Managerial Performance Strategy Through Partnership and Member Participation on the Performance of the Cooperative in Banjarmasin

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Abstract

Performance Cooperative who excel will be realized if the Partnership and Participation Members through the Performance Managerial implemented with either. The research aims to obtain clarity regarding Profile Partnership, Profile Participation Members, Profile Performance Managerial and Profile Performance Cooperative, and get clarity relationships Partnerships and Participation of members and their influence on performance managerial and Performance Cooperative. The method of research that is used is Explanatory Survey Method, Object Research this is the whole cooperative active that exist in the city of Banjarmasin, and drawn samples as a unit of analysis is the Cooperative Primary active and spread in Banjarmasin with as many as 75 respondents were represented by managers or administrators cooperatives are. Analysis using the Partial Least Square (PLS) model. Results The study showed Partnership is influential significantly toward Performance Managerial. Still, the Partnership does not impact Cooperatives' Performance. The participation of members of an effect on the Performance of Managerial and Performance Cooperative, Partnership and Participation Members are simultaneously influenced significantly to Cooperatives' Performance through Performance Managerial.

Keywords: Partnership, Member Participation, Managerial Performance, Cooperative Performance.

INTRODUCTION

Cooperative empowerment is an integral part of national development, which aims to create a just and prosperous society. In the development of the economic field explicitly (UUD NRI, 1945), emphasizing the implementation of the principle of kinship (pasal 33 ayat 1) and the implementation of the national economy based on economic democracy (pasal 33 ayat 4). in Renstra Kementrian Koperasi and UKM Tahun 2015-2019, it is stated that cooperation between cooperatives and with state and private businesses as business partners developed in a more tangible way to realize an economic life based on economic democracy which is imbued with the spirit and principles of kinship, togetherness, business partnership, and camaraderie, as well as mutual support and mutual benefit.

The potential of cooperatives to grow into large-scale businesses continues to be improved, among others, through expansion of the cooperative business network, share ownership, linkages with upstream and downstream companies, both in state and private businesses. Ambivalence towards the ability of

cooperatives with various phenomena has emerged in line with the development of other sectors like Private-Owned Enterprises and State-Owned Enterprises who have made a more significant contribution to the Gross National Product (GNP) Indonesia. Meanwhile, the gift of Business Entities in the Form of Cooperatives to GNP Indonesia is relatively small compared to the contribution of state-owned enterprises and even more so compared to the assistance of Privately owned companies. This causes the Cooperative's position to be still weak in terms of the ability to manage professionally in obtaining comparative advantages and competitive advantages. Based on the researcher's observations, it is known that Factors causing the weak management capabilities include; invalid partnerships, weak member participation, and weak cooperative managerial Performance, which ultimately affects the Performance of cooperatives; however, it is realized that the existence of small, medium and large businesses is an essential partner in the people's economic development.

The Partnership can be interpreted as a form of Partnership between two or more parties that form a cooperative bond in certain business fields or specific goals so as to obtain better results. (Sjamsir & Gunarto, 2017) state that Partnership is the art of communicating with each other, sharing ideas, information and resources to achieve individual or group success. *networking is a process of getting together to get ahead. It is the building of mutually beneficial relationship – Networking* is essentially a process of building communication or relationships, sharing ideas, information and resources on the basis of mutual trust and mutual benefit between the partnering parties as outlined in the form of a memorandum of understanding or agreement in order to achieve tremendous success together.

Member participation is the key to the success of cooperative organizations and businesses. Literally, partisipasi berarti meningkatkan peran serta orang-orang yang mempunyai visi dan misi yang sama bagi mengembangkan organisasi maupun usaha koperasi. The establishment of cooperatives is intended to meet the needs of members. This means that cooperatives are actually able to meet the needs of their members and vice versa. Members take advantage of cooperative services, attention, and responsibility towards cooperatives in the form of contributions to various forms of savings and share the risk of cooperative business, and proactively participate in different forms and processes of cooperative business decision-making. Member participation is based on the principle of *dual identity*, i.e., members as owners, as well as users. As owners, members are required to participate in equity participation, supervision, and decision making, while as users/customers, cooperative members are required to take advantage of the facilities, services, goods, and services provided by the Cooperative. The degree of dependence between members and cooperatives or vice versa will determine the development of cooperative organizations and businesses. The stronger the support of members on the Cooperative, the higher and better the result of the organization and collaborative effort, so that cooperative members feel the benefits of the existence of cooperatives and cooperatives are increasingly healthy and develop as business entities with the full support of members.

Managerial Performance is the result of an effective managerial activity process starting from the process of planning, implementation, administration, accountability reports, coaching, and supervision. The managerial Performance referred to in this dissertation is the Performance of the management or cooperative

manager. Managers will be more motivated to improve managerial Performance if the measurement of high Performance is in the form of the necessary information that provides feedback for improvement and learning. In addition, providing better compensation to managers is also motivating in improving Performance. (Rafiah Pakpahan, Dewi; Astuti, Widia; Hani, 2001), States that someone who holds a managerial position is able to produce a managerial performance. In contrast to employee performance is generally concrete, and managerial Performance is abstract and complex. Assessment or measurement of Cooperative Performance is one of the important factors in Cooperatives. In addition to being used to assess the success of cooperatives, Performance measurement is also used as a basis for determining the reward system in the cooperative, such as to determine the level of profit-sharing to Cooperative members and appropriate rewards for Cooperative employees. The management also uses the Cooperative performance measurement as a tool to evaluate the past period.

LITERATURE REVIEW

Partnership. The Partnership variable is measured using the Partnership created by (Hafsah, 2000) which consists of three (3) indicators, namely *Accessibility*, *Utility Value*, *Sinergy* using a Likert scale consisting of five scales, namely 1 point for strongly disagree, 2 points for disagreeing, 3 points for neutral, 4 points for agreeing, and 5 points for strongly agree.

Member participation. Member Participation Variable is measured using member participation made by in (Alfani, 2015) which consists of three (3) indicators, namely the participation of members in contributing or mobilizing resources, member participation in making decisions, member participation in enjoying benefits, using a Likert scale consisting of 5 scales, namely 1 point for strongly disagree, 2 points for disagreeing, 3 points for neutral, 4 points for agreeing, and 5 points for strongly agree.

Managerial Performance. Managerial Performance Variables are measured using managerial Performance made by (Tongian, Felix; J Sondakh, Jullie; Morasa, 2018) consisting of eight (8) indicators, namely Planning, Investigation, Coordination, Evaluation, Supervision, Staffing, Negotiation, Representation by using a Likert scale consisting of 5 scales, namely 1 point for strongly disagree, 2 points for disagreeing, 3 points for neutral, 4 points for agreeing, and 5 points for strongly agree.

Cooperative Performance. Cooperative Performance Variables are measured using Theory Balanced Scorecard created by (Norton, 2000) consisting of four (4) indicators in the first form Financial Perspective with parameters *current ratio, Total debt to Assets ratio, Return on Assets*. Both Internal Business Process Perspectives with Parameters of Cooperative User Satisfaction Level, Ability to retain old Cooperative Users, Acquisition rate of new Cooperative Users, Profitability rate of Cooperative Users, Market share mastery. Third Customer Perspective with parameters Cooperative leaders identify various important internal business processes that must be mastered well by the company. Fourth Growth Perspective and Learning with measurement parameters oriented to Cooperative Members consist of a combination of generic outcome measures (satisfaction,

retention rate, training, and skills of workers) coupled with a generic size driving factor.

RESEARCH METHODS

The object of this research is the entire Cooperative in the city of Banjarmasin. This research was conducted in 2019. The data taken are primary data and secondary data obtained directly from the cooperative through the distribution of questionnaires which is filled in now by the manager or cooperative administrator. In contrast, secondary data is obtained from other parties who have collected it first. Data analysis in this study is included in the category *causal research* with the method used *Explanatory Survey Method*. The research population, namely the entire cooperative spread over five sub-districts in Banjarmasin that is as many as 307 Cooperatives. The sample is drawn using the Slovin formulation (I Gusti Bagus, 2016) and get a sample of 75 cooperatives in Banjarmasin. The stages and processing of data analysis are carried out using the model *Partial Least Square* with software SmartPLS Versi 3.29.

The measuring instrument of this research consists of three (3) variables taken using a questionnaire with answers in the form of a Likert scale, namely the variable Partnership, Member Participation, Managerial Performance and one (1) variable using SWOT analysis, the results of which are formed into a Likert scale, namely Cooperative Performance. Testing the instrument's validity, first conducted an experiment with a degree of confidence 95% on 20 respondents use r_{table} with the critical value 5% which is equal to 0,412. and instrument reliability by comparing with alpha Cronbach> 0,6

Based on the theory and background, this study proposes five (5) hypotheses; Hypothesis 1: Partnership has a significant effect on Cooperative Managerial Performance in Banjarmasin City. Hypothesis 2 Partnerships have a significant effect on the Performance of cooperatives in Banjarmasin City. Hypothesis 3: Member participation has a significant effect on Cooperative Managerial Performance in Banjarmasin City. Hypothesis 4: Member participation has a significant effect on Cooperative Performance in Banjarmasin City. Hypothesis 5: Partnership and Member Participation simultaneously have a significant effect on Cooperative Performance through Cooperative Managerial Performance in Banjarmasin City.
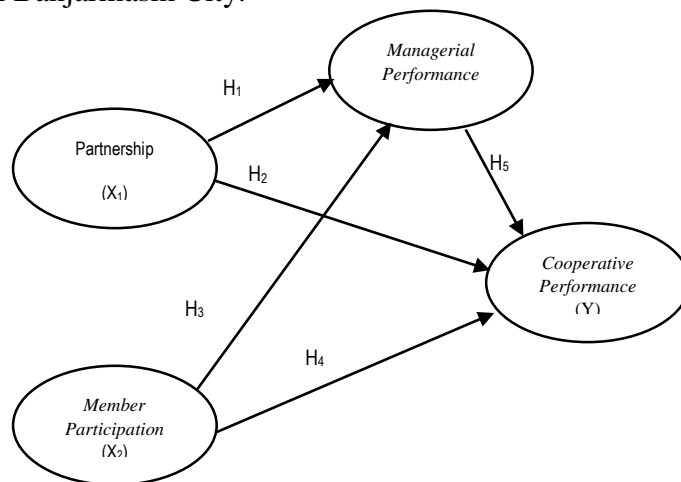

Figure 1. Hypothesis model

RESULTS AND DISCUSSION

Respondents Overview
The general description of the respondents in this study consisted of 307 cooperatives with legal entities spread across Banjarmasin City in 2019. Only 92 Cooperatives report Annual Budget Meeting at least 2017 means that only about 30% of cooperatives are active in Banjarmasin City and as many as 70% of cooperatives whose activities have not been recorded correctly in Dinas Koperasi Usaha Mikro dan Tenaga Kerja Banjarmasin City.

Full Model Output Partial Least Square
The PLS output is in the form of a full path diagram model, as shown in the following figure
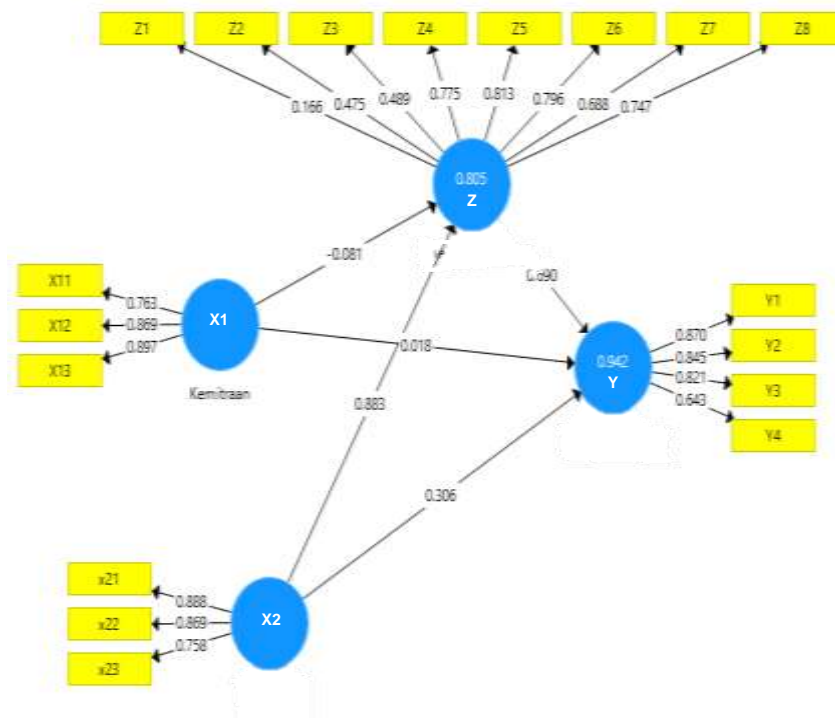

Figure 2. Full PLS Output Model the relationship between
variables X1, X2, Z, and Y

From testing, Outer Model is Convergent Validity with a reflective indicator (laten). (Solimun et al., 2017) states that the indicator is considered valid if it has a loading value above 0,5 and or value T-statistic above 1,96, then the statistics are close to normal, that is on $\alpha = 0,05$ whose critical value is 1,96.

Indicator Validity Test (Outer Measurement Model) Full Model
Based on Figure 2 Output Partial Least Square (PLS) it can be tested the construct validity of each loading variable value is shown in the following table.

Table 3. Hasil *Outer Loading* Full model

	Original Sample Estimate	T-Statistic
Kemitraan (X_1)		
X_{11}	0,763	4,189
X_{12}	0,869	7,506
X_{13}	0,897	9,434
Partisipasi Anggota (X_2)		
X_{21}	0,888	19,736
X_{22}	0,869	20,034
X_{23}	0,758	11,055
Kinerja Manajerial (Z)		
Z_1	0,166	1,345
Z_2	0,475	4,769
Z_3	0,489	4,830
Z_4	0,755	13,404
Z_5	0,813	17,137
Z_6	0,796	18,901
Z_7	0,688	9,699
Z_8	0,747	10,888
Kinerja Koperasi (Y)		
Y_1	0,870	26,062
Y_2	0,845	16,518
Y_3	0,821	19,116
Y_4	0,643	7,248

It is known that *original sampel* in Managerial Performance (Z) there are 3 indicators whose value is below 0.5, namely the Planning indicator (Z1), Investigation (Z2), Coordination (Z3) so that these three indicators will not be included in the next model test (PLS Model Modification).

PLS Output Model Modification

The output of PLS in the form of a path diagram or text with a modified model is carried out again, as shown in the following figure:
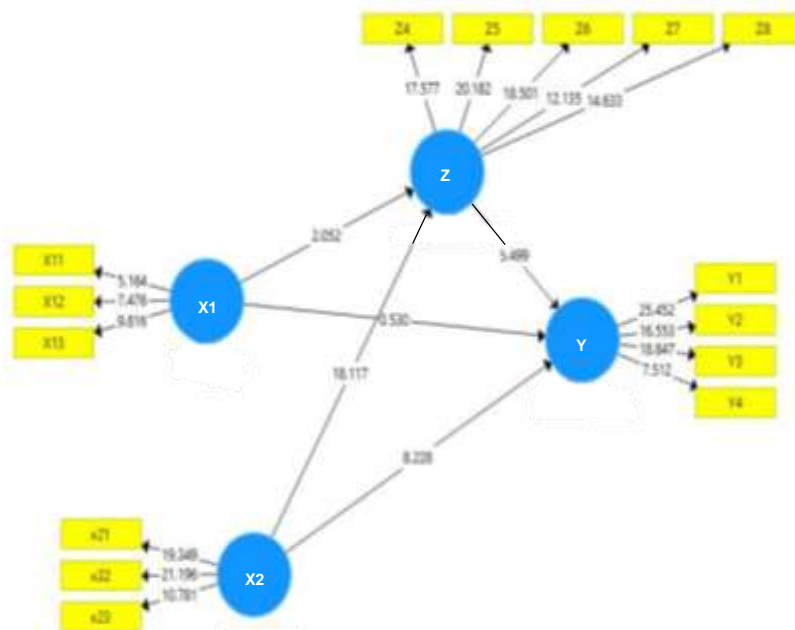

Figure 3. Modification of the PLS Output Model the relationship between variables X_1, X_2, Z, and Y

Indicator Validity Test (Outer Measurement Model) Modified Model

Based on Figure 3, Output Partial Least Square (PLS) it can be tested the construct validity of each loading variable value is shown in the following table.

Table 3. Outer Loading Results Modification of the model

	Original Sample Estimate	T-Statistic
Kemitraan (X_1)		
X_{11}	0,767	5,164
X_{12}	0,872	7,476
X_{13}	0,892	9,816
Partisipasi Anggota (X_2)		
X_{21}	0,890	19,349
X_{22}	0,871	21,196
X_{23}	0,754	10,781
Kinerja Manajerial (Z)		
Z_4	0,816	17,577
Z_5	0,844	20,182
Z_6	0,798	18,501
Z_7	0,752	12,135
Z_8	0,813	14,633
Kinerja Koperasi (Y)		
Y_1	0,870	25.452
Y_2	0,849	16,553
Y_3	0,822	18,847
Y_4	0,637	7,512

Indicator Reliability Test

After testing the validity of the construction, the next stage is a reliability test that aims to determine the reliability of each indicator following table shows that all variables are declared reliable or can be trusted because of the high Composite Reliability value > 0,70.

Table 4. *Composite Reliability*

	Composite Reliability
X_1	0,882
X_2	0,878
Z	0,875
Y	0,902

Test R Square through (*Inner Structural Model*)

The test of the inner model can be seen from the R-Square value, which in the equation of the latent variable according to (Solimun et al., 2017) denoted $Q^2 = 1 - (1 - R_1^2)(1 - R_2^2) \dots (1 - R_n^2)$. *R-Square* From the results of the analysis in this study, the data is known as follows:

Tabel 5. *R-Square* (R^2)

	Composite Reliability
X_1	
X_2	
Z	0,649
Y	0,912

From table 5 it is known the value of Q^2, whereby using what is stated (Solimun et al., 2017) it is:

$Q^2 = 1 - (1 - R_1^2)(1 - R_2^2) \ldots (1 - R_n^2)$

$Q^2 = 1 - (1 - 0,649)(1 - 0,912)$

$Q^2 = 1 - (0,351)(0,088)$

$Q^2 = 1 - (0,030888)$

$Q^2 = 0,969112$

From the results of the analysis calculation $Q^2 = 0,969112$, it can be interpreted that the model is perfect. Namely, the variables included in the model can explain the phenomenon of job satisfaction of 96,9112%, while the rest 3,0888% explained by other variables that have not been entered into the model and *error*.

Hypothesis testing

From Figure 3 Modification of the PLC Output Model, the relationship between variables X1, X2, Z, and Y, can be seen in the results of hypothesis testing as contained in the following table**.**

Table 6. *Result for Inner Weight*

	T-Statistik
$X_1 \rightarrow Z$	2,087
$X_1 \rightarrow Y$	0,506
$X_2 \rightarrow Z$	17,618
$X_2 \rightarrow Y$	8,107
$X_1, X_2 \rightarrow Z \rightarrow Y$	
$X_1 \rightarrow Z \rightarrow Y$	1,884
$X_2 \rightarrow Z \rightarrow Y$	5,274

Based on table 6, the results of hypothesis testing can be explained as follows:

The first hypothesis (H_1) states that partnerships have a significant effect on managerial Performance in cooperatives in Banjarmasin. The path coefficient with a negative sign is (-) 0,126 with value $T_{hitung} = 2,807$ bigger T_{tabel} or $T_{(0,05 ; DF=n-k-1=75-2-1=72)} = 1,666$ it means that the partnership has a significant effect on managerial performance. So the first hypothesis (H_1) is accepted.

The second hypothesis (H_2) states that the Partnership has a significant effect on the Performance of cooperatives in Banjarmasin. The path coefficient with a positive sign is 0,016 with value $T_{hitung} = 0,506$ smaller than T_{tabel} or $T_{(0,05 ; DF=n-k-1=75-2-1=72)} = 1,666$ it means that the partnership has no significant effect on the performance of the cooperative. So the second hypothesis (H_2) is rejected.

The third hypothesis (H_3) states that member participation has a significant effect on managerial Performance in cooperatives in Banjarmasin. The path coefficient with a positive sign is 0,779 with Value $T_{hitung} = 17,618$ bigger T_{tabel} or $T_{(0,05 ; DF=n-k-1=75-2-1=72)} = 1,666$ it means that member participation has a significant effect on managerial performance. So the third hypothesis (H_3) is accepted.

The fourth hypothesis (H_4) states that Member Participation has a significant effect on Cooperative Performance in Banjarmasin. The path coefficient with a positive sign is 0,582 with value $T_{hitung} = 8,107$ bigger T_{tabel} or $T_{(0,05 ; DF=n-k-1=75-2-}$

$_{1=72)}$ = 1,666 meaning that Member Participation has a significant effect on Cooperative Performance. So the fourth hypothesis (H$_4$) is accepted.

The fifth hypothesis (H5) states that Partnership and Member Participation have a simultaneous effect on Cooperative Performance through Managerial Performance in Banjarmasin City. Against the Partnership variable, the path coefficient is negative at (-) 0,054 with value T_{hitung} = 1,884 bigger T_{tabel} or $T_{(0,05 ; DF=n-k-1=75-2-1=72)}$ = 1,666 as well as the participation variable of the path coefficient members is positive 0,333 with value T_{hitung} = 5,274 bigger T_{tabel} or $T_{(0,05 ; DF=n-k-1=75-2-1=72)}$ = 1,666, it means that Partnership and Member Participation simultaneously influence the Cooperative Performance through Managerial Performance. So the fifth hypothesis (H5) is accepted.

Managerial Implications of the Partnership have not been able to affect the Performance of Cooperatives in the city of Banjarmasin because the needs of cooperatives in achieving their goals have not been appropriately fulfilled. Indeed, the ease of cooperatives in accessing capital is quite good, but capital alone is still not enough if it is not supported by marketing, management, and technology so that what is desired in the Partnership in this cooperative program can be measured and implemented correctly. In addition, it is also necessary for the participation of members who must always be involved in every cooperative activity so that later it will encourage better Managerial Performance and Cooperative Performance.

Cooperative Managerial Performance in this study does not measure the ownership of cooperative work guidelines, inspection activities through data collection, and information exchange carried out by cooperative members in order to coordinate well on the grounds that the leadership of the Cooperative has assessed the plans that have been made and the leadership of the Cooperative has assessed the proposed Performance that has been observed and reported so that it can be known in advance. Managerial Performance is a strategy where someone who holds this managerial position is expected to be able to produce a managerial performance that is different from the Performance of his employees, the effectiveness and efficiency of a manager will work focused on achieving organizational goals, meaning that this study also finds that managerial Performance that refers to organizational goals will be very effective if it is influenced by partnerships and member participation together, and with this managerial Performance will also encourage effective and efficient cooperative Performance that is expected.

CONCLUSION AND SUGGESTION

The results of this study indicate that partnerships have not been able to affect the Performance of cooperatives in Banjarmasin City Partially this is because many cooperative partners unilaterally benefit from the results of cooperation between cooperatives and other small and medium/large businesses, Should the existence of a partnership within a certain period of time be able to achieve mutual benefits both from the cooperative and cooperative partners with the principle of mutual need and mutual support. Especially from the perspective of cooperative users, which can be seen in terms of the level of satisfaction of cooperative users, which looks normal compared to the existence of partnerships, as well as in the ability to retain users of old cooperatives, which are indeed cooperatives that support partners more than their production so that users of the old Cooperative will see new businesses that

are more potent than what the cooperatives have done themselves, and also the control of market share which is more dominated by cooperative partners compared to cooperatives so that partially it has not been able to affect the Performance of cooperatives well.

Therefore, additional strategies are needed through cooperative Managerial Performance to be able to encourage good partnerships on cooperative Performance, not only that, a collaboration strategy between the Partnership and member participation is also needed so that with Managerial Performance as a mediator who will focus on the goals and objectives of the cooperative, then the Partnership can be used as a strategy to support the progress of the Cooperative's managerial Performance and the Performance of the Cooperative.

Increasingly competitive competition in the existence and Performance of cooperatives in the City of Banjarmasin has become the main reason for the development of cooperatives, so that the right strategy is needed to solve this. This is because Cooperatives are institutions that are considered quite representative in empowering the community's economy. Business Partnership is a strategy to be able to develop Cooperative Business, and morally Partnership must be accompanied by maximum support/participation from its members so that it will lead to mutual benefit, so that indeed the cooperative management must be more active in increasing member participation in the form of participation in making decisions, contributing participation, and incentive participation so as to encourage the improvement of Cooperative Performance from an internal business perspective, also growth and learning perspective in addition to improving financial perspective and customer perspective

Dinas Koperasi dan UKM Banjarmasin City it is also necessary to develop partnership strategies and member participation in cooperative Performance through managerial Performance for example, by creating a meeting program between partner companies such as micro, small business, and Cooperative, so that the participation of all elements related to the development of this cooperative can be carried out properly, Besides that, government intervention is also needed in this Partnership, so that the regulations that serve as the basis for mutual benefit can be felt fairly and equitably, both for Cooperatives and Cooperative Partners because the ultimate goal of Cooperative Development is the welfare of society.

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