan berhadapan dengan pelbagai situasi terutama perancangan dan pelaksanaan perancangan strategik. Perancangan strategik adalah satu pendekatan pengurusan untuk menetapkan halatuju, mengenalpasti isu-isu strategik dan menggubal strategi-strategi ke arah pencapaian objektif organisasi. Maka sistem pengukuran prestasi strategik diperlukan sebagai mekanisme pengukuran pencapaian strategik yang disasarkan.

Sistem pengukuran prestasi strategik merujuk kepada sistem yang secara ekplisit menghubungkan strategi dan pengukuran prestasi (Choi, Hecht, & Tayler, 2012) dan ini memenuhi asas perakaunan yang termaktub dalam konteks sistem pengukuran prestasi. Proses menghubungkan ukuran prestasi dan strategi menuntut penggunanya mempunyai pemahaman yang komprehensif tentang strategi yang hendak dicapai (Klovienė & Gimžauskienė, 2014; Lillis & Veen-Dirks, 2008). Maka hubungan tersebut boleh dijelaskan melalui penggunaan peta strategi yang terdapat dalam kad skor imbangan (Kaplan & Norton, 2004). Peta strategi merujuk kepada hubungan yang wujud antara setiap strategi dalam dokumen objektif strategik yang hendak dicapai oleh syarikat. Sistem pengukuran prestasi strategik juga bertanggungjawab ke atas pelaksanaan strategi dalam proses pengurusan (Lima, Gouvea, & Angelis, 2009). Peri pentingnya hubungan antara ukuran prestasi dan objektif strategik ini ditegaskan oleh Ittner dan Larcker (2003) terutama hubungan yang melibatkan ukuran bukan kewangan. Mereka menyatakan setiap pengurus yang terlibat dengan sistem pengukuran prestasi strategik perlu memastikan tidak berlaku empat kesilapan; tidak menghubungkan ukuran dengan strategi, tidak mengesahkan kewujudan hubungan tersebut, tidak menetapkan sasaran prestasi yang tepat dan gagal mengukur prestasi berdasarkan hubungan yang dijangkakan. Tayler (2010) pula menyatakan sistem pengukuran prestasi hendaklah berfungsi sebagai petunjuk sebab-musabab kepada pencapaian prestasi strategik.

Selain daripada pemilihan ukuran strategik dalam sistem pengukuran prestasi, hubungan penyebab antara objektif strategik dan kategori ukuran prestasi juga perlu dititikberatkan. Ia akan mempengaruhi keupayaan pengurus untuk mengintepretasi maklumat strategik daripada luar organisasi dan menggunakan maklumat tersebut untuk menilai kesesuaian strategi organisasi. Cheng dan Humphreys (2012) menjalankan eksperimen untuk menguji kepentingan hubungan penyebab dan mendapati penyediaan objektif strategik dalam bentuk peta strategi telah meningkatkan penaakulan maklumat pengurus ketika membuat penentuan strategi. Walaubagaimanapun, penyediaan maklumat ukuran dalam bentuk kategori sahaja hanya membantu pengurus menilai strategi tanpa keupayaan untuk mengupas maklumat yang relevan berdasarkan peta strategik. Di Sepanyol, kajian oleh Bisbe dan Malaqueno (2012) menyokong wujud hubungan positif antara sistem pengukuran prestasi strategik dan prestasi organisasi melalui keputusan strategik yang dirangka. Keadaan ini wujud sekiranya persekitaran perniagaan dilingkungi dinamika persekitaran yang rendah.

Sistem Pengukuran Prestasi Komprehensif

Sistem pengukuran prestasi komprehensif merujuk kepada penggunaan maklumat sebagai elemen maklumbalas yang menghubungkan pengukuran dan strategi (Hall, 2011) dan perkataan integrasi dan komprehensif sering digunakan secara timbal balik oleh pengkaji untuk menerangkan sistem pengukuran prestasi yang sama. Bititci dan McDevitt (1997) menyatakan bahawa proses pengurusan prestasi komprehensif mempunyai kaitan rapat dengan kaedah pengurusan strategi dan fungsi korporat. Sistem ini mengenalpasti kepentingan persekitaran luaran dan jaringan yang wujud dalam peringkat korporat yang berbeza: pemegang taruh, ukuran kawalan, kedudukan persekitaran, objektif penambahbaikan dan ukuran prestasi dalaman. Kerangka yang dibina menekankan dua elemen penting dan perlu dinilai melalui kaedah audit:

i. integriti : keupayaan sistem pengukuran prestasi untuk menggalakkan integrasi bidang perniagaan yang pelbagai,
ii. *deployment*: keberkesanan objektif dan polisi perniagaan melalui struktur hierarki organisasi

Sistem pengukuran prestasi komprehensif juga dikaitkan dengan empat ciri utama iaitu kepelbagaian dimensi, fokus kepada perancangan strategik, dilaksanakan secara menyeluruh dalam organisasi dan disejajarkan dengan insentif (Buhovac & Groff, 2012; Burney & Widener, 2007). Kepelbagaian dimensi merujuk kepada kombinasi ukuran kewangan dan bukan kewangan, objektif dan ukuran prestasi. Senario pengurusan terkini menunjukkan ukuran kewangan daripada perspektif perakaunan sahaja tidak mencukupi dan mungkin akan mengakibatkan pihak pengurusan dan pekerja tidak bersemangat untuk bekerja. Penyelesaian yang dicadangkan ialah pengukuran prestasi perlu menggunakan ukuran kualitatif dan subjektif. Ukuran kewangan yang merujuk kepada data masa lampau akan digunakan oleh pengurus untuk menilai prestasi, manakala petunjuk bukan kewangan menyediakan maklumat untuk mengurus merangka prestasi masa hadapan dan mengawal pencapaian halatuju strategik.

Isu keupayaan untuk mencapai pelbagai objektif yang mewakili kepentingan pemegang taruh telah menjadi agenda korporat kerana berlakunya perubahan persepsi terhadap keupayaan memenuhi misi korporat. Kini organisasi bukan sahaja dilihat sebagai sumber untuk mendapatkan keuntungan, bahkan ia memikul peranan sebagai penggerak penting dalam pembangunan masyarakat. Tahap komprehensif sesebuah sistem pengukuran prestasi dapat dilihat melalui kad skor imbangan. Sundin, Granlund, dan Brown, (2010) meneroka penggunaan unsur keseimbangan melalui kad skor imbangan ini dalam pembuatan keputusan dan pendekatan proses kawalan dilakukan bagi memastikan keseimbangan objektif dikekalkan. Peranan kad skor imbangan sebagai alat yang berpotensi dalam timbal balik pembuatan keputusan dan keseimbangan objektif dapat dibuktikan dalam kajian mereka. Faktor yang menyokong kejayaan sistem pengukuran prestasi komprehensif dalam syarikat yang dikaji ialah kehendak dan iltizam yang kuat untuk mewujudkan ukuran yang seimbang, organisasi beroperasi dalam persekitaran yang para pemegangtaruh bersedia menghadapi tekanan, keupayaan organisasi merekabentuk dan mengetengahkan peranan kad skor imbangan sebagai alat pengurusan. Organisasi yang menggunakan gabungan ukuran kewangan dan bukan kewangan akan menekankan pentingnya keupayaan sistem pengukuran prestasi untuk menyalurkan maklumat yang relevan dengan strategi dan faktor kejayaan organisasi. Unsur hubungan dengan perancangan strategik ini akan membolehkan sistem pengukuran prestasi berfungsi sebagai alat menilai pelaksanaan kepelbagaian perancangan yang diatur oleh pengurusan (Dekker, Groot, & Schoute, 2013).

Sistem Pengukuran Prestasi Dinamik

Dalam dunia perniagaan semakin mencabar, setiap organisasi perlu sentiasa peka dengan perubahan yang berlaku seperti perubahan kehendak pelanggan dan kemajuan teknologi. Persaingan yang sengit ini memaksa organisasi untuk sentiasa menilai petunjuk prestasi yang digunakan agar ia selari dengan strategi kelangsungan organisasi, meletakkan kepentingan organisasi sebagai prioriti, dan menyumbang kepada penyeimbangan antara strategi, tindakan dan ukuran (Malina & Selto, 2004). Dalam erti kata lain, kesesuaian ukuran prestasi yang digunakan akan berkurangan mengikut masa dan keupayaan ukuran tersebut sebagai rujukan prestasi boleh dipersoalkan. Justeru petunjuk semasa perlu diubah, dibuang atau diganti dengan petunjuk yang baharu. Kekurangan dinamik dalam pengukuran petunjuk prestasi ini akan menyebabkan prioriti bukannya yang terkini, ukuran tidak konsisten dan menghadkan kapasiti petunjuk prestasi sebagai kelompok ukuran yang mewakili hasil kerja secara agregat. Walaupun sorotan karya menunjukkan berlaku perubahan yang signifikan ke arah sistem pengukuran prestasi yang komprehensif, namun lebih banyak usaha perlu dilakukan untuk membangunkan sistem pengukuran prestasi yang dinamik kerana pemegang taruh mahukan organisasi yang boleh bersaing (Zeglat, Alrawabdeh, Almadi, & Shrafat, 2012).

Dinamika sistem pengukuran prestasi juga boleh dilihat melalui pengubahsuaian mekanisma penilaian prestasi yang dilakukan oleh pihak organisasi. Grafton, Lillis, dan Widener (2010) melihat perkaitan antara sistem pengukuran prestasi kontemporari dari aspek mekanisma penilaian yang mempengaruhi pihak pengurusan organisasi. Kajian mereka mendapati sistem pengukuran prestasi perlu bersifat anjal dari segi ukuran yang digunakan dengan menggabungkan aspek kewangan dan bukan kewangan. Selain itu keupayaan sistem pengukuran prestasi memenuhi fungsi sebagai pemudah maklumbalas (*feedback* dan *feedforward*) juga dibuktikan dalam kajian ini melalui tindakan organisasi mengagihkan keupayaan strategik mengikut kedudukan semasa organisasi. Tambahan pula, kritikan amat penting dalam sistem pengukuran prestasi yang bersandarkan dimensi pengukuran perakaunan (Bourguignon & Chiapello, 2005). Jika sekiranya sesuatu tindakan diberikan maklumbalas kognitif, para pekerja cenderung menggunakan ukuran prestasi yang unik berbanding situasi tanpa sebarang maklumbalas (Kang & Fredin, 2012).

METODOLOGI

Populasi kajian ini merupakan pihak ahli lembaga 100 koperasi terbaik Malaysia pada tahun 2016. Untuk setiap koperasi , penyelidik akan meminta pengerusi koperasi untuk memilih 7 orang yang terlibat dengan aktiviti pengurusan koperasi dan pengurus koperasi juga boleh dipilih sebagai responden. Sebanyak 700 set soal selidik telah diedarkan menggunakan maklumat yang terdapat dalam profil 100 terbaik koperasi tahun 2016. Sebanyak 328 soal selidik telah diterima semula dan digunakan untuk analisis data. Data demografi berkaitan soal selidik yang dianalisis adalah seperti jadual 4 :

Jadual 4 : Demografi

Butiran	Kekerapan	Peratus
Jantina		
Lelaki	223	68
Perempuan	105	32
Umur		
20-30	50	15.2
31-40	33	10.1
41-50	54	16.5
Melebihi 50	191	58.2
Jawatan		
Pengerusi	38	11.6
Setiausaha	37	11.3
Bendahari	42	12.8
Ahli Lembaga	130	39.6
Pengurusan	81	24.7
Kelayakan Akademik		
Sijil Pelajaran Malaysia	153	46.6
Diploma	63	19.2
Sarjana Muda	103	31.4
Sarjana	9	2.7

Proses pengedaran borang soal selidik dilaksanakan melalui kiriman pos berdasarkan alamat berdaftar koperasi dalam buku 100 koperasi terbaik Malaysia 2016. Bagi memudahkan proses pemulangan semula borang soal selidik, setiap responden dibekalkan sampul surat bersetem lengkap dengan alamat penyelidik. Instrumen yang digunakan dalam kajian ini dibahagikan kepada 2 bahagian. Bahagian A terdiri daripada data demografi manakala bahagian B merupakan pernyataan berkaitan amalan sistem pengukuran prestasi yang diamalkan oleh koperasi terpilih. Sistem pengukuran prestasi diukur berdasarkan tiga komponen berbeza iaitu komprehensif, strategik dan dinamik. Jadual 5 menunjukkan sumber item yang digunakan dalam kajian.

Jadual 5 : Sumber Instrumen Kajian

Konstruk	Items	Sumber	Skala
Komprehensif	8 items	Hall (2008)	1 – “tidak ketara” ke 7 – “amat ketara”.
Strategik	9 items	Burney dan Widener (2007) Gimbert, Bisbe, dan Mendoza (2010)	1 – “sangat tidak setuju” ke 7 – “sangat bersetuju”.
Dinamik	4 items	Henri (2010)	1 – “tidak pernah” ke 7 – “kerap”.

Antara contoh item yang digunakan untuk mengukur elemen sistem pengukuran prestasi komprehensif adalah sistem pengukuran prestasi menyediakan maklumat menyeluruh berkaitan prestasi koperasi dalam bidang yang pelbagai, kepelbagaian maklumat berkaitan operasi koperasi dan konsisten menghubungkan prestasi operasi semasa dan strategi jangka panjang koperasi. Manakala elemen strategik diukur melalui matlamat prestasi dalam sistem pengukuran prestasi dihubungkan dengan jelas dengan strategi jangka panjang, terdapat penglibatan yang tinggi pihak pengurusan koperasi dalam merekabentuk dan memilih ukuran prestasi dan sistem pengukuran prestasi membantu pengurusan koperasi memahami hubungan antara aktiviti dan fungsi kerja. Kewujudan elemen dinamik dalam sistem pengukuran prestasi pula diukur berdasarkan kekerapan petunjuk prestasi digugurkan daripada sistem pengukuran, petunjuk prestasi ditambah dalam sistem pengukuran, perubahan berlaku dalam sasaran prestasi dan perubahan berlaku dalam definisi petunjuk prestasi.

Bagi memastikan soal selidik mempunyai tahap kepercayaan dan kesahan yang baik, pembinaan soalselidik dimulakan dengan merujuk kepada sorotan literatur terkini dan dihubungkait dengan sektor koperasi. Dua orang pakar dalam bidang kajian koperasi dirujuk untuk penelitian terhadap kesahan instrumen. Penambahbaikan dibuat berdasarkan cadangan pakar dan digunakan dalam kajian rintis. Hasil kajian rintis mendapati tahap kebolehpercayaan memenuhi keperluan kajian. Kemudian penyelidik menjalankan ujian analisis faktor dengan menggunakan 100 data kajian dengan matlamat untuk membentuk tiga faktor yang dicadangkan oleh literatur. Ujian analisis faktor berdasarkan *varimax rotation, Kaiser-Meyer-Olkin (KMO)* dan ujian *Bartletts's test of spherecity*. Keputusan analisis faktor menunjukkan tiada item yang perlu dibuang dan semua item dikelompokkan dalam faktor seperti dicadangkan oleh literatur.

Pemodelan persamaan berstruktur (SEM) juga dikenali dengan beberapa nama lain seperti *path analysis, covariance structure analysis* dan *latent variable analysis.* Secara umumnya, *SEM* merupakan kaedah statistik yang mengesahkan, bukan meneroka, hubungan yang wujud dalam struktur teori. kajian ini menggunakan dua langkah dalam membina model yang dicadangkan. Langkah pertama, Analisis Faktor *(Confirmatory Factor Analysis)* akan digunakan untuk menilai model yang hendak dibina supaya kajian dapat menghasilkan item-item yang benar-benar mewakili setiap skala (model pengukuran). Langkah kedua akan mengukur spesifikasi hubungan struktur model. Perisian AMOS menggunakan indeks kebagusuaian untuk mengukur kesesuaian model yang dicadangkan dengan data yang diperolehi. Para penyelidik mencadangkan penggunaan kombinasi tiga kriteria indeks; *absolute, incremental* dan *parsimonious*. Antara indeks yang kerap digunakan oleh para penyelidik ialah khi square/ darjah kebebasan (c^2/df), *Goodness of Fit* (GFI), *Adjusted Goodness of Fit Index* (AGFI), *Comparative Fit Indexes* (CFI), *Tucker Lewis Indexes* (TLI) dan *Root Mean Square Error Approximation* (RMSEA).

Dalam kajian ini, penyelidik memilih beberapa indeks yang mewakili ketiga-tiga kategori yang dicadangkan; *absolute, incremental* dan *parsimonious.* Menurut Hair, Black, dan Anderson (2010) penggunaan satu indeks sahaja tidak mencukupi untuk membuktikan tahap kebagusuaian padanan model dengan data, namun penggunaan terlalu banyak indeks menyebabkan kesukaran untuk memenuhi semua syarat yang diperlukan. Indeks kebagusuaian *absolute* merupakan ukuran langsung yang mengukur kebagusan model yang dibina oleh penyelidik dengan data yang diperolehi. Secara teknikalnya, indeks kebagusuaian *absolute* bersamaan dengan R^2 dengan membandingkan kebagusuaian dengan komponen jumlah *sum of squares* (Hu & Bentler, 1998). Hair et al (2010) menyatakan indeks kebagusuaian *absolute* merupakan pengukuran asas yang menilai kebagusan model menepati data yang dikumpulkan. Untuk kajian ini, indeks kebagusuaian *absolute* yang digunakan ialah RMSEA, SRMR, GFI dan AGFI.

Indeks kebagusuaian *incremental* ataupun dikenali indeks kebagusuaian *comparative* menilai keadaan model yang dicadangkan dengan mengambilkira beberapa syarat yang ditetapkan - *nested baseline model* (Hu & Bentler 1998). Model *baseline* yang paling popular ialah model null di mana semua pemboleh ubah kajian dibenarkan mempunyai varians tetapi tidak dikorelasi antara sesama pemboleh ubah (Hair et al. 2010). Dalam kajian ini, CFI dan TLI digunakan untuk mengukur samada model yang dicadangkan memenuhi *incremental fit indices*.

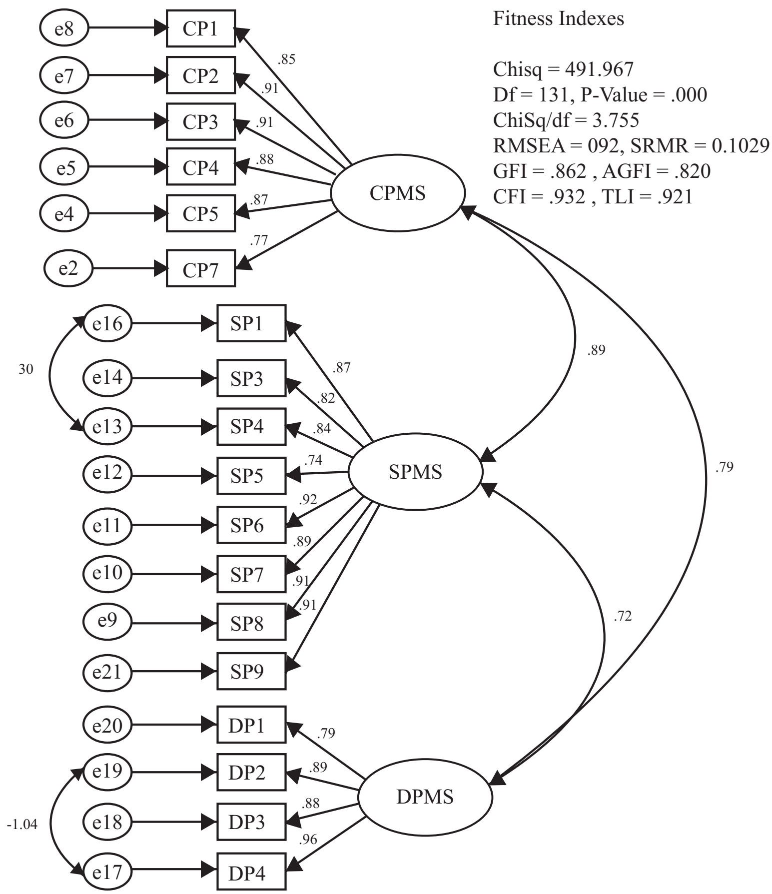
Indeks Parsimonious pula digunakan untuk menilai model yang terbaik selepas dibuat perbandingan dan pengubahsuaian. Ianya mengukur adakah wujud sebarang penambahbaikan yang berlaku terhadap model sediada berbanding model baharu ataupun perbandingan antara model yang mudah berbanding model yang kompleks (Hair et al. 2010). Asas pengiraan nisbah parsimonious adalah berdasarkan nisbah darjah kebebasan model yang dibandingkan dengan jumlah darjah kebebasan yang ada. Dalam kajian ini, nilai norma khi-square (X2/df) digunakan untuk mengukur indeks parsimonious. Jadual 6 menunjukkan indeks yang dipilih bagi tujuan mengukur kebagusuaian padanan dalam kajian ini.

Berdasarkan penelitian terhadap 37 kertas penyelidikan perakaunan yang diterbitkan daripada tahun 2000 hingga 2011, Herda (2013) mendapati indeks yang kerap dilaporkan ialah X2/df, RMSEA, CFI dan GFI. Untuk tujuan penilaian indeks kebagusuaian dalam kajian ini, penyelidik memilih untuk menggunakan indeks X2/df, RMSEA,SRMR, GFI, AGFI, CFI dan TLI.

Jadual 6 : Indeks Kebagusuaian Padanan yang digunakan dalam Kajian

Indeks Kebagusuaian Padanan	Aras dikehendaki	Sumber
Root mean square error of approximation (RMSEA)	≤ 0.08	Kline (2011) Browne dan Cudeck (1993) Bentler (1990)
Indeks *"goodness-of-fit"* (GFI)	≥ 0.90	Hair et al. (2010) Kline (2011)
Indeks "*Adjusted goodness-of-fit*" (AGFI)	≥ 0.90	Tanaka dan Huba (1985)
Comparative fit index (CFI)	≥ 0.9	Hair et al. (2010), Kline (2011), Bentler (1990)
Tucker Lewis index (TLI)	≥ 0.9	Bentler dan Bonett (1980) (Garson 2012)
Normed chi-square (c^2/df)	1.0 c^2/df 5.0	Cunningham (2008), Schumacker dan Lomax (2004) Marsh dan Hocevar (1985)

Dua langkah pembinaan model sistem pengukuran prestasi dijalankan iaitu pemadanan satu faktor dan pelbagai faktor. Pemadanan satu faktor dilakukan untuk setiap dimensi iaitu komprehensif, strategik dan dinamik. Kemudian ketiga-tiga dimensi digabungkan untuk membentuk model sistem pengukuran prestasi kontemporari.



Rajah 1 : Model Sistem Pengukuran Prestasi Kontemporari Koperasi Terbaik Malaysia

Rajah 1 di atas menunjukkan model yang dibina dengan memenuhi indeks kebagusuaian padanan yang dikehendaki. Terdapat dua items dibuang daripada dimensi komprehensif iaitu pernyataan berkait ukuran prestasi merangkumi aktiviti penting/kritikal operasi koperasi dan sistem pengukuran prestasi menunjukkan bagaimana aktiviti dalam koperasi saling mempengaruhi unit lain dalam koperasi. Manakala satu item dibuang daripada model sistem pengukuran prestasi strategik iaitu terdapat penglibatan yang tinggi pihak pengurusan koperasi dalam merekabentuk dan memilih ukuran prestasi. Butiran berkaitan item yang kekal dalam model sistem pengukuran prestasi kontemporari yang dibina adalah seperti dalam jadual 7.

Jadual 7 : Perincian Item Model Sistem Pengukuran Prestasi Kontemporari

Jenis	Item	Butiran
Sistem Pengukuran Prestasi Komprehensif	CP1	Maklumat menyeluruh berkaitan prestasi koperasi dalam bidang yang pelbagai
	CP2	Kepelbagaian set ukuran prestasi berkaitan prestasi koperasi
	CP3	Konsisten menghubungkan prestasi operasi semasa dan strategi jangka panjang koperasi
	CP4	Maklumat pelbagai dimensi prestasi koperasi
	CP5	Kepelbagaian maklumat berkaitan operasi koperasi
	CP7	Sistem pengukuran prestasi didokumenkan sepenuhnya untuk rekod penilaian prestasi
Sistem Pengukuran Prestasi Strategik	SP1	Matlamat prestasi dalam sistem pengukuran prestasi dihubungkan dengan jelas dengan strategi jangka panjang
	SP3	Hubungan antara aktiviti/fungsi dimasukkan dalam sistem pengukuran prestasi
	SP4	Sistem pengukuran prestasi membantu pengurusan koperasi memahami hubungan antara aktiviti dan fungsi kerja
	SP5	Para pekerja koperasi terlibat dalam merekabentuk dan memilih ukuran prestasi
	SP6	Sistem pengukuran prestasi menggunakan ukuran yang berkait dengan strategi
	SP7	Ukuran prestasi membantu pemahaman cara strategi boleh dicapai
	SP8	Sistem pengukuran prestasi menerangkan hubungan sebab dan kesan
	SP9	Sistem pengukuran prestasi menggunakan ukuran terpilih disesuaikan dengan strategi
Sistem Pengukuran Prestasi Dinamik	DP1	Petunjuk prestasi digugurkan daripada sistem pengukuran
	DP2	Petunjuk prestasi ditambah dalam sistem pengukuran
	DP3	Perubahan berlaku dalam sasaran prestasi
	DP4	Perubahan berlaku dalam definisi petunjuk prestasi

PERBINCANGAN

Model sistem pengukuran prestasi kontemporari dalam kajian ini mengandungi tiga dimensi iaitu strategik, komprehensif dan dinamik. Model pengukuran yang menggabungkan ketiga-tiga elemen didapati padan dengan data yang diperolehi. Ini menunjukkan sistem pengukuran prestasi yang digunakan dalam kalangan koperasi terbaik Malaysia bersifat kontemporari. Model pengukuran sistem pengukuran prestasi strategik yang padan dengan kajian ini mempunyai ciri-ciri seperti matlamat prestasi dalam sistem pengukuran prestasi dihubungkan dengan jelas dengan strategi jangka panjang, hubungan antara aktiviti/fungsi dimasukkan dalam sistem pengukuran prestasi dan sistem pengukuran prestasi membantu pengurusan koperasi memahami hubungan antara aktiviti dan fungsi kerja.

Ciri-ciri sistem pengukuran prestasi komprehensif pula adalah seperti sistem pengukuran prestasi membantu pengurusan koperasi memahami hubungan antara aktiviti dan fungsi kerja, konsisten menghubungkan prestasi operasi semasa dan strategi jangka panjang koperasi dan sistem pengukuran prestasi didokumenkan sepenuhnya untuk rekod penilaian prestasi. Manakala ciri-ciri sistem pengukuran prestasi dinamik adalah berlakunya penambahan ukuran dalam sistem pengukuran prestasi, berlakunya perubahan terhadap sasaran prestasi dan pendefinisian petunjuk prestasi yang berubah. Kepentingan sistem pengukuran prestasi kontemporari ini disokong oleh Franco-Santos et al. (2012) dan kesan sistem pengukuran prestasi ini terbahagi kepada tiga: gelagat manusia, keupayaan organisasi dan kesan terhadap prestasi. Antara contoh kesan sistem pengukuran prestasi terhadap gelagat pekerja ialah penglibatan, kerjasama, motivasi, gelagat kerakyatan organisasi, kefahaman terhadap tanggungjawab, proses membuat keputusan, persepsi terhadap kepercayaan, kepuasan kerja dan prestasi kerja.

Walau bagaimanapun terdapat beberapa item yang tidak padan dengan dengan model yang dibina seperti ukuran prestasi merangkumi aktiviti penting/kritikal operasi koperasi dan menunjukkan bagaimana aktiviti dalam koperasi saling mempengaruhi aktiviti lain. Kedua-dua item tersebut merujuk kepada sistem pengukuran prestasi komprehensif. Pengukuhan kepada kedua-dua item boleh dilaksanakan dengan menggunakan kad skor pengimbang *(balanced scorecard)* dalam aktiviti pengurusan koperasi. Firmansyah (2015) mendapati koperasi di Indonesia berjaya diurus dengan baik melalui penggunaan kad skor pengimbang berdasarkan empat persepktif; kewangan, pelanggan, operasi dalam koperasi dan pembelajaran. Di Malaysia pula, tiga pembolehubah yang mempengaruhi kejayaan koperasi adalah struktur modal, modal insan dan penglibatan ahli (Khan et al., 2016). Ketiga-tiga faktor ini merentasi keperluan wujudnya sistem pengukuran prestasi yang kontemporari.

KESIMPULAN

Peranan ahli lembaga amat penting untuk menentukan kelestarian koperasi yang diuruskan oleh mereka. Keperluan kepada satu sistem pengukuran prestasi yang kontemporari amat dituntut tambahan pula fenomena revolusi industri 4.0 meletuskan peralihan kaedah perniagaan yang berteraskan maklumat dan internet. Pihak pengurusan koperasi perlu segera bertindak membuat penyesuaian agar sentiasa berada di barisan hadapan melakukan perubahan. Dapatan kajian ini membuktikan amalan sistem pengukuran prestasi kontemporari sememangnya telah menjadi amalan dalam kalangan 100 koperasi terbaik di Malaysia. Amalan strategik, komprehensif dan dinamik wujud dalam pengurusan namun perbezaan motif penubuhan koperasi yang anggotanya secara sukarela bersatu menjaga kepentingan bersama dari aspek ekonomi, sosial dan budaya melalui satu badan yang dikawal secara demokrasi memerlukan pihak pengurusan membuat penyesuaian kepada amalan sedia ada.

Hasil kajian ini dapat dimanfaatkan oleh pihak-pihak yang terlibat dengan pengurusan koperasi. Ahli Lembaga Koperasi (ALK) yang menjadi tulang belakang pergerakan koperasi perlu memanfaatkan model sistem pengukuran prestasi kontemporari dalam perancangan dan pelaksanaan perancangan strategik koperasi agar pemantauan berjalan lancar. Pihak Maktab Koperasi Malaysia yang bertindak menyediakan kursus pengajian untuk pengurusan koperasi dicadangkan memasukkan bengkel amalan sistem pengukuran prestasi kontemporari dalam kalendar latihan tahunan agar dapat dikongsi dengan ahli lembaga koperasi yang telah mencapai 13899 koperasi sehingga 31 Disember 2017. Pengetahuan tentang sistem pengukuran prestasi kontemporari dalam kalangan ALK dapat membantu Suruhanjaya Koperasi Malaysia merangsang pembangunan koperasi supaya kompetitif, berdaya tahan, mampu bersaing dan progressif. Akhirnya kefahaman yang baik terhadap sistem pengukuran prestasi kontemporari membolehkan penilaian untuk menentukan 100 koperasi terbaik Malaysia pada setiap tahun berjalan lancar kerana setiap koperasi yang berpotensi untuk disenaraikan berjaya mencapai tahap prestasi kewangan, perniagaan, pengurusan dan pematuhan perundangan yang memuaskan mengikut piawaian yang ditetapkan oleh Suruhanjaya Koperasi Malaysia (SKM) dan diselarsakan dengan kriteria yang digunapakai oleh *International Co-operative Alliance* (ICA).

Teori berasaskan sumber yang digunakan dalam kajian secara jelas menekankan organisasi boleh memperolehi kelebihan daya saing yang berterusan dengan melaksanakan strategi yang menggunakan sepenuhnya kekuatan dalaman yang dimiliki, bertindak balas terhadap peluang di samping meneutralkan ancaman luaran dan mengelakkan kelemahan dalaman (Barney, 1991). Selain itu, Barney, Wright, & Ketchen (2001) juga menyatakan bahawa teori ini merupakan kerangka yang paling penting untuk memahami pengurusan strategik. Keunikan model sistem pengukuran prestasi kontemporari ini disokong oleh teori berasaskan kerana ianya boleh dijadikan model untuk diamalkan oleh pihak pengurusan koperasi yang terdapat di Malaysia.

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EFFECTIVENESS OF COOPERATIVES IN COFFEE VALUE CHAIN: AN ANALYSIS IN SASIGA DISTRICT OF OROMIA REGION, ETHIOPIA

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ABSTRACT

Ethiopia is producing ranges of coffee varieties with unique flavors, quality and traditional organic and shade grown coffee by smallholder farmers for which actors including cooperatives are involved in adding values at each stage of the activities of the value chain. This study focused on examining the linkage between cooperatives and other actors in coffee value chain, and analyzing factors influencing the effectiveness of cooperatives in coffee value chain. The study was conducted in Sasiga district. All the five primary coffee cooperatives were selected purposively and 134 respondents were selected using PPS sampling technique. Both primary and secondary data collection methods were used. The data was analyzed using descriptive statistics and Binary logistic regression model. The result of the descriptive statistics showed that there was strong linkage among chain actors. The binary logistic regression model revealed that trust, technology, market information and training has statistically significant positive partial effect on the effectiveness of cooperatives in coffee value chain at P-value of less than 5% while timely delivery of products and financial support have statistical significant positive effect on the effectiveness of cooperatives in coffee value chain at p-value of between 5%and 10%. Though the result of the descriptive statistics showed that there is strong linkage among chain actors, greater attention should be given by all stakeholders to further strengthen the linkage by minimizing the adverse effect of practices which erodes members trust and affects the effectiveness of cooperatives in coffee value chain. On top of these, the chain actors should exchange technologies and market information to increase their competitiveness. Sustained training has to be offered to cooperatives based on need assessment to enhance their technical capacity to process coffee for adding value. Similarly, coffee cooperatives financial base has to be strengthened through promoting self-financing strategies and interventions.

Key words: *Coffee, Cooperative, Effectiveness, Linkage, Value Chain*

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BACKGROUND & LITERATURE REVIEW

Ethiopia—the birthplace of Arabica coffee grows a wide variety of highly differentiated, exemplary coffees, most of which are shade-grown without chemical inputs by small-scale farmers. Agricultural Cooperatives in Ethiopia (ACE) project, with funding from USAID, has enabled smallholder cooperatives to capitalize on these strengths and become market leaders in the fast-growing specialty coffee sector (Chambal and Ruth, n.d).

The production of coffee is of an enormous relevance for Ethiopia, playing a dominant role in economy, ecology, socio-cultural and spiritual terms. The agriculture based Ethiopian economy is highly dependent on coffee since it accounts for more than 25% of the GNP and 65% foreign currency of all export earnings. Coffee production in Ethiopia is the driving force since over a million coffee farming households and about 25% of the total population of the country is dependent on production, processing, distribution & export of coffee (World Bank 2009).

Ranking eighth in the world and first in Africa, Ethiopia's annual coffee production is approximately 280,000 metric tons (MT), almost half of which consumed domestically, often in the culturally rich traditional coffee ceremony. Smallholder farmers mostly produce coffee with fragmented landholding and small size ownership (1-2 hectares) living earning less than a dollar per day. With prices of approximately \$1.20 to \$1.50 per pound for washed coffee, the specialty market is an avenue for Ethiopian farmers to significantly increase their incomes and improve the quality of their lives. As the East African Fine Coffee Association (EAFCA), one-third of Ethiopia's coffee exports for the most recent year were washed (EAFCA, 2008). Small scale farmers which account for 90–95% of the total production produce most coffee with 1-2 hectares of land. The varieties of distinctively flavored coffee beans produced in Ethiopia, based on their contribution to the country's export, are Jimma, Gimbi, Lekempti, Sidamo, Yirgacheffe and Harar. These coffee types are internationally recognized and marketed either in blend or as 100% Ethiopian products and they command better prices. Ethiopia produces around 4% of world production and more than 30% of the total production in Sub-Sahara Africa and the government favors the export of high grade coffee and restricts its sale on the domestic market (MoARD, 2009).

Many advocate of fair trade consider co-operatives bring people together for economies of scale. Important horizontal linkages also exist at the union level. In addition to sharing market information and contacts, solutions to shipping and logistical problems have often come through the assistance of other coffee unions (Chambal and Ruth, nd). Coffee producers are locked into production chains: their produce reaches consumers in different countries having passed through the hands of intermediaries. Each of these intermediaries adds value to the final product. The concept of the value chain describes input and output relationships and identifies key actors who play a critical role in coordinating production in the chain.

The actors of a value chain as well as the input-output, and the territorial structure along with technical structure also define a value chain. Value chain actors are those involved in supplying inputs, producing, processing, marketing, and consuming agricultural products. They can be those that directly involved in the value chain (rural and urban farmers, cooperatives, processors, traders, retailers, cafes and consumers) or indirect actors who provide financial or non financial support services, such as credit agencies, business service and government, researchers and extension agents.

STATEMENT OF THE PROBLEM

Value chain analysis extends traditional supply chain analysis by adding values to each stage of chain. This can result in which value at one stage seen as being at the expense of value at another. Over the past decades, the coffee industry has witnessed dramatic falls in the producer (farmer) share of retail price.

Many researchers have found out that farmer who did not processing to their coffee cherries got just a very minute percent of the final retail value. In other words this indicate that, the percentage of the final retail value that is retained by the producers is much higher in if coffee value chain supported by a fair trade system through cooperative and other stakeholders in the system. Similar to other countries, Ethiopian coffee producers also face problems at different stages in relation with finance which supports farmers in production activities, building their knowledge about agronomic practice, and less awareness in the market area to whom they have sale their products and how? Moreover, input output relation at all level. For instance, coffee farmer's use inputs like selected seed varieties, compost, agricultural tools and poly bags. Among these the main and most important one highly demanded by the coffee producers is the coffee seed which must be disease resistant and of better quality (OCFSU, 2009).

With regards to coffee cooperatives, they were still faced with the reputation and lack of trust that came from their political use during the Derg regime. They were not seen as businesses providing services and adding income to their members. Coffee cooperatives with washing stations were inefficient, with some even running at a loss, the washed coffee was often of poor quality. The processing problems primarily flowed from poor technical and management operations. In many cases, cooperative farmer members received better prices and payments in cash for their cherries from nearby private washing stations. The cooperatives were selling to traders and in a few cases directly into the auction for below-premium prices.

The government recognized the serious problems that the coffee cooperatives faced, especially in terms of delayed payments from the private traders, and permitted them to sell directly to buyers without going through the auction. This change is approved in 2001, but the cooperatives were not in a position to take advantage of this reform. There are several problems in coffee value chain in the study area like:

- ✓ Procedure of processing had not been maintained and upgraded through exchanging sufficient knowledge and skill between actors. Moreover, poor quality processing that created higher costs and reduced the quality of the beans reaching the markets. (EAFCA, 2008).
- ✓ Availability of loan funds to rural processors and traders to invest and operate their businesses is practically less intended for poor linkages in the value chain actors. (MoARD, 2009).
- ✓ Majority of cooperative members have a minimum awareness regarding to coffee value chain and inadequate knowledge and skills on quality coffee production systems among value chain actors. Hence, no attention is given for linking with actors. Due to this existing coffee production system suffered from poor returns.

Although coffee is an economically important commodity for country and individuals. However, there was no study conducted on the effectiveness of coffee cooperatives in coffee value chain. In light of this, the research tried to analyze the effectiveness of cooperatives in coffee value chain in Sasiga Woreda, Oromia region in general and attempts to explore the linkage between cooperatives and other actors in coffee value chain; and factors affecting the coffee value chain in particular.

OBJECTIVES OF THE STUDY

- To examine the linkages between cooperatives and other actors in the coffee value chain; and
- To analyze factors influencing the effectiveness of cooperatives in coffee value chain.

Conceptual Framework of the Study

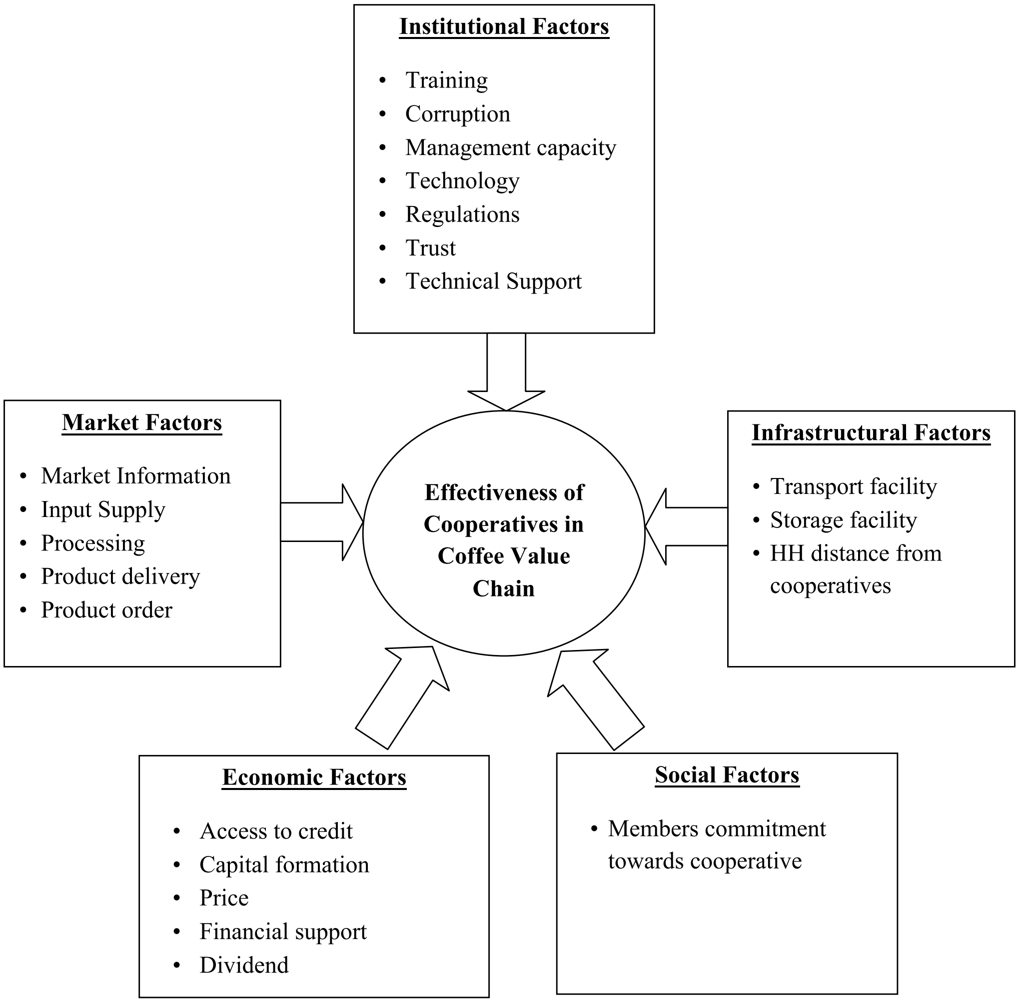

Figure 1: Conceptual Framework of the Study

METHODOLOGY

Sampling Technique and Frame

Sample Frame

The study was conducted in Sasiga Woreda coffee cooperatives. Using census method all five coffee cooperatives were selected. (See Table 1) for the study.

Table 1: Sample Frame of the Respondents

S. No.	Name of the Cooperatives in the Woreda	Year of Registration	No. of Members			No. of Non Members	Total Population	Sample Proportion
			`Male	Female	Total			
1.	Gaba Dilbata	1971 G.C	670	14	684	5116	5800	27
2.	Nanosanbat Dure	1971 G.C	737	19	756	6564	7320	29
3.	Tsige	1971 G.C	554	10	564	2896	3460	22
4.	Feyina Jimata	1971 G.C	766	46	812	6788	7600	32
5.	Gaba Jimata	1971 G.C	693	23	716	5324	6040	28
TOTAL			**3,420**	**112**	**3,532**	**26,688**	**30,220**	**134**

Source: Sasiga Woreda Cooperative Promotion Office (2013)

Sample Size

The sample size of the study or the number of member of the respondent was determined using Kothari (2004) sampling design formula.

$$n = \frac{p * q * z^2 * N}{(N-1)e^2 + z^2 * p * q}$$

Where;
n= sample size, 134

N= Total population   30,220

Z= 95% confidence interval under normal curve (1.96)

e= acceptable error term (0.05) and

P and q are estimates of the proportion of population to be sampled (p=0.1 and q= 0.9)

From five coffee cooperatives one hundred thirty four respondents were selected by using probability proportional to size of membership.

In addition, in this study actors in coffee value chain were selected and incorporated purposively due to having direct relationship with the activities of coffee value chain as shown in the Table 2.

Table 2: List of Respondents for KI and FGD

S. No.	Respondents	No. of Respondents
1	Management committee	5* 5=25
2	Wholesalers	5
3	Promoters	5
4	Local consumers	10
5	Private traders	2
6	Oromia coffee union staffs	5
7	Private exporter	1
8	ECX Staffs	2
Total		**55**

Method of Data Collection

The primary data necessary for the study were collected from sample respondents by using semi-structured interview. For data collection, five enumerators, who have acquaintance with socio economic concepts and knowledge of the culture of the society as well as Oromifa language proficiency were selected, trained and employed. The interview schedule consisted of different type of questions or items, related to the topic of the research and relevant variables to gather the needed information. Thus, the semi structured interview schedule was developed and used in order to allow the respondents to freely express their opinion on issue related to the research study topic. After formulating the interview schedule it was edited for its observed consistency and logical sequence with frame of reference of the respondents. Qualitative data were collected through personal observation, focus group discussions, and key informant interviews.

Type of Data Source

Primary and secondary data were used. Primary data were collected from respondents and the secondary data were collected from records of different books, reports from government bodies, journals, thesis, internet sources that are appropriate for the study.

Method of Data Analysis

Descriptive Analysis

In this study, data were analyzed using different quantitative and qualitative procedures and methods. Prior of analyzing the data collected, checking its completeness, editing, organizing and coding activities is carried out to attain the stated objectives of the study. Specifically, descriptive statistics like mean, percentage, frequency and minimum and maximum values were used by employing statistical software called Statistical Package for Social Science (SPSS). Version 16.0.

Econometric Model - ***Binary Logistic Regression***

The logit and probit models will guarantee that the estimated probabilities will lay between logical limit 0 and 1 (Pindyck and Runbinfeld, 1981). Because of this and other facilities, the logit and the probit models are the most frequently used models when the dependent variable happens to be dichotomous (Maddala, 1989; Liao, 1994; Gujarati, 2004). In the analysis of data binary logit models is used with the view of addressing the objectives of the study. In order to understand the objective of this study the binary logistic regression model is employed to examine the effectiveness of coffee value chain. The built model can be used to approximate the mathematical relationships between explanatory variables and the dependent variables. This model is used because the dependent variable is binary (0, 1). This model is used to analyze whether coffee value chain is effective or not. Similarly a linear probability model may generate predicted value outside 0 and 1 interval which violate the basic tenets of probability (Gujarati, 1994) and this problem can be solved by using probit and logit models. Even though the Logit and Probit models are comparable, Liao (1994) as cited in Hilina (2005) reported that Logit model has the advantage that these predicted probabilities could be arrived at easily.

Therefore, in this study logistic regression model is fitted to estimate the strength of the relationships of each independent variable is controlled. Accordingly, in this model, the dependent variable takes the value of 1 if cooperatives are effective in coffee value chain i.e. cooperatives are effective in coffee value chain with the probability of Pi, otherwise a value of 0, i.e. cooperatives in coffee value chain is ineffective with the probability of 1-Pi. To estimate this type of relationship, it requires the use of qualitative response models. Specification of the model is as follows:

$$Pi = F\,(Zi) \qquad 1$$

$$Zi = Bo + \sum_{i=1}^{n} BjXji = \{log\left(\frac{P}{1-P}\right) = Zi = \propto + BiXi + \cdots + BnXn \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots 2$$

(Engleman, 1981 and Gujarati, 1988)

Where, Pi = the likelihood of the effectiveness of cooperatives in coffee value chain, the binary variable, Pi= 1, if cooperatives are effective in coffee value chain and Pi= 0, if otherwise.

Zi= Estimated variable for the i^{th} observation,

F= the functional relationship between Pi and Zi. i= 1, 2….m are observation on variables for cooperatives in coffee value chain, n being the sample size 134.

Xji= the j^{th} explanatory variable for the i^{th} observation=1, 2…………….n.

Bj= a parameter, j= 0, 1………………………n.

j= 0, 1…………………………, n. Where n is the total number of explanatory variables.

The logit model assumes the underlying index; Zi is a random variable that predicts the probability of effectiveness of Cooperatives in coffee value chain.

$$Pi = \frac{1}{1+e^{-Zi}} \qquad 3$$

$$1 - Pi = \frac{1}{1+e^{Zi}} \qquad 4$$

If Pi is the probability of effectiveness of cooperatives in coffee value chain, then (1-Pi) is otherwise

If the disturbance term Ui is taken into account, the logit model becomes

$$Zi = \mathrm{Bo} + \sum_{i=1}^{m} \mathrm{BiXi} + \mathrm{Ui} \qquad 5$$

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This section summarizes and concludes the discussions of the data analysis and gives policy recommendations of the study of coffee value chain conducted in Sasiga Woreda, Oromia National regional state with a special reference to Sasiga Coffee cooperatives.

Summary of Findings

The results of the study were analyzed using descriptive statistics and econometric models summarized as follows.

There is a strong vertical linkage and subsequent institutional linkage among the coffee value chain in Sasiga coffee cooperatives. Strong business linkage where private coffee seed multipliers and input supplier plays a major role in supplying the necessary input to farmers. Marketing, business development and technical support linkage is another major chain support facilities observed in Sasiga coffee cooperatives. Even though this is at its initial stage, it is showing promising results as Oromia coffee union is playing critical role in terms of creating and finding the best market opportunity for primary cooperatives. Technical support services are obtained from different actors from union, primary cooperative, agricultural office and cooperative office. These supports includes but not limited to: training on top of storage preparation, harvesting mechanism, quality keeping, and record keeping and planning on the overall cooperatives activities and members in particular.

In Sasiga coffee cooperative, there are multilateral horizontal linkages among different actors. These are characterized by the linkage structure where primary cooperatives are liked to many other primary cooperatives and share their experience to the extent of sharing resources (capital).

To describe the socio economic characteristics of the survey respondents, the majority of them are male respondents (79%). As far as the marital status is concerned, most of them (90%) are married. The religious composition of the respondents, 25.4%, 72.4%, 1.5% and 7% of respondents found to be followers of Orthodox Christians, Protestants Christians, Muslim and others respectively. As regards to their ethnic background, 100% of them are from Oromo ethicist background. Regarding their education status, more than 70% of them are illiterate.

The descriptive analysis showed that, about 62.7% of the respondents received any form of training related to coffee value chain. The study also revealed the majority of the farmers have trusted their cooperatives. This variable is found to be statistically significant in influencing the effectiveness of the cooperatives in coffee value chain.

Despite the fact that market information is a very important variable having positive effect on the cooperatives effectiveness in coffee value chain, only 46.3% of the sampled respondents in the area have access to timely market information. Cooperatives offer better prices as compared to other market actors as witnessed by 72.4% of the respondents. However, the same study witnessed that the prices offered by cooperatives is not sufficient for members coffee product as viewed by 56.7% of the sampled respondents. On top of this, the opinion of 82.8% of the respondents showed members obtain payment from their cooperatives on time. They have also sufficient transport facilities as evident from 84.3% of the sampled respondents.

The capacity of the management committee of the cooperatives in managing the cooperative was viewed as positive by many respondents (87.3%). One of the critical factors influencing the effectiveness of the coffee value chain are whether there exists sufficient input supply, financial support and timely delivery of the products. In these regard, 53%, 70%, 53%, and 82% of the respondents responded positively on the mentioned variables. These figure showed that coffee value chain in Sasiga coffee cooperatives seems to be more effective as far as these explanatory variables are concerned.

The discussion on econometric analysis of the factors influencing the effectiveness of the coffee value chain gives a good understanding of the strength of factors that affect the coffee value chain. In the regression analysis, eight variables were used to explain the effectiveness of coffee value chain in Sasiga coffee cooperatives. The Negelkerke R Square is used to measure the proportion of the total variation of the dependent variable explained by the predictor variable. Accordingly, in this study 89.5% of the variance in the dependent variable "effectiveness of cooperatives in coffee value chain" is explained by the variance in the predictor variables.

Out of the total eight variables included in the model, it was found out that only six of them have statistically significant partial effect on the effectiveness of cooperatives in coffee value chain. Accordingly, Trust(X_{24}), Technology(X_{16}), and Training (X_7) has significant positive partial effect on effectiveness of cooperatives in value chain at Wald ψ^2 ρ-value of less than 0.01, Market Information(X_9) is also has significant positive effect at p-value of 0.05. while Timely delivery of products(X_{19}) and Financial Support (X_{23}) have statistical significant positive effect on the effectiveness of Cooperatives in coffee value chain at ρ-value of less than 0.10. Other variables such Engagement in coffee processing (X_3) and product ordering (X_{20}) activities though they are not statistically significant have some positive partial effect on the effectiveness of cooperatives in coffee value chain.

CONCLUSION

The focal point of this thesis was to analyze the effectiveness of cooperatives in coffee value chain in Sasiga Woreda. Based on the specific objectives of the thesis the following conclusions were drawn from the data analysis.

Linkage between the actors in coffee value chain is characterized by both vertical and horizontal linkage. This linkage is characterized by a fair and good relationship among actors. There are different roles and mandates of service providers that ensure the effectiveness of the Sasiga Coffee cooperatives, but should work in a more synergetic way to maximize the effectiveness of the coffee value chain. The business linkage like supply of inputs and chemical are some of the important components of vertical linkage between actors. In addition marketing and technical linkage was found to be other critical components in the coffee value chain in Sasiga coffee cooperatives.

Binary logistic regression model was used to predict the parameters of explanatory variables affecting the dependent variable. A step by step approach was employed to identify statistically significant predictor variables. Initially, eight variables were entered and only six of them were found statistically significant factors that influence the effectiveness cooperatives in coffee value chain. Accordingly, variables such as trust, technology, market information, training, timely delivery of products, finical supports were found to be critical factors influencing the effectiveness of cooperatives in coffee value chain.

Recommendations

Based on the results of this study, the following recommendations are given so as to be considered in the future intervention strategies to make the coffee value chain more effective and result oriented.

- Since the strength of the linkage among chain actors is one of the most determining factors for the effectiveness of the coffee value chain greater attention should be given by all stakeholders to design strategies on how to smooth their relationship and avoid any bottlenecks such as lack of trust, bribery practice and designing efficient customer service.

- Another factor that influence the effectiveness to coffee value chain whether or not the members received any form of training related to cooperatives and their production, marketing and etc. This training should be the major component of the service provided to members. This could be done in collaboration with other service providers and NGOs that deliver such kind of training in a more professional and adequate manner.

- Credit facility and the size of working capital owned by members are also significantly affecting the effectiveness of coffee value chain. Thus, sufficient credit facilities should be available in a timely manner to cooperative members. Microfinance institutions play a crucial role in this regard and strategies should be designed to link microfinance with the cooperatives and appropriate repayment arrangement and loan size should be negotiated in line with the business-financing requirement of the members of the cooperatives.

- Access to market information is a very important variable affecting the chain effectiveness. Dissemination of market information like price levels, linking farmers with the market is believed to enhance the chain effectiveness. Efforts have to be made to link farmers to the market and appropriate infrastructure should be in place.

- Regarding the prices paid by cooperatives to their members, the prices should be fair enough to compensate farmers for their cost of production as well and some profit margin. This could reduce the amount of leakage that is lost where farmers sell their product to informal markets. On top of this prompt payment is very important for farmers.

- Even if the capacity of many cooperative committee members is viewed as positive by many respondents, greater care must be taken in the recruitment and selection of these committee especially focusing on their character and ethical standards to reduce abusive and corrupt practice.

- Input supply to producers is found to be very important in determining the effectiveness of the coffee value chain. Thus, government (woreda level agriculture and development offices) needs to work hard in supplying inputs such as fertilizer, seed and chemical's needs.

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Annex 1: Correlation Matrix

		Constant	Trust	Financial Support	Technology	Training	Market Information	Product Ordering	Product Delivery	Processing
Step 1	Constant	1.000	-.798	-.530	-.715	-.650	-.464	-.423	-.493	-.514
	Trust		1.000	.355	.715	.433	.284	.070	.436	.419
	Financial Support			1.000	.347	.229	.203	.171	.117	.262
	Technology				1.000	.446	.234	.032	.251	.379
	Training					1.000	.299	.075	.053	.376
	Market Information						1.000	.109	.105	.248
	Product Ordering							1.000	.201	.087
	Product Delivery								1.000	.068
	Processing									1.000

Source: computed from survey data 2013

Annex 2: Logistic Regression Result of Partial Effect of Predictor Variables

		B	S.E.	Wald	df	Sig.	Exp(B)	95.0% C.I.for EXP(B)	
								Lower	Upper
Step 1[a]	Trust	4.020	1.429	7.916	1	.005	55.687	3.386	915.951
	Financial support	1.782	.946	3.546	1	.060	5.940	.930	37.952
	Technology	4.481	1.271	12.428	1	.000	88.305	7.313	1.066E3
	Training	3.783	1.171	10.441	1	.001	43.944	4.430	435.947
	Market Information	2.211	.923	5.737	1	.017	9.126	1.495	55.730
	Product Ordering	1.650	1.074	2.360	1	.124	5.208	.634	42.746
	Timely delivery	1.883	1.016	3.433	1	.064	6.575	.897	48.207
	Coffee Processing	.614	.396	2.409	1	.121	1.849	.851	4.016
	Constant	-11.985	2.986	16.115	1	.000	.000		

a. Variable(s) entered on step 1: X_{24}, X_{23}, X_{16}, X_7, X_9, X_{20}, X_{19}, X_3. Source: Computed from survey data, 2013

SURVIVAL STRATEGIES OF PRODUCER COOPERATIVES IN UGANDA: A CASE STUDY OF NYAKATONZI GROWERS' COOPERATIVE UNION, KASESE DISTRICT

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ABSTRACT

The study investigated the survival strategies of producer cooperatives in Uganda, by using Nyakatonzi Growers' Cooperative Union as a case study. The study explored the role of diversification; examined members' participated in the union activities; assessed the role of cooperative leadership and management; and established the extent to which the financial and asset base facilitated the survival of the cooperative union. A case study research design combining both qualitative and quantitative data collection methods was used. Data was collected in January 2013 using a questionnaire, interview techniques and observation with 100 respondents from four primary cooperative societies (PCSs) affiliated to Nyakatonzi Growers' Cooperative Union. Data was analysed using SPSS16. The study established that diversification played a significant role in the survival of the cooperative union. The board of directors made union decisions through the top-bottom approach, ensured strategic planning, and supervised management and mobilised resources. Nonetheless, a competent, skilled and innovative management empowered through capacity-building programmes ran the union and access to information and assets enhanced production. The study recommends that producer cooperatives should pursue diversification through a variety of commodities and value addition for higher bargaining power in the market. Uganda Cooperative Alliance (UCA) should strengthen the growth of PCSs through capacity-building and empowerment programmes for effective members' participation. The government also should spearhead awareness drives about cooperatives, establish a framework for impact assessment, monitoring and evaluation (M&E) and review the status of existing cooperatives.

Keywords: *Cooperatives, Survival, Diversification, Membership, Leadership and Management, Resources.*

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BACKGROUND AND CONTEXT OF THE STUDY

The International Cooperatives Alliance (ICA) (2010) defines a cooperative as 'an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise'. This gives the notion that cooperatives are voluntary business associations formed by people with or without means through the contribution of share capital that forms the basis for sharing out the profits that accrue from the business. On the other hand, a producer cooperative is an association of independent members who jointly own their produce and make vital decisions regarding storing, marketing and the provision of inputs and knowledge to their members regarding modern methods of farming. The income generated from the enterprise can also be used to meet other socio-cultural needs and aspirations as determined by members. The other characteristic of this form of organisation is that the association is open and voluntary; a member is free to join and also cease to be a member at their discretion (Wanyama et al., 2008).

According to ICA (2010), cooperatives are built on the values of self-help, self-responsibility, democracy, equality and equity and solidarity. Cooperative members believe in the ethical values of honesty, social responsibility and caring for others. These values are guided by principles such as voluntary and open membership, democratic member-centred, member economic participation, autonomy and independence, education, training and information as well as cooperation among cooperatives and concern for the community. Cooperatives offer an institutional framework with communities gaining control over productive activities and livelihoods (Wanyama et al., 2009; Krishnaswami, 1985; Crawford et al., 1981).

The role of cooperatives in socio-economic development and poverty alleviation cannot be underestimated basing on their principles, values and unique nature in both developed and developing countries. Their importance has been further acknowledged through the United Nations' declaration of 2012 as the *International Year of Cooperatives*.[1] For instance, cooperatives foster the social inclusion of all members of the community, including special groups like women and youth, and the informal sector formally neglected by other programmes.

Evidence shows that cooperatives have significantly contributed to the mobilisation and distribution of financial capital by creating employment directly or indirectly, as well as income-generating opportunities for both their members and non-members alike owing to open membership devoid of ethnic, class and or professional biases. They have helped to reduce

1 Message of the Director-General of Food and Agriculture Organisation of the United Nations (FAO), Jose Graziano da Silva, on World Food Day, 16 October 2012, under the theme "Agricultural Cooperatives: Key to Feeding the World", Supplement 16 Oct. – 30 Nov. 2012. *Farmers' Media*, p. 11.

inequality and exclusion in society by affording to those willing to join opportunities to generate an income. The ICA (2010)[2] has reported that cooperatives have provided 100 million jobs worldwide, 20% more than multi-national enterprises, while over 1 billion people are members of cooperatives. Studies in developing countries paint a similar picture. For instance, in Kenya, 77,400 people are directly employed cooperative staff, 28,000 in Ethiopia; 2,823 in Uganda and 3,130 in Ghana; whereas 21,000 people are employed as casual laborers in Ethiopia and 4,476 in Rwanda respectively (Develtere et al., 2007). Up to 924,000 farmers in Kenya earn income as a result of their membership, 4 million in Egypt and about 900,000 in Ethiopia owing to cooperatives (Lemma, 2007).

In Uganda, cooperatives date as far back as 1913 when the first farmer cooperative – Kinakulya Cooperative Society – was established. This was in response to the hostile terms of trade imposed on smallholder farmers by the colonial superintendents and middlemen who monopolised domestic and export markets for cash crops like coffee, cotton, tea and tobacco (Kabuga and Kitandwe, 1995). The farmers' cooperative enterprise provided a system where smallholders jointly bargained for higher output prices, attained higher margins through economies of scale and engaged in value addition, thereby providing an ideal solution in such an economic environment. By 1980s, cooperatives had successfully neutralised the effects of an unfavorable market position for smallholder farmers. However, subsequent market liberalisation, government interference, political instability, mismanagement and corruption made most producer cooperatives collapse (Kyazze, 2010; Omona, 2010).

Unquestionably, renewed government momentum seems to be skewed towards a new genre of cooperatives, Savings and Credit Cooperative Societies (SACCOs). Over 10,687 SACCOs have already been registered, with over 3.9 million members, and the numbers keep growing. This is to the detriment of producer cooperatives (Bottelberge and Agevi, 2010; Develtere et al., 2008). Although SACCOs could equally facilitate savings and investments in productive activities, inadequate collateral security as a prerequisite to borrowing excludes most rural people. This development seems to be detrimental to the re-emergence of producer cooperatives. Yet, not only do these enterprises emphasis production, value addition, farmer education, inward, forward and backward linkages among producers and cooperative management, but also the provision of inputs, which are cardinal for the cooperative sector to achieve the envisaged objectives (Kwiringira et al., 2011). Moreover, the National Development Cooperative Policy (2011) does not mention producer cooperatives which survived and how they managed to do so (Republic of Uganda [RoU], 2011).

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2 http://www.un.org/ar/events/cooperativesday/pdf/more.background.info.pdf. Accessed on 24/2/2012

Remarkably, however, not all producer cooperatives in Uganda collapsed. A few have survived to this day, and one of them is Nyakatonzi[3] Growers' Cooperative Union, which managed to remain functional amidst an unfavorable environment (Kwapong and Korugyendo, 2010a). Therefore, this study seeks to examine underlying survival strategies such as product diversification, strong and active membership, good leadership and management and a financial and asset base which Nyakatonzi Growers' Cooperative Union could have employed to survive thus far whilst using it as a case to represent the survival of producer cooperatives in Uganda. Null hypothesis on the key variables was tested.

Theoretical Perspectives in Cooperatives

There is no single theory or approach, as Gall and Schroder (2006) have argued, that provides a comprehensive understanding of cooperative movements. However, there exist bodies of theory which provide useful insights into the role of cooperatives in boosting household incomes. This study, therefore, applied the following theories: 1) transaction cost economics theory; 2) trust and cooperation theory; and 3) agency theory. These were applied as guiding theories with respect to the establishment and operation of producer cooperatives and strategies for their subsequent survival. Notably, these theories are not fundamentally different but overlap and reinforce each other. Traditionally, transaction cost analysis has been applied between the 'firm' and its 'suppliers/customers'. The argument that market transactions between independent firms are costly necessitate vertical integration to enable a reduction in costs through activities previously carried out by independent firms within a single 'firm'. Therefore, this theory provides a vehicle for determining the boundaries of the firm, which minimises the sum of production, distribution and transaction costs, and sustains performance, operations and survival in the long run (Gall and Schroder, 2006). Transaction cost economics theory fits well into more complex forms of relationships between individual owners, governing boards and management on which the success of cooperative enterprises depends. Scholars like Gulati (1998) have argued that cooperative strategy transcends cost minimisation to maximising returns from the joint venture whilst focusing on settling issues arising out of contracting hazards and behavioral uncertainty. With regard to trust and cooperation theory, Child and Faulkner (1998:48) identified three perspectives on trust: the calculative rewards of preserving the relationship outweigh any losses from breaking it, there is shared cognition based on the depth of the relationship and personal identity-holding common values, whilst cooperation involves behavior to achieve mutually beneficial outcomes (Gall and Schroder, 2006). Alvarez et al. (2003) have posited that in a

3 Nyakatonzi Growers' Cooperative Union is a farmer-owned cooperative enterprise situated in Kasese town in the western part of Uganda. Established in 1950s as a cotton cooperative union by farmers, it remains one of the oldest and surviving cooperative unions in Uganda. It operates in five districts in western Uganda, including Kasese, Kanungu, Bushenyi, Kamwenge and Kabarole (UCA, 2010).

cooperative establishment trust will usually be part of an interrelated bundle of governance devices to ensure the efficient and effective management of the establishment's economic transactions with other firms. Agency theory conceives that agency relationships exist whenever an individual or organisation (the agent) acts on behalf of another (the principal). Principal-agent problems arise because the objectives of the agent are usually not the same as those of the principal. Hence, an agent may not always best represent the interests of the principal (Ortmann and King, 2007). Royer (1999) argues that terms of an agency relationship are typically defined in a contract between the agent and principal – thus binding the agent to act in the principal's interest.

Conceptual Framework for Producer Cooperatives

It is most unlikely that some cooperative unions survived by luck; instead their survival resulted from planned strategies which created an embankment against any eventual crumbling. Such strategies include, but are not limited to, diversification of production as well as the presence of visionary leadership and good management. Also, strong and active membership, and a sound resource base are commonly acknowledged (Sushila et al., 2010; Omona, 2010; Kwapong and Korugyendo, 2011a). This, in turn, would lead to enhanced household incomes and savings among producer cooperative members, boosting the ability to meet the basic needs of life and social protection, food security and increased production to 'feed' the cooperatives (Tayebwa, 2009; Kwiringira et al., 2011).

However, the study recognises that cooperatives do not operate in a vacuum. There might have been other factors, including cooperative values such as honesty, self-help, self-responsibility, democracy and solidarity. Equally, cooperative principles such as voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives and concern for community, could have had a bearing on the survival of the union. Environmental factors like legal, policy and institutional frameworks – for instance a cooperative policy and cooperative development structures at both local and national levels – could have aided the survival of Nyakatonzi Growers' Cooperative Union. However, these were not considered the core survival strategies of Nyakatonzi Growers' Cooperative Union, and thus were excluded from the current research.

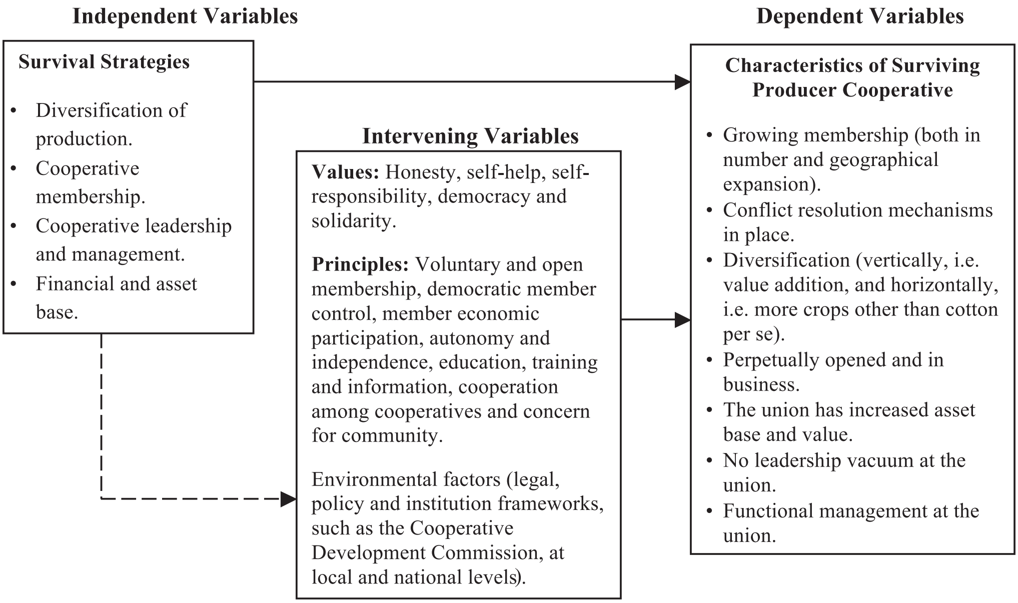

Figure 1 : Relationship between Variables Contributing to the Survival of Cooperatives

LITERATURE REVIEW

Survival Strategies of Producer Cooperatives

Some studies show that survival strategies are used interchangeably with success factors in Malaysia, Sri Lanka and Iran (Sushila et al., 2010; Kyazze, 2010). The review was based on the survival strategies employed by Nyakatonzi, namely strong and active membership, visionary leadership and good management, a strong financial and asset base and diversification of production (Sushila et al., 2010; Karunakaran, 2010).

Diversification in Production

Diversification in producer cooperatives has an impact on the survival of the enterprise, especially on financial and non-financial performance while meeting various needs of the members. Trechter (1996) argues that, much as diversification is not substantially associated with the financial performance of cooperative enterprises through profitability, an increase in patronage refunds or equity redemption, it is positively related to membership size, an indicator of non-financial performance of agricultural cooperatives. Hence, diversified cooperatives enjoy larger membership. However, recent studies (Kwiringira et al., 2011) note that diversification transcends a horizontal shift in production from one product to another but is a form of vertical diversification which adds value to the production chain. This facilitates inward, forward and backward linkages. Studies by Bottelberge and Agevi (2010) and Kyazze (2010) carried out in East Africa have shown that lack of diversification was responsible for the failure of producer cooperatives. This was due to over-dependence on traditional cash crops like cotton and coffee, which are prone to vagaries of nature and market price fluctuations, as well as ignoring the vertical linkage inherent in value addition.

Strong and Active Membership

Producer cooperative members' involvement is cardinal for the survival of any cooperative enterprise. Sushila et al., (2010) have indicated that active member participation in the administration of cooperatives and the length of time a member has stayed with the union are key factors for the survival and successful performance of these enterprises. Active membership manifests in many ways, including regular attendance of meetings, equal say in decision-making, support of products and services of the cooperative enterprises – elements which are critical for facilitating cohesion (Amini and Ramizani, 2008; Lluch et al., 2006). However, it should be noted that active participation of members in the activities of the cooperative depends on smooth, regular and effective information flow about the performance of the enterprise. Very important also are the elements of continuous education and training – especially about the cooperative concept, and the members' rights and responsibilities regarding their cooperatives – which promote the active participation of members. While education, training and information form the fifth cooperative principle, their role in contributing towards the survival of cooperatives cannot be ignored (ICA, 2010).

The Role of Cooperative Leadership and Management in the Union

Cooperative leadership at the helm of such enterprises includes the board which, in most cases, is the highest decision-making organ of such enterprises, as well as managerial staff. These are equally cardinal for cooperatives if they must remain relevant to their members. Birchall and Simmons (2009) have emphasized that the importance of a visionary leadership envisaged in the ability to strategically put long-term plans and strategies to implement them cannot be underrated. Hence, failure to have visionary leadership in place has been established as one of the challenges affecting cooperative performance in developing countries (Omona, 2010). In a country like Malaysia, cooperative success has been attributed to visionary leadership in an environment where multi-national enterprises are taking centre stage (Sushila et al., 2010).

Financial and Asset Base

Finances are at the centre of producer cooperatives if they must survive and boost their members' incomes. A well-grounded financial base is cardinal for the day-to-day running of the cooperative enterprise and a firm asset base facilitates debt financing in times of need. Assets provide collateral security for borrowing from financial institutions to facilitate their short- and long-term costs and immediate financial needs (Sushila et al., 2010; Kwapong and Korugyendo, 2010). Furthermore, financial stability in terms of sufficient working capital is imperative for the survival of producer cooperatives. Pathak and Kumar (2008) argue that members' contribution to share capital is one of the ways to guarantee that cooperatives have a sufficient pool of working capital to carry out their activities. As owners of cooperatives, members ought to play an active role in contributing financially to prevent their cooperatives from being dependent on external funding and ultimately being controlled by non-members.

METHODOLOGY

A case study design was used to achieve the study objectives. This was intended to allow scientific generalisation through an in-depth understanding of issues at hand, the contexts of the cooperative union and relevant interpretations. This design was appropriate for meeting the study objectives within the time frame of a master's degree programme and was cost-effective. Both quantitative and qualitative data collection approaches were also used. A structured questionnaire and interview guides were used to obtain information on strategies as per the study objectives among cooperative members.

Nyakatonzi Growers' Cooperative Union is made up of 62 PCSs, with over 10,000 members spread among 40 of the PCSs, which are spread throughout Kasese district. It is from among these PSCs that a sample was extracted for the study. Simple random sampling was used. This study, nevertheless, used a multi-sampling plan. Four PCSs were selected, namely Nyamambuuka PCS, Kasese Youth Multipurpose Development PCS, Bwera-Katonjo PCS and Basajja Kweyamba PCS. Also, lists of members were obtained from the sampled PCSs in order to create sampling frames and a representative sample of primary respondents was thus selected using a simple random sampling plan. A purposive sampling plan was vital in identifying key informants (KIs). These included former management, staff in senior ranks and the Board of Directors (BOD) of Nyakatonzi Growers' Cooperative Union, as well as opinion and political leaders. In addition, district officials and the staff of Uganda Cooperative Alliance (UCA), the umbrella organisation behind the revival of the cooperative sector, were purposively sampled to participate in the study. KIs offered informed and in-depth insights through interviews about the themes of the study owing to their expertise in the cooperative sector.

Each of the 40 PCSs that are affiliated to Nyakatonzi Growers' Cooperative Union has an average of 250 members. Hill (1998) submits that a sample of 30 to 500 elements is ideal and recommends at least 10% of the parent population; and as such that percentage was used for this study. Accordingly, four (10% of 40) PCS sand 25 (10% of 250) members of each PCS were selected through simple random sampling with an allowed permissible error of 5%. A total number of 100 primary respondents were selected for the study. Other than primary respondents, two focus group discussions (FGDs) of eight respondents were conducted in order to fill in the gaps left in the questionnaire. Thirteen KIs, including the Kasese District Commercial Officer, a UCA official, former and current board chairpersons, current and former cooperative union managers, four PCS chairpersons, a union operations officer, a warehouse keeper and a board member were selected for in-depth interviews in order to give a detailed view about the objectives of the study.

Research Measurements

Horizontal diversification included whether the cooperative union handled more than one produce, such as cotton. This was found in the works of Trechter (1996), Kyazze (2010) and Bottelberge and Agevi (2010). Vertical diversification in production involved value addition as indicated in the work of Kwiringira et al. (2011). The length of time that the cooperative members had spent with the cooperative union was deemed vital in determining member patronage of the union. In addition, members' participation in the union activities was considered, as the works of Sushila et al. (2010), Amini and Ramizeni (2008) and Lluch et al. (2006) show that this is crucial. A feeling of belonging to the union, as borne out by Bottelberge and Agevi (2010), was also taken into account. Under this objective, the decision-making body of the union was cardinal, as theorised by Birchall and Simmons (2009). Models of decision-making at the union, frequency of meetings, recruitment of staff and relations between the board and management were looked at, as theorised by Ortomann and King (2007), Sykuta and Chaddad (1999) and Royer (1999). This was measured by access to financial information as advocated by the ICA (2010). Knowledge of assets, as was emphasized in the works of Kwapong and Korugyendo (2010) and Sushila et al. (2010), was also considered. In addition, whether cooperative members were satisfied or not satisfied with the utilisation of the union resources was looked at under this objective.

FINDINGS AND DISCUSSION

Out of 100 selected primary respondents, 96 responded, making a 96% response rate. All 13 KIs were interviewed while two FGDs of eight people were conducted. The high response rate was attributed to committed research assistants and cooperative respondents. The bio-data of the respondents was analysed and this provided significant insights into the structure of membership of the cooperative union.

i. **Product Diversification and the Survival of Nyakatonzi Growers Cooperative Union**
   Aspects of diversification were explored and these included horizontal and vertical diversification. Horizontal diversification involved taking on more than one type of produce while vertical diversification involved value addition. It was noted that cotton is the major produce that the cooperative union has been handling since its establishment in 1957.

Table 1 : Does Nyakatonzi Handle Any Other Produce Apart From Cotton? (Horizontal Diversification)

Response	Frequency	Per cent
No Yes	30 66	31.3 68.7
Total	**97**	**100**

As Table 1 above has shown, the majority of respondents (68.7%) acknowledged that, other than cotton, Nyakatonzi Growers' Cooperative Union was involved in the production of other crops, such as maize, beans, soya beans, sunflower and paddy rice. However, 30 (31.3%) respondents noted that cotton was handled exclusively with more than half of the PCSs. This was attributed to the fact that cotton remains the major type of produce while others are handled on a small scale.

Diversifying to other enterprises beyond cotton was in line with the UCA (2010) advocacy for ensuring that producer cooperatives engage in more than three produce enterprises in order to facilitate linkages and reduce the risk of crop failure and low prices during peak production seasons. Similarly, Bottelberge and Agevi (2010) and Kyazze (2010) advised that diversification would enable cooperatives avert shocks which led to collapse of many establishments.

To understand diversification further, cross tabulation of vertical diversification strategy in terms of value addition and the perceived survival of the cooperative union was run to test the relationship between these variables. Results of the analysis are indicated in Table 2 below.

Table 2 : Vertical Diversification/Value Addition of the Cooperative Union

<table>
<tr><th colspan="2" rowspan="2"></th><th colspan="3">How would you perceive the stability of Nyakatonzi Cooperative Union?</th><th rowspan="2">Total</th></tr>
<tr><th>Very Stable</th><th>Stable</th><th>Unstable</th></tr>
<tr><td rowspan="3">What major value addition does Nyakatonzi engage in?</td><td>Cooking lint, oil, cake and shell</td><td>53 (69.7%)</td><td>18 (23.7%)</td><td>5 (6.6%)</td><td>76</td></tr>
<tr><td>Sunflower cakes, soap stock</td><td>3</td><td>-</td><td>-</td><td>3</td></tr>
<tr><td>Grading of grains and certified seeds multiplication</td><td>8</td><td>6</td><td>3</td><td>17</td></tr>
<tr><td colspan="2">Total</td><td>64</td><td>24</td><td>8</td><td>96</td></tr>
</table>

Observation of the results of the cross tabulation in Table 2 above shows that the vertical diversification strategy in terms of value addition was found to have a positive relationship with the survival of the cooperative union. Up to 53 (69.7%) respondents perceived Nyakatonzi Growers Cooperative Union to have survived and to be very stable because of the production of value-added products like cotton lint, cake, shell and cooking oil compared to only 18 (23.7%) respondents who described the survival condition as stable through the grading of grains and the multiplication of certified seeds. Only five (6.6%) perceived the survival condition of Nyakatonzi Growers' Cooperative Union as unstable, particularly regarding the production of sunflower cakes, soap and stock as value-added products because these were produced on a small scale.

The Relationship between Diversification and the Survival of the Cooperative Union

In order to determine the influence of diversification on the survival of Nyakatonzi Growers' Cooperative Union, a hypothesis was run using a chi-square test as shown in Table 3 below.

Table 3 : Chi-Square Test for Diversification and Survival of the Union

	Value	*Df*	*Asymp. Sig. (2-sided)*
Pearson chi-square	13.462[a]	4	.009
Likelihood ratio	11.860	4	.018
Linear-by-linear association	5.292	1	.021
N of valid cases	96		

a. 5 cells (55.6%) have expected count less than 5. The minimum expected count is .39.

Results of the Pearson chi-square test above show a significant relationship between diversification and the survival of the cooperative union [χ^2 (1) =13.462[a] p=0. 009]. Hence, the null hypothesis ($H0_1$) that the diversification strategy had no significant relationship with the survival of Nyakatonzi Growers' Cooperative Union is rejected. In relation to this, a KI interview revealed:

> Value addition has increased profitability of the union through high market value. Also, by products have been used to make animal feeds like seed cake which provided alternative sources of income for the union. (Chairperson – Kasese Youth Development Multipurpose PCS Ltd)

This is in agreement with Kwiringira et al.'s (2011) assertion that diversification should transcend the production of more than one product to leverage value addition in order to facilitate linkages and profitability due to increased sale value in the market.

ii. Membership and Survival of Nyakatonzi Growers' Cooperative Union

The study also sought to examine the extent to which members facilitated the survival of Nyakatonzi Growers' Cooperative Union. To arrive at this, using the questionnaire survey, the researchers had to establish the length of time a member had spent with a cooperative union; the member's participation; and whether cooperative members felt a sense of belonging to the union. The results were as summarised in subsequent tables.

Length of Time Spent by Members with the Cooperative Union

According to the findings, most respondents interviewed had been members of the cooperative union for more than 18 years. The majority of the respondents had been members of the selected PCSs between 24-29 years, representing 25%. These were closely followed by two categories consisting of 20 and 19 respondents who had been members for over 30 years and 18-23 years respectively, contributing 21% and 19.8% respectively. Notably, 11 respondents had been members of the selected PCSs for 12-17 years, representing 11.4% of the total number of respondents interviewed. However, 15 (15.6%) of the total number of respondents were new entrants to the cooperative movement. The implication was that the variations in length of time of membership showed that entry to cooperatives was infinite while old members were still loyal to the enterprises. This is corroborated by an excerpt from a statement by the Secretary Manager of the union:

> We register any new primary cooperative society which wishes to join us and we encourage them to register as many members as possible because the more members there are the more production. So, we do not restrict membership. (Secretary Manager, Nyakatonzi)

The policy of PCSs taking in new members whilst keeping old ones enabled Nyakatonzi to have sustainable membership since its existence depended largely on their production, supply, loyalty and patronage.

Members' Participation in Cooperative Activities

Another aspect of membership examined in relation to the survival of cooperative was the participation of members in the daily activities of the cooperative union. Using the questionnaire survey, the respondents were asked whether they actually participated in the activities of the cooperative. The results indicate that 91 out of the 96 respondents interviewed affirmed their active participation in cooperative activities, contributing 93.7%. On the contrary, 6 (6.3%) respondents reported that they were not actively involved in cooperative activities. The researcher sought to critically understand the nature of activities in which members participated in the cooperative and their views were as follows: The most pronounced activity members were involved in was attending meetings (63.5%). These included monthly meetings among PCSs and the AGM (Annual General Meeting) for the union delegates. Mobilisation of members and resources (14.6%) was mentioned as the role of every member and a portrayal of their loyalty to the union. Seventeen (17.7%) respondents acknowledged participating in decision-making at the cooperative union. It should be noted that at these PCS meetings, members freely express their views, unlike at the AGM, where vocal members dominate in the airing of views. But all is not lost because the delegates represent them well. As women noted in an FGD interview:

> …we attend meetings and participate in decision-making at PCS level where everyone is given chance to say what they want. However, during AGM, people are very many yet time is not there for everyone but those who can get a chance to speak. Delegates we send to the board represent us and bring feedback. (FGD for women)

Participation in cooperative activities like meetings and decision-making processes such as the election of delegates, who subsequently form the BOD – the highest decision-making organ of the cooperative – was a clear indication of involvement in the establishment.

However, the study revealed that to ensure full participation, the cooperative union regularly disseminated information about the financial performance of the enterprise and delivered educative programmes to members. Such programmes included, but were not limited to, the cooperative model of economic development, better methods of farming and the rights and responsibilities of members. Training programmes on financial management, project planning and management and conflict resolution mechanisms, to mention a few, were also conducted. As an FGD for men revealed, this did not only increase the knowledge of the members about cooperatives but also empowered them to make informed decisions as far as their membership of the cooperatives was concerned.

What emerges from the above findings is that continuous education, training and information dissemination were important in ensuring that the cooperative members were equipped with knowledge to effectively participate in the cooperative activities and to keep it moving forward. This is in line with the ICA (2010) fifth principle which emphasises education, training and imparting of information to cooperative members for capacity-building and empowerment.

Feeling a Sense of Belonging to the Cooperative Union

The researcher inquired whether members felt that they were part and parcel of the cooperative union and their views were as follows. The majority of the respondents acknowledged that they felt they were part of the cooperative union (97.9%) while only 2.1% did not feel that they belonged. The respondents who felt a sense of ownership argued that it was because of patronage and loyalty to the union that made it survive for so long. In this regard, a KI stated:

> I really feel part of the union and my attachment is through production. If we did not produce or supply them with my produce, would the union be still operating? If we did not accept to choose leaders or participate in the services like trainings, meetings and extension services, would the union still stand? Therefore, our participation in all these activities makes us feel part of the union. (Chairperson, Bwera-Katojo PCS)

What emerges from the above excerpt is that Nyakatonzi Growers' Cooperative Union depended on the members' ability to support it through continuous production and supply of much-needed enterprises as well as accepting its services, including good agricultural practices which enhance production. Hence, this mutual relationship was cardinal in the survival of the union.

The Relationship between Membership and Survival of the Cooperative Union

In connection with the above analysis and discussion of the role of members in the survival of Nyakatonzi Growers' Cooperative Union, the researcher ran a chi-square test to determine the relationship between membership and the survival of the union, as shown in Table 4.

Table 4 : Test of Relationship between Membership and Cooperative Survival

	Value	*Df*	*Asymp. Sig. (2-sided)*
Pearson chi-square	6.231[a]	1	**0.013**
Continuity correction[b]	2.865	1	0.091
Likelihood ratio	3.801	1	0.051
Linear-by-linear association	6.165	1	0.013
N of valid cases[b]	96		

b. Computed only for a 2x2 table

According to the test above, there was a significant relationship between membership and the survival of Nyakatonzi Growers' Cooperative Union [χ (1) =6.231, p=0.013]. Hence, the null hypothesis ($H0_2$) that the survival of the cooperative union was not dependent on strong and active membership is rejected. The role of members in the survival of cooperative enterprises cannot be underestimated. Their support to the cooperative union through production, supply and participation in the cooperative's activities were cardinal in keeping Nyakatonzi in business to date. Members' participation in the daily activities played a crucial role in the survival of Nyakatonzi Growers' Cooperative Union. An interaction with a district official affirmed the relationship thus:

> …members accepted to remain organised in a cooperative, kept in cotton production and supply amidst other private dealers who offered better prices but chose to bulk their produce with the union. Patience, loyalty and patronage among members was very important for the union. (District Commercial Officer, Kasese)

This was evidence of the cooperative members' participation and role in the survival of the union, short of which the union would have been left with limited choices, leading to closure. These results are in agreement with Amini and Ramizani's (2008) and Lluch et al.'s (2006) submission that active participation through regular attendance of meetings, equal say in decision-making, support of products and services of the cooperative enterprises are critical for facilitating cohesion and subsequent survival of the cooperative. They also confirm Sushila et al.'s (2010) argument that active member participation in activities, including administration, is a key factor for the successful performance and subsequent survival of cooperative enterprises.

iii. Leadership, Management and the Survival of Nyakatonzi Growers' Cooperative Union

The study also assessed the role played by cooperative leadership in the survival of Nyakatonzi Growers' Cooperative Union. An inquiry was made into the highest decision-making body of the cooperative union, the decision-making model and the frequency of meetings. Recruitment of management and the relationship between staff and the BOD were also included in the study.

Highest Decision-Making Body of the Cooperative Union

With respect to the decision-making body, the study sought first to understand, basing on the respondents' knowledge, the workings of the highest decision-making body of the cooperative. A number of variables were studied, including the Board of Directors and management and their capacities while taking into consideration whether these had an influence on the survival of the cooperative establishment. The board is in charge of designing and putting in place strategic plans for the cooperative union, supervising management and operations, resource mobilisation as well as putting in place a competent management. This is in line with the argument by Birchall and Simmons (2009) about the role of the cooperative governing body that the board's role is to design strategic plans and implementation frameworks for the enterprise. And as Sushila et al. (2010) note, leadership and management are cardinal for cooperative success and survival, as is evident in Malaysian cooperatives. This portrays the importance of cooperative leadership in the survival and progress of a cooperative establishment. Although cooperative leadership was reported to be less competent in performing its activities, it emerged that it banked on a very supportive management. This confirms Omona's (2010) submission that failure to have visionary and competent cooperative leaders remains a challenge that affects cooperative performance in developing countries and that accounted for the collapse of most cooperative unions in Uganda, as Kyazze (2010) notes. Therefore, building the competences of cooperative leaders would surely bridge this gap if cooperatives are to endure.

Relations between BODs and Management Staff

That BOD and management enjoyed cordial relations, as reported by 60 respondents, contributing 62.5% of the total number of respondents interviewed. Nine (9.4%) respondents emphasized very smooth relations while 18 (18.8%) reported strained relations between the top decision-making body and technical staff. However, 7.3% could not articulate about the relations between the BOD and management at the union. This was attributed to the fact that the majority of cooperative members dwell far from the union offices and participate through their delegates at the AGM, hence were not cognisant of the interactions.

The smooth relations between the board and management of the union, however, were attributed to mutual respect, role differentiation among stakeholders, joint meetings to harmonise issues and good conflict resolution mechanisms. This was clarified in an excerpt from one staff member thus:

> For unity's sake and survival of the union, good relations have been fostered through free interaction. The Board oversees the work of management; joint meetings are held for effective planning and report sharing. Principal-agent relationships have been good and this has become part and parcel of the union leadership here over time. (Operations Officer, Nyakatonzi Growers' Cooperative Union)

Relationship between Leadership, Management and the Survival of the Cooperative Union

Based on the above discussion, it was imperative to test the relationship between the leadership and management on the survival of the cooperative. The researcher employed a chi-square test, shown below, in order to establish how significant the variables were on the survival of the union or whether they were not significant.

Table 5 : Chi-Square Test for Relationship between Leadership/ Management and Survival of the Union

	Value	*Df*	*Asymp. Sig. (2-sided)*
Pearson chi-square	19.300[a]	3	**0.000**
Likelihood ratio	16.261	3	0.001
Linear-by-linear association	18.210	1	0.000
N of valid cases	96		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 0.51.

According to the above table, leadership and management had a significant relationship with the survival of the cooperative union [χ (1) =19.3000, p=0.000]. To this effect, the null hypothesis ($H0_3$) that leadership and management had no significant relationship with the survival of Nyakatonzi Growers' Cooperative Union is rejected. Therefore, it should be noted that the leadership provided by the cooperative BOD and management were cardinal in ensuring that the union survived this long. Hence, the consultative decision-making approach, the recruitment of competent and skilled staff as well as capacity-building and empowerment programmes for staff and BODs are strong pillars for sustainable cooperatives. Effective communication, functional conflict resolution mechanisms and smooth intra-relations serve to hold various stakeholders in the enterprise together, thereby enabling the achievement of objectives and goals.

iv. Finance, Asset Base and Survival of Nyakatonzi Growers' Cooperatives Union

The fourth objective of the study was to establish the extent to which the financial and asset base facilitated the survival of Nyakatonzi Growers' Cooperative Union. Aspects like whether members accessed financial information, sources of information and assets and whether or not these aspects had a bearing on the survival of the cooperative union were studied. The results are presented hereunder:

Access to Financial Information of Nyakatonzi Growers' Cooperative Union

The researcher inquired about whether the respondents were informed about the financial status of the union and the source of such information and the responses were thus: Cooperative members exhibited knowledge about the financial status of Nyakatonzi Growers Cooperative Union, with the majority (84) contributing 86% while only 13 (14%) reported that they were oblivious of the financial status of the cooperative union. In an effort to further understand this, the respondents were asked to highlight their most pronounced sources of information about the financial status. The most pronounced sources were Annual General Assembly reports and regular PCS meetings. A sample check in the records of these PCSs confirmed that monthly and quarterly meetings were held through which comprehensive financial reports were given, including union reports. A few of the respondents accessed union notice boards at the cooperative union office premises because the majority of the members live deep in villages. The study further revealed that cooperative members accessed information relating to the general performance of the union in terms of profitability, operations, assets, commodity prices as well as seasonal and weather changes depending on who needed what information. The following excerpts attest to this:

> I normally get information from the primary cooperative society offices each time I pass by. We are also informed through meetings and occasional information sharing sessions one-on-one. At least we know what takes place at the union. (FGD for women)

Knowledge about the Assets of the Cooperative Union

In order to establish the extent to which the financial and asset base influenced the survival of Nyakatonzi Growers' Cooperative Union, it was necessary to ascertain whether Nyakatonzi had any assets that members were aware of and their subsequent usage in enriching the cooperative union.

The findings reveal that 99 % of all the respondents acknowledged that Nyakatonzi had assets in place. The assets mentioned included a technically skilled and competent human resource – which was presented as the most vital asset of the union. Also mentioned were vehicles like lorries and carriage tractors which transported cooperative members' produce from their collection centres to the union warehouses, and tilling tractors. The other assets mentioned were land rented out to members to enhance production, machinery like ginneries for ginning cotton and oil extraction machines as well as building structures. These boosted production and the supply of produce for the union.

Members' Satisfaction with Resource Utilisation at the Cooperative Union

Information was solicited on whether the respondents were satisfied or not with the way the cooperative union's resources were being utilised. The responses indicated that 85 members expressed satisfaction with the way cooperative union resources were being utilised, representing 88.5% of the total number of respondents. This was attributed to systems strengthening in the union through internal and external audits, proper accountability processes and financial reports.

However, 11(11.5%) reported dissatisfaction, citing misuse of union vehicles and cooperative land for private gain. Inadequate information dissemination and inability of the cooperative member fraternity to understand financial matters were also reported. Hence, the positive contribution of the feeling of satisfaction with the utilisation of the union's resources could not be underrated. This could be attributed to proper internal and external accountability processes and auditing systems by the district officials on behalf of the Registrar of Cooperatives which ensured transparent resource utilisation to meet cooperative union objectives. These processes reduced irregularities in the financial utilisation of the union. Assets like land and tractors were reported to be rented out to cooperative members for production at affordable rates, including on credit.

The Relationship between Finances, Assets and the Survival of the Cooperative Union

The presence of assets was not enough to establish the survival of the cooperative union. This prompted the need to establish the influence of assets on the survival of the cooperative union. To this effect, the researcher ran a chi-square test to establish the relationship therein, as Table 6 below indicates.

Table 6 : Chi-Square Test for the Relationship between Finances, Assets and Survival of the Cooperative Union

	Value	*Df*	*Asymp. Sig. (2-sided)*
Pearson chi-square	0.093[a]	1	**0.760**
Continuity correction[b]	0.000	1	1.000
Likelihood ratio	0.086	1	0.769
Linear-by-linear association	0.092	1	0.761
N of valid cases[b]	96		

b. Computed only for a 2x2 table

According to the Pearson chi-square test in Table 6 above, the results show no significant relationship between assets and finances, and cooperative union survival [χ (1) =0.0093, p=0.760]. Therefore, the null hypothesis ($H0_4$) that the financial and asset base had no significant relationship with the survival of Nyakatonzi Growers' Cooperative Union was accepted. Hence, it should be noted that survival transcended the availability of finances and assets. This was attributed to the fact that finances and assets were not an end in themselves to bring about survival but that survival resulted from a combination of all the other strategies.

Although statistically, there was no directly established relationship between the availability of finances, assets and the survival of the union, their role in facilitating and enhancing survival could not be underestimated, as was perceived in the following excerpts:

> Assets were very instrumental in enabling production and paying creditors. Management staff ensured proper running of the union because they are skilled, accountable and transparent. Land is rented to farmers for production, lorries which transport farmers' produce, tractors which open up land and warehouse for post-harvest management of produce. (Former board member, Nyakatonzi)

Emerging from the above excerpt is the cardinal role that assets played in the survival of the cooperative union. However, much credit went to management, which, in conjunction with the board, used them for the benefit of the union. Sushila et al.'s (2010) and Kwapong and Korugyendo's (2010) argument that assets are instrumental in debt financing by providing collateral security for borrowing from financial institutions to facilitate both short- and long-term costs while meeting the immediate financial needs of the cooperative establishment is consistent with our findings. Therefore, finances and assets remain a cardinal ingredient in the sustainability and survival of producer cooperatives.

CONCLUSIONS AND RECOMMENDATIONS

The study established that, although cotton remained the core enterprise for Nyakatonzi Growers' Cooperative Union, it had horizontally diversified to other enterprises like maize, beans, soya beans, rice and sunflower. The study established that the cooperative union engaged in value addition and such products as cotton lint, seed, cake, shell and cooking oil, graded maize, beans, rice, certified seeds for planting, cotton cake, sunflower, cotton shell, soap stock and maize cob were processed. The Pearson chi-square test showed a significant relationship between diversification and the survival of the cooperative union, thus rejecting the hypothesis that diversification had no significant relationship with the survival of Nyakatonzi Growers' Cooperative Union. In view of these findings, the study concludes that diversification is the way to go if producer cooperatives are to be relevant and sustainable in the fight against poverty.

With regard to cooperative membership, the study established that cooperative members were actively involved in the cooperative union in various activities, including attending monthly meetings, and that most of them were long-serving members, and they felt that they were part of the cooperative. Primary cooperative societies were some of the key determinants of the longevity of the union. A BOD was found to be the top decision-making body of the cooperative. The BOD engaged in consultative decision-making and effective communication, and had competent and skilled membership that also used a functional conflict resolution approach. Both the BOD and technical management staff enjoyed cordial relations marked by mutual respect, role differentiation and effective conflict resolution mechanisms. In view of these findings, the hypothesis that leadership and management had no significant influence on the survival of the cooperative union is rejected because these managed to formulate viable strategic plans, and a strong and innovative management which steered the union forth. The study concludes that an effective cooperative leadership – both the board and management –, participatory decision-making using a top-bottom approach – comprehensive consultations for holistic decision-making – are vital for sustainable producer cooperatives.

In relation to the financial and asset base, the study established that cooperative members were knowledgeable about the financial and asset status of the union, which was not limited to profitability and assets utilisation only. There was also a high level of access to information, and membership satisfaction with resource utilisation.

Policy Recommendations

The study provides benchmarks for the renewed momentum in cooperatives development. However, if cooperatives are to survive the unfavourable economic liberalisation and achieve their intended goals in relation to their members' needs, various actors ought to play their roles collaboratively. The study recommends thus:

In order for producer cooperatives to be favourably competitive in the market, the cooperatives should pursue diversification outright both horizontally through engaging in the production of various commodities and vertically through value addition. This is because diversification reduces post-harvest losses, enabling commodities to stay longer while sustaining the quality and quantity of farmer produce and attracting better prices.

This calls for proper choice of committed and visionary leaders with relevant qualifications and competence in cooperative matters to comprehend complex issues of today's world and with a sense of responsibility to earn people's trust.

Producer cooperatives should invest in equipping cooperative leaders, especially the BODs, with the skills required to run cooperatives through vigorous training and competence development. Capacity-building programmes should be launched to promote good governance, accountability, participation, M&E which underlie value-for-money performance. This will bring forth a brand of new cooperative leadership ready to strategically plan and make critical decisions for sustainable cooperative enterprises.

Furthermore, producer cooperatives should adequately educate and train cooperative members in cooperative matters. This will guard against eventual member exploitation, and lower the level of patronage and poor accountability, which usually negatively affect the cooperative enterprise. Training and education of members in a cooperative economic model will strengthen member loyalty and patronage, values and their role in the survival and sustainability of producer cooperatives.

Financial resources are the lifeblood of any cooperative establishment. Therefore, cooperative enterprises need to explore new sources of finances through equity, asset investments and international donor partnerships to raise enough capital to run. Besides, cooperative members should contribute financially and have a stake in ensuring their participation because they have interests to protect.

The UCA should emphasis grass-roots growth through PCSs because these are in direct contact with people and directly make a difference in their lives through cooperatives. Therefore, in collaboration with other cooperative partners, the UCA should strengthen grass-roots PCSs through systems strengthening for sustainable service delivery to members, production and productivity.

The apex organisation for cooperatives should rebuild a cooperative image through better service delivery, governance and publicity campaigns so that many more people can join and benefit from the cooperative establishments. The UCA should also lobby for the establishment of producer cooperatives as a medium for fighting household poverty and for inclusion in government strategies for income enhancement and livelihood improvement.

The apex organisation should promote relationships, linkages and alliances between national and international agencies involved in the development of cooperatives. This involves coordinating all stakeholders at national level, such as line ministries and departments (Ministry of Tourism, Trade and Industry and the Department of Cooperatives) as well as international agencies and development partners such as the ICA. This should be buttressed with resource mobilisation for the development of the producer cooperatives.

The UCA should provide capacity-building and advisory services to the producer cooperatives. Gaps identification and needs assessment studies should be carried out among cooperative enterprises in order to determine intervention areas for a strong and sustainable cooperative movement. In addition, the UCA should carry out research on the status of existing producer cooperatives, and document best practices and lessons to empirically inform the advocates for the cooperative movement to plan for viable enterprises in accordance with the needs of their members.

The government should review the current co-operative curriculum and develop an appropriate one because the current education curriculum provides inadequate cooperative knowledge. Uganda Cooperative College, Kigumba provides certificates and diplomas which do not match the ever-changing global business environment. Hence, there is need to incorporate cooperative studies into the mainstream formal education system in order to build dynamic human resource capital ready to lead producer cooperatives on the road to profitability.

Producer cooperatives need an enabling, conducive and supportive environment to operate in. The government, therefore, should declare itself on a policy on cooperatives by establishing what it envisages as their role in national development and put in place strategies to promote them. Hence, viable strategies for cooperatives should be put in place as part of their poverty reduction strategies. The government should promote cooperatives as alternative outlets and economic organisations rather than service organisations. This is because through their establishment, cooperatives are economic models operating in competitive environments. This calls for training cooperative members in entrepreneurship skills and business management so that they are able to run producer cooperatives as businesses entities.

Government agencies and departments, such as the Department of Cooperatives in the Ministry of Industry, Trade and Tourism, should undertake awareness and sensitization drives, and guide communities on the role of cooperatives in the socio-economic development of a people. This should be supported with the production of information, education and communication (IEC) materials about cooperatives. This will create public awareness about the potential of producer cooperatives to boost household incomes.

Limitations and Areas for Further Research

Although the study has established the relationship between various strategies employed by Nyakatonzi Growers' Cooperative Union and its survival, a few limitations were encountered and areas for further research incorporated therein. These included the following:

> Owing to resource constraints, the current study was limited to the survival of Nyakatonzi Growers' Cooperative Union. This made the study miss out on great insights had Nyakatonzi been comparatively studied alongside one collapsed cooperative union, such as Banyankole Kweterana Cooperative Union.

The current study looked at the historical perspective of cooperatives with a focus on survival strategies and lacked the impetus to look at how cooperatives could be dynamic and agile, and cope with the challenges of economic liberalisation. Although the study hypothesised about a few strategies that could have facilitated the survival of Nyakatonzi Growers' Cooperative Union, it missed out on exploring the role of other critical factors such as social capital, networks, mutual trust and other contextual factors and how these could have influenced information-sharing, democracy, participation and governance.

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AN ASSESSMENT OF LEADERSHIP COMPETENCY IN PRIMARY MULTIPURPOSE COOPERATIVES OF AMBO DISTRICT, WEST SHOWA ZONE OF OROMIA REGION, ETHIOPIA

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ABSTRACT

It is believed that above all the success of cooperative societies depends on the quality of leadership competence dedicated and vibrant leader they possess. It is undisputed fact that primary multipurpose cooperatives are meager means and thus mostly and are inefficient. Hence this study is initiated to identify the cooperative leadership competencies to serve their members by analyzing the determinants of cooperative leadership competence level. Eight primary multipurpose cooperatives were selected from a total of 31 multipurpose cooperatives in Ambo Woreda (district). Eight boards of directors as leaders from each selected cooperatives (8x8=64), and 15 members from each selected cooperatives (15x8=120) were selected as respondents. Both qualitative and quantitative approaches were adopted. Primary data was collected using semi-structured interview schedule among leaders and members; checklists for key informant interview and FGD. Descriptive statistics and ordered logit model were used to analyze data collected. Leaders of selected cooperatives have response to five dimensions of leadership competency. Majority of leaders are at competent level as reported by both leaders and members by considering various core competencies of leadership. The crosstab analysis revealed that there is relationship between demographic variables, leadership qualities, and leadership skills. Ordered logit model result shows that education level and, knowledge and ability have positive significant influence at 1% level, analytical thinking, human relation skill, conceptual skill and personal traits have positive significant influence and communication skill has negative significant influence at 5% level, leadership experience has positive influence, and family size has negative influence as the leadership competency level at 10% level. As for leadership competency level majority of the cooperative leaders are at competent level, followed by novice level.

Key words: *Competency Level, Cooperative Leaders, Leadership Competence, Leadership Skills*

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INTRODUCTION

Leadership Competency

Leadership competencies are leadership skills and behaviors that contribute to superior performance. By using a competency-based approach to leadership, organizations can better identify and develop their next generation of leaders. Essential leadership competencies and global competencies have been defined by researchers. However, future business trends and strategy should drive the development of new leadership competencies. While some leadership competencies are essential to all firms, an organization should also define what leadership attributes are distinctive to the particular organization to create competitive advantage. A competence in general can be understood as the ability of an individual to activate, use and connect the acquired knowledge in the complex, diverse and unpredictable situations (Svetlik, 2005).

Pernick (2001) identified three ways in which organizations determine critical leadership competencies: (1) use generic leadership competencies found in theory, (2) build their own competencies, or (3) derive competencies from the organization's mission statement and core values. As a result of organizational differences, such as size and structure, and the different methods of identifying leadership competencies, there is no universal set of leadership competencies appropriate for all organizations. An acceptable definition of leadership might be 'influencing, motivating, and inspiring others through direct and indirect means to accomplish organizational objectives.' Defining leadership is an important first step toward establishing how it should be conducted within an organization. However, a simple definition is insufficient for describing the nature, boundaries, contexts, and desirable manifestations of leadership. Enter the evolution of competencies.

Based on Herringer's (2002) description of a competence assessment, competence can be defined as the ability of an individual to perform a task using his/her knowledge, education, skills, and experience. Competencies, especially when used in competence assessments, should relate to the specific tasks required to perform successfully in a given position. The identification of key competencies provides for individual and organizational growth, and helps the organization meet future demands (Pickett, 1998). Pernick (2001) identified three ways in which organizations determine critical leadership competencies: Use generic leadership competencies found in theory, build their own competencies, and derive competencies from the organization's mission statement and core values. As a result of organizational differences, such as size and structure, and the different methods of identifying leadership competencies, there is no universal set of leadership competencies appropriate for all organizations. Leadership competencies are leadership skills and behaviors that contribute to superior performance. By using a competency-based approach to leadership, organizations can better identify and develop their next generation of leaders. Essential leadership competencies and global competencies have been defined by researchers.

However, future business trends and strategy should drive the development of new leadership competencies. While some leadership competencies are essential to all firms, an organization should also define what leadership attributes are distinctive to the particular organization to create competitive advantage. Changes in organizations are more and more common. They appear at faster pace and employees are expected to be even more adaptable. Leaders play an important role in setting an example for all those values, behaviors and considerations expected from employees. Leaders have to achieve that changes in an organization are accepted and implemented in a way resulting not only in better job performance but also in general understanding and satisfaction of all.

Therefore, it is reasonable to set the expectations of key employees– what they should achieve and how they should behave in order to implement successful changes. In other words, which are the important leadership competencies for successful change management? It is necessary to distinguish between leadership competencies in profit organizations and public (as well as not-for-profit) organizations. Nature of activity, context, orientation of work and the budget, to name only a few areas, cause certain distinctions in leadership competencies between these two groups. There is a lack of studies comparing leadership factors and skills relevant to profit, public, and not-for-profit organizations.

According to Bennis 1987 (cited in Thach et al., 2007), there are a few leadership competencies that have been proven time and again as mandatory for effective leadership. These include the competency clusters of vision and goal-setting, interpersonal skills, self-knowledge and technical competence regarding the specifics of the business in which the leader works. In addition, commonly referenced competencies include: integrity/honesty, communication, technical competence, diversity consciousness, developing others, results-orientation, change management, interpersonal skills, problem-solving, decision making, political savvy, strategic/visionary thinking, customer focus, business skills, team leadership, influence skills, conflict management, more recently emotional intelligence, social and environmental responsibility, depending on the culture of the organization even humor and innovation Trinka, 2004; (cited in Thach et al., 2007). There appear to be minor differences in the not-for-profit and profit leadership competency models. Not-for-profit organizations tend to center around new competencies such as governance effectiveness, boardroom contribution, and service to community Chait, Ryan and Taylor, 2004; (cited in Thach et al., 2007). On the other hand, profit organizations tend to emphasize financial responsibility and accountability more than non-profit organizations. Public administration organizations tend to emphasize political savvy more, as well as physical health/endurance and building coalitions Horey and Fallesen, 2003, (cited in Thach et al., 2007). Despite diverse definitions and different understanding, competencies can be understood as cognitive, functional and social abilities and skills, including all individual resources one can use for performing diverse tasks in various areas, gaining required knowledge and achieving good results. Every competency is based on a combination of mutually linked cognitive and practical skills, knowledge, motivation, orientation values, beliefs, emotions, and other social and behavioral components, applicable as a whole in an efficient activity (Svetlik, 2005). With this background the present paper attempts to study leadership competencies of cooperative leaders in Ambo District.

PROBLEM STATEMENT

It is believed that the characteristics of modern cooperative businesses have mostly been developed in the past 160 years. People form cooperatives to do something better than they could do individually or through a non-cooperative form of business. Most employers, including those responsible for hiring Leadership competencies in cooperative organization, will agree that leadership skills are desirable in employees. Although an abundance of information about leadership exists, there is still a lack of consensus surrounding specific aspects of leadership competence. This is especially true within cooperatives in Ethiopia. Despite a commitment by the Leadership competencies in cooperatives (LCC) to a diverse workforce, including the leaders of the organization, there are still populations that are underrepresented in leadership positions within the cooperatives system. Mayer (2001) reported a discrepancy between the number of qualified women within the Cooperatives and the number of women in the director positions.

Performance evaluation must combine various types of analysis that would provide the basis to analyze the functioning of the system, explain efficiencies, and assess the potential for and means of improving economic efficiency or other objectives. For achieving economic efficiency, a cooperative must plan, organize, motivate and control its operation (Knapp, 2000). As any other enterprises do, cooperatives need to also periodically control and evaluate their competency activities. Empirical evidence exists that documents the lack of diversity in leadership positions, within the cooperatives. There is also research that examines the relationship between demographics and leadership styles and supervisory/management competencies of mid-level leaders within cooperatives (Cobb, 1989; Haynes, 1997; Lowery, 1996; Shearon, 1969).

But the amount of research focusing on the influence of demographics, leadership qualities and skills of leaders on leadership competencies within the organization is arguably thin. Furthermore, in-depth leadership skill development training programs have been recommended for professional staff in cooperatives (Holder, 1990). However, the organization has made no attempt to define specific leadership competencies and skills; it is seeking in its leaders, thus making the inclusion of such competencies in training programs difficult. Several questions thus arise. What are the dimensions of leadership competencies practiced in cooperatives?

What specific leadership skills does the primary multipurpose of cooperative leaders need to be successful? Which leadership competencies do most leaders within the organization possess? What role do demographic characteristics play in an individual's leadership competence? What are the determinants of leadership competence level?

There is research gap to assess the leadership competence level of cooperative leaders. This study is a comprehensive approach to study the dimensions and level of leadership competencies among cooperative leaders in selected cooperatives of Ambo Woreda.

OBJECTIVES OF THE STUDY

General objectives of the study:

To assess leadership competence among leaders of primary Multi-Purpose Cooperatives of Ambo Woreda, West Showa Zone of Oromia Regional State Ethiopia.

Specific objectives:

- To investigate the dimensions of leadership competency in primary multipurpose cooperatives of Ambo Woreda;
- To assess leadership competency level among leaders of selected multipurpose cooperatives; and
- To analyze the determinants of leadership competencies among cooperative leaders.

REVIEW OF LITERATURE

Dimensions of Leadership Competence

Self-management

Good leaders know their own values, strengths, and limitations and are able to control their emotions and behaviors. They must strive for personal development by engaging in continuous learning and being willing to seek help when needed or admit when they have made a mistake. They should be able to adapt to stressful or dynamic situations and be able to maintain a balance between their work and non-work lives.

Task management

Leaders use task-specific knowledge and experience to guide the group to attaining its goals. Leaders must engage in problem solving, delegation, time and resource management, and eliminating barriers to performance. Leaders also must strive for results and provide feedback to ensure effective contributions from all constituents1.   .

Leading others

Leaders must maximize the potential of others and motivate them to attain shared goals. They must be able to manage individual and group performance with an understanding of group dynamics and team building. Leaders must actively listen and communicate effectively to persuade others and build consensus and trust. They should understand and be empathic toward individual's emotions and needs and be able to resolve conflicts in a respectful manner.

Innovation

Leaders must be able to think creatively while taking initiative and calculated risks. Effective leaders have a vision beyond the immediate work of the group. This involves exploring and integrating diverse perspectives and recognizing unexpected opportunities. Innovation Dimension Leaders must be able to think creatively while taking initiative and calculated risks. Effective leaders have a vision beyond the immediate work of the group. This involves exploring and integrating diverse perspectives and recognizing unexpected opportunities.

Social responsibility

Leaders must act with integrity, honesty, and justice. They must work in the best interest of others, showing respect and empathy for unique individual and cultural differences. Good leaders create a culture that promotes high ethical standards along with personal, organizational, and civic responsibility. Ethical leaders recognize and conduct themselves in concert with universal moral principles as well as specific values, laws, and ethics relevant to their group or organization.

Studies on Leadership Competencies

Open-minded and flexible in thought and tactics; cultural interest and sensitivity, able to deal with complexity, resilient, resourceful, optimistic and energetic, honesty and integrity, stable personal life, value-added technical or business skills (McCall, M., & Hollenbeck, G. (2002). Determining areas of needed competency and helping employees become proficient in those areas are issues of major concern and challenge for many professional fields and consumers of their services. Over the last decades, establishing competencies has become a widespread practice in many organizations (Bartram, Robertson, & Callinan, 2002; Cavallo & Brienza, 2001; Olsen, Bhattacharya, & Scharf, 2006; Stone, 1997). The effectiveness of an organization depends on its capability to attain and efficiently use existing resources to achieve its goals. Focusing on competencies helps organizations effectively communicate the responsibilities, knowledge, and skills needed for positions to their employees. It generates highly knowledgeable and proficient employees who are the most valuable resources for an organization. The success of the organization depends greatly on their knowledge and abilities (American Society for Training & Development, 2006).

Traditionally, the development of competencies is based on job responsibilities, but Langdon and Marrelli (2002) argued that it is more significant to generate competencies based on the needed outcomes from the job. Identification of job competencies "through a combination of techniques and models" is widely practiced by organizations (Marrelli, 1998, p. 8). Stone (1997) described competencies as the application of knowledge, technical skills, and personal characteristics that are designed around the abilities individuals and groups need to give effective job performances and use in making human resource decisions.

Professional competencies are essential to perform jobs well, and most organizations expect their employees to use certain professional tools to help their clients. In an effort to precisely define competency, Zemke (1982) interviewed several experts in the profession and concluded that Competency, competencies, competency models, and competency based training are all Humpty Dumpty words meaning only what the definer wants them to mean. The problem comes not from malice, stupidity or marketing avarice, but instead from some basic procedural and philosophical differences among those racing to define and develop the concept and to set the model for the way the rest of us will use competencies in our day-to-day training. Zemke continued by classifying competencies in to three categories: administrative, technical, and personal competencies.

According to Langdon and Whiteside (2004), the general definition of competency includes only skills, knowledge, and attributes. But Bartram, Robertson, and Callinan, (2002) defined competencies as "sets of behaviors that are instrumental in the delivery of desired results or outcomes. Based on this definition, the Great Eight Competencies of work performance were developed to promote effectiveness in 21st century organizations. The Great Eight Competencies are (a) leading and deciding, (b) supporting and cooperating, (c) interacting and presenting, (d) analyzing and interpreting, (e) creating and conceptualizing, (f) adapting and coping, (g) organizing and executing, and (h) enterprising and performing (Bartram et al, 2002).

However, Klein (1996) argued that a competency can also be considered behavioral when it involves only visible behaviors without any judgment, theory, or explanation. Dubois as citied in Teodorescu (2006) defined competency as "those characteristics knowledge, skills, mindsets, thought patterns, and the like that when used whether singularly or in various combinations result in successful performance" (p. 28). McLagan (1997) suggested that competencies can be viewed in six different ways: (a) job tasks, (b) results of work efforts, (c) outputs, (d) knowledge, skills, and attributes, (e) qualities that describe superior performers, and (f) bundles of attributes. With so many different ideas of what competency stands for, it is critical for organizations to define the right competency for each role to obtain the results they are looking for. Stone and Bieber (1997) reported that "linking individual competencies that lead to superior performance to the strategic directions of the organization will help us anticipate the new knowledge, skills and behaviors needed in the future in order to respond to complex problems faced by our clientele".

Liles and Mustian (2004) confirm this notion that competencies, to be effective, need to be developed to support the mission and goals of the organization. A continuous development of competencies is necessary for professionals to stay in touch with the socioeconomic and technological changes in their fields. Therefore, Mulder (2001) identified the roles of competency in an organization as (a) organizational strategy, (b) personnel management, (c) training and development (T & D), (d) the link between education and labor, (e) professional development, and (f) regional training or economic structure policies. There have been many different results from research groups that have studied competencies in recent years. Competency-based approaches for training and development have been widely used and evidences of achievement have been established in the corporate sector for over two generations (Liles & Mustian, 2004).

According to Gander (2006), existing competency tools do not constantly measure the behavior gap of employees over time. It is important to do so because the requirements or standards are changing with time. Gander (2006) developed a measurement tool called the Outcome Proficiency Indicators Scale (OPIS) that statistically monitors any changes in expertise levels of individuals or groups. Most organizations have a well-defined competency list but usually lack the ability to measure, enhance, and fulfill those competencies (Langdon & Whiteside, 2004). Competencies are traditionally developed based on existing high achieving qualities in the organization, but they may not produce the same outcomes in the future (Gayeski, Golden, Andrade, & Mason, 2007). Therefore, it is vital for any organization to continuously evaluate, identify, and improve their competencies to be successful in the changing environment. Competency development is a highly participatory process, and many competency models have been developed for different professions (Stone, 1997; Stone & Bieber, 1997). In this study, the term 'competency' refers to a combined set of knowledge, skills, and attitudes that facilitates an individual's effective performance of the activities of a given job to the standards expected in that organization.

Empirical Studies in Cooperative Leadership

Qualities of Cooperative Leaders

People will follow the leaders only when they identify their needs and strive towards satisfying it. How long followers follow their leaders depends on the quality of the leaders (Gopalakrisnan, 1980). Cooperative leaders, in spite of the situation in which they operate and the type of leadership they follow, they have possess certain moral and mental qualities. The essential qualities of cooperative leaders in their order of priority were identified as courage, judgement, sympathy, imagination driver/ capacity to lead and knowledge, (Chandra, nd).

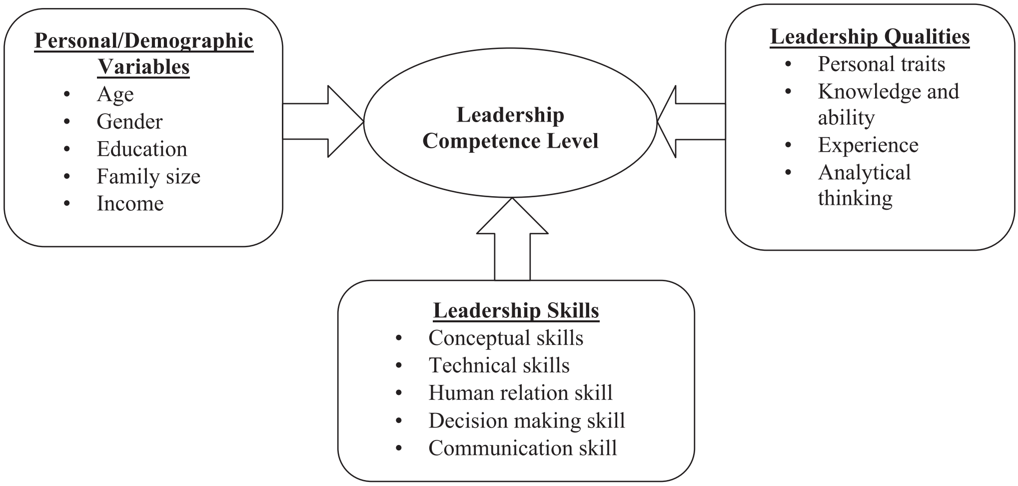
Gopalakrishnan (1980), suggested qualities of good cooperative leaders as, patience, endurance and greatness of mind complete acceptance by followers, domination, inscrutability, drive courage, flexibility and membership character. According to Karthikeyan. M (2008) good cooperative leader consists of the following qualities; character, intelligence, temperament, dedication, courage, broader vision clear understanding, knowledge sympathy, common sense and inscrutability. These essential qualities help them to shoulder the responsibilities of large number of followers and also to work effectively with his fellow being (Befikadu B., 2009). Perusal of available literature it is understood that, there are studies related to leadership competency in general, and few empirical studies on cooperative leadership determinants, leadership skill and leadership style in cooperatives. The present study find the gap on leadership competency among cooperative leaders, and investigation was made to analyze the determinants of leadership competency level among cooperative leaders.

Leadership Competency Model: Conceptual Framework

Behavioral scientists and organizational development professionals seek to improve individual and group work processes through the application of systematic procedures and research-based principles. Job analysis techniques, and to a lesser extent competency modeling, have long been used to establish the requirements of jobs and positions throughout organizations and provided input to selection, training, and management practices. Knowledge's, skills, abilities, other characteristics (KSAOs), tasks and functions, and more recently competencies have become the building blocks of leadership selection and development processes. Competencies have become a more prevalent method of identifying the requirements of supervisory, managerial, and leadership positions, rather than job or task analysis techniques, because they provide a more general description of responsibilities associated across these positions (Briscoe and Hall, 1999). Employees want information about what they are required to do (or confirmation of what they think they are supposed to do) in their jobs or positions. The operative word here is 'do'. They typically do not want to know what they are supposed to 'be'. This simple representation of leadership requirements helps us establish a context for evaluating leadership competencies and frameworks/models.

Those that are stated only as traits, characteristics, or in attribute terms are, in our estimation, less valuable than those that are stated in task, function, and behavioral terms. However, models that address both aspects of leadership may prove to be more valuable to more individuals. The purpose in establishing competencies for leaders should be to better define what functions leaders must perform to make themselves and others in their organizations effective. Many competency definitions include reference to clusters of knowledge's, skills, abilities, and traits that lead to successful performance (Newsome, Catano, Day, 2003). Yet competency labels are typically expressed in either process or functional terms. This can lead to confusion as to what competencies actually represent for leadership and organizations. Competency frameworks or models should serve as the roadmap to individual and organizational leader success. The value of competencies is in providing specific or at least sample actions and behaviors that demonstrate what leaders' do that makes them successful. Therefore the end goal of all frameworks or models should be to provide measurable actions and behaviors associated with leadership functions. Functions are a step removed from this goal, while KSAOs, traits, and attributes are yet another step removed. Leadership competency modeling has been in vogue for several decades but the methods for developing these models and the content are as varied as the organizations for which they have been developed. Briscoe and Hall (1999) identify four principal methods for developing competencies and Newsome, Catano, and Day (2003) present summaries of competency definitions and the factors affecting their outcomes. Leadership Competency models are developed for a job or a group of jobs using various methods. Marrelli (1998) defined a competency model as "the organization of identified competencies into a conceptual framework that enables the people in an organization to understand, talk about, and apply the competencies . . . an organizing scheme". Competency models are developed because they are powerful decision-making tools and can be used for self-evaluation and self-development. Therefore, a core competency model for a job will assist an organization in hiring the best individual for a particular job (Grigoryev, 2006). The competency model will provide a framework for linking strategies of the organization to individuals and performances.

The International Board of Standards for Training, Performance, and Instruction's (IBSTPI) competency model consists of three important components: domains, competencies, and performance statements that involve four phases of development (Russ-Eft, Bober, de la Teja, Foxon, & Koszalka, 2008). Cochran (2009) developed the Ohio State University Extension Competency Model, which represents a set of core competencies for any job in Extension, now and in the future. It recognizes 14 core competencies: (a) communication, (b) continuous learning, (c) customer service, (d) diversity, (e) flexibility and change, (f) interpersonal relationships, (g) knowledge of Extension, (h) professionalism, (i) resource management, (j) self-direction, (k) teamwork and leadership, (l) technology adoption and application, (m) thinking and problem-solving, and (n) understanding stakeholders and communities. Extension's human resource departments can use performance standards to assess knowledge gaps for planning professional development program. For this study, based on the literature review and consideration of cooperatives context, the researcher developed a conceptual framework to analyze the determinants of leadership competence level among cooperative leaders of selected cooperatives. The conceptual framework is presented in Figure 1.



Source: Sketch by authors based on literature review, 2016

Figure 1 : Conceptual Framework on Determinants of Leadership Competence Level

Variables and Their Operational Definitions

In the course of analyzing determinants of leadership competency level, the main task is to analyze the variables, which are supposed to influence leadership competency level need to be explained. Thus major variables expected to have influence on leadership competence level are listed as follows.

Dependent Variable

In this study the dependent variable is Leadership Competence Level. It can be measured in terms of levels as Novice, Competent and Expert. Leadership competency level as an ordinal variable and the outcome will be in an ordered form. It takes the value 1 if leadership competence level is novice (beginner), it takes the value 2 if leadership competency level is competent (capable) and value 3 otherwise expert (professional / proficient).

Independent Variables

The independent variables are the variables that used to measure the dependent variable (leadership competency level). These variables are demographic factors (age, gender, education, family size and income), leadership qualities (personal trait, knowledge and ability, experience, analytical thinking), leadership skills (conceptual skill, technical skill, human relation skill, decision making skill, administrative skill, and communication skill).

METHODOLOGY

Description of Study Area

Ambo Woreda (district) is one of the nineteen districts of west showa zone. The capital city of district is Ambo about 114 KM_far from Addis Ababa (Finfinnee). Ambo districts total of 35 kebele, 34 of these kebele Rural, the rest one (1) is urban kebele. The total population of the district is estimated to be in 2000 E.C. 110,706 now in 2014. 126,730. The district covers 83598.69 hectare. Of land (835.9869km^2) out of which 35.30% is Dega, 50% WeynaDega & 14.70% is kola. Out of the total land estimated to be 2011 & 2012 is 57220 and 57220 hectares are used for agricultural or farming purpose respectively.

The people of district has administered under 34 peasant association (rural kebeles) and 1(one) urban dwellers of association (Rural urban kebeles) namely meti town with one kebel small town without legal personality of urban status. According to the population census the total population size of Meti town was 1042 in 2012. Due to this, the town, there is a composition of different ethnical groups. One of the basic tasks of Finance and Economic Development Office of Ambo district is the collection, compilation, analysis, synthesis, and dissemination of the districts' data on natural resources and socio-economic issues that could serve as bases for development planning and several other related activities in the district.

Sampling Design and Techniques

Ambo Woreda has 31 Primary Multi-Purpose Cooperatives. Out of those all 8 (eight) Primary Multipurpose Cooperatives were purposively selected for the study. Based on the justification that the sample cooperatives must have leaders with equal composition of board of directors, longevity existence and availability of information regarding the research objectives. The purpose is to have response from leaders and opinion of the members about their leaders' competencies. For the study purpose all eight (8) committee members as leaders from each cooperative (8x8=64), and fifteen (15) members (15x8=120) were randomly selected from each cooperatives, totally 184 respondents were selected for the study.

Type and Sources of Data

Both secondary and primary data on a wide variety of variables are used to meet the objectives of the study. The study requires a large variety of information that was unable to know Leadership Competencies with particular reference to primary multipurpose cooperatives. The source of information to realize this document is used both primary and secondary data was collected. The source of primary data includes: board of directors, members, key informant interview (KII), and focus group discussion (FGD). The sources of secondary data are: office documents, annual work reports, audit reports, minutes of management committee and different journals. The sources of documents are mainly the primary multipurpose cooperatives and related documents are from Woreda Cooperative Promotion Office.

Methods of Data Collection

Primary data was collected from the respondents (board of directors and members) through semi-structured interview schedule. Apart from this, key informant interview (KII) and Focus Group Discussion (FGI) using check list were also conducted. The secondary data was collected through reports, and written materials.

Methods of Data Analysis

The data generated using semi structured interviews was discussed qualitatively while quantitative ones are analyzed using different statistical techniques- like percentage, frequencies by the help of SPSS (statistical package for social science) version 20. Objective one and two were analyzed by using descriptive statistics; and objective three was analyzed by using ordered logit regression model.

Model Specification

In the econometrics literature, logit and probit models may be used to analyze determinants of a dependent variable which is ordered in nature (Verbeek, 2003). In this study, leadership competency level is the dependent variable which is ordinal. The use of a binary choice variable as the dependent variable may not capture the levels of leadership competency. As Baidu, (1999) pointed out; there is possible loss of information if a binary variable is used as the dependent variable in such cases. This is because, knowledge of whether a leader is competent or not competent may not provide sufficient information about the leader's behavior as leaders have various extent of leadership competency level. The use of ordinal dependent variable is very informative because, severity of the problem such as leadership competency level is likely to determine actions taken to alleviate it. In this study, leadership competency level is considered as an ordinal dependent variable with the outcomes, Novice (beginner), Competent (capable) and Expert (proficient or professional) Following Verbeek, (2003), the general ordered logit model can be specified as;

$Y_i^* = \beta' X i + \epsilon_i$ ………………………………………………………….. Equation 1

Where;

Y_i is the underlying unobserved (latent) variable that indexes the level of leadership competency

Xi is a vector of explanatory variables describing demographic, leadership qualities and Leadership skills. β ' are parameters to be estimated and $\in$i is the error term, assumed to follow standard normal distribution. The latent variable exhibits an ordinal scale, which will be observed and coded as discrete extent of level of leadership competency (1=Novice, 2=Competent, 3=Expert), where 1<2<3.

Based on economic theory and previous empirical research on leadership competency, the explanatory variables included in the ordered logit model were personal/demographic variables (age, gender, education, family size and income), leadership qualities (personal traits, knowledge and ability, experience, analytical thinking), variables that measure leadership skill of leaders (conceptual skill, technical skill, human relation skills, decision making skill and, communication skill).

MAJOR FINDINGS

Findings from Dimension of Leadership Competency

- Majority of leaders opined that they are good in work habit in self-management as a dimension of leadership competency; similarly majority members opined that their leaders are good in work habit in self-management as a dimension of leadership competency.
- Majority of the leaders opined that they are good in leading the other as a dimension of leadership competency, whereas members opined that their leaders are good in leading others as a dimension of leadership competency.
- Majority of the leaders opined that they are good in task management as a dimension of leadership competency, whereas members opined that their leaders are good task management ability as a dimension of leadership competency
- Majority of the leaders opined that they are good in innovation as a dimension of leadership competency, whereas members opined that their leaders are good innovation ability as a dimension of leadership competency
- Majority of the leaders opined that they are good ability in social responsibility as a dimension of leadership competency, whereas majority of members opined that their leaders are good ability in social responsibility as a dimension of leadership competency.

Findings from Leadership Competency Level

- Most of the leaders opined that they are competent level of leadership competency in relationship management, whereas members also opined that their leaders are competent in relationship management
- In facilitate and negotiation as a leadership competency, majority of the leaders and members opined that they are competent level of leadership competency.
- The leaders opined that they are at competent level of leadership competency in leadership skill and behavior as leadership competency, whereas members also opined that their leaders are competent in leadership skill and behavior as a leadership competency level.
- Most leaders opined that they are at novice level of leadership competency in relationship management as a leadership competency level, whereas members opined that their leaders are competent in relationship managements a leadership competency level.
- It may be concluded that majority of the leaders opined that they are competent in managing changes as leadership competency, whereas majority members also opined that their leaders are competent in managing changes as leadership competency.
- Majority of the leaders opined that they are at competent level in general management as leadership competency and the same is true with members also.
- Most of the leaders opined that they are at competent level in financial management as leadership competency and the same is true with members also.
- Majority of the leaders opined that they are at competent level of leadership competency in human resource management as leadership competency and the same is true with members also.
- Majority of the leaders opined that they are at competent level in quality improvement as leadership competency the same is true with members also.

Findings from Crosstab Analysis

Demographic Variables vs Leadership Competency Level

Age vs to Leadership Competency Level middle age leaders are more in categories of Leadership Competence Level. Gender vs to Leadership Competency Level it may be conducted that most of them are male leaders who are at competent level. Education Level vs Leadership Competency Level, implying the influence of the variable in making leadership competency level. The variable was also positively associated with leadership competency level. Family Size Vs Leadership Competency Level conducted that medium family size may improve the leadership competency level.

Personal Quality vs Leadership Competency Level

Most of the leaders that they are at competent level had positive personal traits in as leadership competency. Majority of leaders which were competent level of leadership competency was responding that they had strong knowledge and ability. Among leaders majority of them which were competent level of leadership competency was respond that they had 8-15 years of cooperative leadership experience. Majority of leaders them which were competent level of leadership competency was respond that they had strong analytical thinking ability.

Leadership Skill vs Leadership Competency

Majority of the leaders of competent level of leadership competency leaders was high conceptual skill. Majority of leaders who had high technical skill was competent level of leadership competency. Majority of leaders who had high human relation skill was competent level of leadership competency. Majority of them who had high decision making skill was competent level of leadership competency. Majority of leaders who had high communication skill was competent level of leadership competency level.

Determinants of Leadership Competency Level: Ordered Logit Model

The dependent variable, leadership competency level in the empirical model measures the probability of level of leadership competency and takes the value of “1” if the leaders at novice level, takes the value of “2” if the leaders are at competent level and “3” if they are expert. The independent variables for the empirical model come from the 3 categories of competency as determinants considered in the conceptual framework. A model including all variables anticipated to be significant and representing all categories was estimated. Subsequently, insignificant variables were getting rid of leaving a parsimonious model. The model was vigorous to dropping non-significant variables (i.e., signs and significance of other variables did not modify) and therefore only the description full model will be stated below.

Explanatory variables that are selected for ordinal regression model would be discussed based upon the model output. As indicated in Table 1, 100 % of the total variation for leadership competency level is explained by ordinal regression model. The $\chi 2$ result also shows that the parameters are significantly different from zero at $P<0.05$ for the leadership competency level. The model correctly predicted sample size of 100 %. The explanatory variables that fit the model, family size, education level, leadership experience, personal traits, knowledge and ability, conceptual skill, human relation skill, analytical thinking and communication skill were found to be significant by influence Leadership Competence Level. Age, income, and decision-making skill were insignificant. The result implies that there is no variation between respondents in technical skill of leadership competency.

Table 1: Ordered Logit Regression Results for Determinants of Leadership Competencies

	Estimate	Std. Error	Wald	Sig.
Age	-2.636	1.622	2.643	.104
Family size	-1.955	1.002	3.806	.051*
Income	-.529	.489	1.171	.279
Education level	2.367	.606	15.261	.000***
Leadership experience	1.390	.746	3.467	.063*
Personal traits	13.110	4.466	8.619	.003**
Knowledge and ability	6.490	1.045	38.565	.000***
Conceptual skill	4.802	2.060	5.432	.020**
Human relation skill	5.065	1.664	9.268	.002**
Decision making skill	-7.151	5.021	2.028	.154
Communication skill	-4.874	1.832	7.079	.008**
Analytical thinking	3.634	1.753	4.297	.038**

Source: computed from survey result 2015

***** 1% level, ** 5% level, * 10% level significant*

The ordered logistic model result shows that leaders who had small size of family was better in leadership competency and were more likely to lead the cooperative more than large family size. As the ordered logistic model indicates, family size of leaders had negative and significant influence on the leadership competency at 5% significance level. Leaders who have small family size had sufficient time to lead the cooperatives than larger family size of the leaders could be the reason.

Education level increases the leadership competency of cooperative leaders. It also increases the ability of the leadership. The model result shows that there is significant difference between leaders based on education level on the leadership competency. Education as an independent variable influences leadership competency positively and significantly at P<0.01 % level.

It was expected that leadership experience can increase the probability of leadership competency of the leaders. Leaders gain more information and ability about leadership competency as experience in leadership increases. Hence, it was hypothesized to affect leadership competency positively. Model result shows that there is a positive influence of leadership experience over Leadership Competency Level at 10 % significant level.

Personal traits of leaders were one of the determinants of leadership competency. As the ordered logistic model indicates, personal traits of leaders have positive and significant influence on the leadership competency at 5% significance level. The odds suggested that with one unit increase in personal traits of the leaders the chances of leadership competency will increase. The ordered logistic model result showed that leaders who had better knowledge and ability had better in leadership competency were more likely to lead the cooperative more than low knowledge and ability of leadership. As the ordered logistic model indicates, knowledge and ability of leaders has positive and significant influence on the leadership competency at 1% significance level.

Analytical thinking increases the leadership competency of respondents on cooperative leadership. It also increases the understanding of the leadership, which, in turn, helps to apply easily. The model suggests that there is significant difference between respondents on the leadership competency. In general analytical thinking influences leadership competency positively and significant at $P<0.05$ % level. The conceptual skill of respondents was hypothesized to affect positively and significantly the leadership competency. As predicted, the ordered logistic model indicates that conceptual skill has significant influence on the leadership competency level at 5% significance level. Human relation skill of leaders was one of the determinants of leadership competency. As the ordered logistic model indicates, human relation skill of leaders has positive and significant influence on the leadership competency at 5% significance level. Finally education level, and knowledge & ability of leaders has positive influence and significant at 1% significance level.

To sum up, leaders of selected cooperatives have exposure to five dimensions of leadership competency. Majority of leaders are at competent level as reported by both leaders and members by considering various core competencies of leadership. The cross tab analysis revealed that there is relationship between demographic variables, leadership qualities, and leadership skills. Ordered logit model result shows that education level and, knowledge and ability have positive significant influence at 1% level; analytical thinking, human relations skill, conceptual skill, and personal traits have positive significant influence, and communication skill has negative significant influence at 5% level. Leadership experience has positive influence and family size has negative influence on the leadership competency level at 10% level.

It is found from OLRM that education increases the leadership competency of leaders on cooperative leadership. It also increases the ability of the leadership. The model result shows that there is significant difference between leaders based on education level on the leadership competency. Education again independent variable influences leadership competency positively and significantly at $P<0.01$ %

CONCLUSION

Leaders of selected cooperatives have response to five dimensions of leadership competency. Majority of leaders are at competent level as reported by both leaders and members by considering various core competencies of leadership. The crosstab analysis revealed that there is relationship between demographic variables, leadership qualities, and leadership skills. Ordered logit model result shows that education level and, knowledge and ability have positive significant influence at 1% level, analytical thinking, human relation skill, conceptual skill and personal traits have positive significant influence and communication skill has negative significant influence at 5% level, leadership experience has positive influence, and family size has negative influence as the leadership competency level at 10% level.

To conclude, as for leadership competency level majority of the cooperative leaders are at competent level, followed by novice level. The cooperatives must try to device mechanism to improve the skill and capacity of the leaders through leadership development programs so as to enable leaders to raise their competency to expert level to lead the cooperatives for sustainable development.

RECOMMENDATIONS

Cooperatives try to device leadership development programs on developing the skills of leaders in the five skill areas (conceptual, technical, human relation, decision making, and communication skill), thus creating a large pool of competent individuals for future leadership positions. Leadership skill areas and the specific competencies on the Leadership Competencies in cooperative leaders were identified because of their perceived importance by the administrative heads of current cooperative leaders and the current leaders themselves perceived these as important. Communication skills emerged as a leadership skill area important for cooperative leaders to have, communications courses and workshops should be recognized as necessary leadership development activities.

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