

An Integrated Model of Internal and External Factors Affecting Cooperative Management Board Performance towards Cooperative Performance

Yudi Supiyanto

Universitas PGRI Ronggolawe (UNIROW) Tuban

Keywords: Integrated Model, Management Board Performance, Cooperative Performance.

Abstract: The present article reports on the results of a study designed to investigate the influence model of Managerial ability, Organizational Commitment, Job Satisfaction and Job Challenge on Management Board and Organization Performance at Koperasi Pegawai Republik Indonesia (KPRI). The approach used is a correlation design. The population is cooperative institution called boards of KPRI throughout East Java. The data are analyzed by the Structural Equation Model. The results of this study are: 1) Variable Managerial ability, Organizational Commitment, and Job Challenges are all positive and significant impact on Management Board Performance. While of Job Satisfaction does not influence on Management Board Performance. 2) Both variable Managerial Ability and Organizational Commitment, have positive and significant effect on Organizational Performance of KPRI. While Job Satisfaction and Challenge of the work does not influence on Management Board Performance, 3). Variable Management Board Performance has positive effect and a significant on Organizational Performance.

1 INTRODUCTION

In this era of globalization, whereas cooperatives are working and competing in the free market, on the other hand it raises new problems, especially in terms of competition. Cooperative is one of the important mechanisms to enter the market and this raises a new problem. The problems that arise and the various dimensions faced by cooperatives above are to be based on human cooperative resources, not only on quantity but rather on quality. Cooperative performance problems have been widely investigated by researchers and experts of cooperatives or SMEs. The performance of cooperatives is influenced by many factors, both external and internal. The external ones include competition, the situation of economic conditions, government policy, and market network. Internal issues include management, ideology, finance, performance and human resources and organizational behavior factors (Nasution, 2008; Kamenaung, 2004; Nirbito, 2003).

Management ability is an important individual characteristic in behavior of individual work. Nurthal (2001) said that the management capacity is

identically with managerial abilities such as the personnel characteristics, intelligence (competence) and motivation. Research of Tasrifin (2012) found empirical fact that: Managerial ability have positive and significant influence to BDS-P / KKMB Consultant performance in East Java, it means the higher the managerial ability of a consultant, the higher the performance, the lower the ability of Managerial a consultant, the lower the performance.

According to Meyer et al. (1997) that commitment is not only related to the level of employee turnover, but also related to the level of employee's willingness to sacrifice for the company. Therefore, the need of high trust and organizational support of employees becomes an important thing for every member of the organization (Boswell, 2003).

Some studies found that there are many facts that job satisfaction influence on personnel performance and cooperative performance. However, the level of satisfaction of each personnel varies depending on the values applicable in each individual employee. According to Robbins (2011) job satisfaction is defined as a general attitude towards a person's work that shows the difference between the number of

awards earned by the worker and the amount they believe they should receive. It is said that work satisfaction leads to improved performance so that satisfied workers will be more productive. But from various studies found the evidence that organizations that have more satisfied employees tend to be more effective than organizations that have less satisfied employees. Gibson, et al. (1995) explained that organizational performance depends on the performance of employees, or in other words the performance of employees will give a contribution to organizational performance.

The work challenge variable is the next variable that is expected to have an effect on the performance. The work challenge is defined as the extent to which work is challenging and exciting (Meyer and Allen, 1988). The concept of work challenge which is one of the forms of work characteristics has an important role in improving the performance of personnel which will further improve the performance of the organization. The studies of Singh et al. (2011) further found empirical evidence that the challenges of retailers work positively affect the company's performance.

According to Rusdarti (2009) cited in this study the performance capability of the board is the aspect of ability that determines the success of the organization. Thus formal education, education and training, relevant experience and knowledge have been seen as some of the variables of ability that can influence personal behavior in completing work programs.

This study takes object in East Java where in the national level in the case of cooperatives become an example for the other province especially if it is seen from quantity side of cooperative in East Java is the most in Indonesia that is 29,150 pieces with details 25,154 active and 3,996 not active (Fatah, 2013). But in terms of quality still have to get attention and correction either among movement of cooperative itself or from government as coach. This is related to the number of inactive cooperatives, including the existence of an inactive KPRI that is 111 units, the cooperative which is threatened to disperse due to management problems, human resources problems (HR) in the cooperative regarding professionalism and morale cooperative management as well as the problem of technology utilization.

Based on the problems of study can be formulated:

- Does managerial ability affect the performance of Cooperative Employees of the Republic of

Indonesia (KPRI) management board in East Java?

- Does organizational commitment affect the performance of Cooperative Employees of the Republic of Indonesia (KPRI) management board in East Java?
- Does job satisfaction affect the performance of Cooperative Employees of the Republic of Indonesia (KPRI) management board in East Java?
- Does the work challenge affect the performance of Cooperative Employees of the Republic of Indonesia (KPRI) management board in East Java?
- Does managerial ability affect the organizational performance of Cooperative Employees of the Republic of Indonesia (KPRI) in East Java?
- Does organizational commitment affect the organizational performance of Cooperative Employees of the Republic of Indonesia (KPRI) in East Java?
- Does job satisfaction affect the performance of Cooperative Employees of the Republic of Indonesia (KPRI) organization in East Java?
- Does the work challenge affect the performance of Cooperative Employees of the Republic of Indonesia (KPRI) organization in East Java?
- Does the performance of the board affect the performance of the organization Cooperative Employees of the Republic of Indonesia (KPRI) in East Java?

2 METHODS

Related with the problems, there are six variables to be studied. These six variables are classified into three parts, independent variables (independent variable / exogenous variable) X which consists of four variables namely: Managerial Ability (X1), Organizational Commitment (X2), Job Satisfaction (X3) and Job Challenge (X4), The variable between (intervening variable) Z namely Management Board Performance (Z) and dependent variable (Endogenous Variable) Y one variable that is: Organization Performance (Y). The conceptual framework of research can be seen in the figure 1:

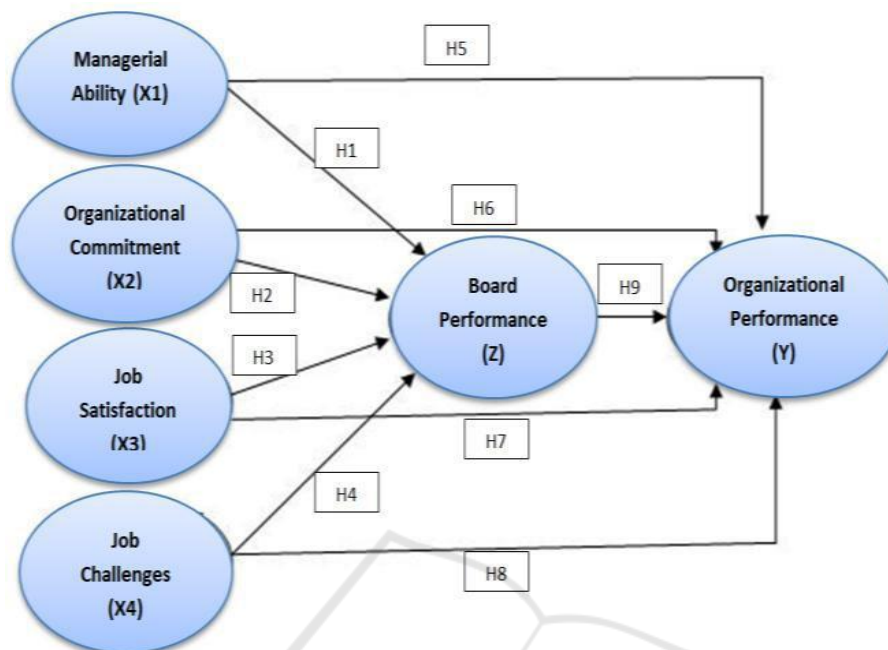


Figure 1: Conceptual research framework.

Based on the background of the study, the problems of the study and the literature review and conceptual framework that has been formulated, the hypothesis proposed in this study is:

- Managerial Ability has a significant effect on the Management Board Performance of Cooperative Employees of the Republic of Indonesia (KPRI) in East Java.
- Organizational Commitment has a significant effect on the Management Board Performance of Cooperative Employees of the Republic of Indonesia (KPRI) in East Java.
- Job Satisfaction has a significant effect on the Board Performance of Cooperative Employees of the Republic of Indonesia (KPRI) in East Java.
- Job Challenge has a significant effect on the Management Board Performance of Cooperative Employees of the Republic of Indonesia (KPRI) in East Java.
- Managerial Performance has a significant effect on the Organizational Performance of Cooperative Employees of the Republic of Indonesia (KPRI) in East Java.
- Organizational Commitment has a significant effect on the Organizational Performance of

Cooperative Employees of the Republic of Indonesia (KPRI) in East Java.

- Job Satisfaction has a significant effect on the Organizational Performance of Cooperative Employees of the Republic of Indonesia (KPRI) in East Java.
- Job Challenge has a significant effect on the Organizational Performance of Cooperative Employees of the Republic of Indonesia (KPRI) in East Java.
- Management Board Performance has a significant effect on the Organizational Performance of Cooperative Employees of the Republic of Indonesia (KPRI) in East Java.

This study aims to examine the influence model of Managerial ability (X1), Organizational Commitment (X2), Job Satisfaction (X3) and Job Challenge (X4) on Board Performance (Z) (as intermediate variables) and Organization Performance (Y). Therefore, the approach used is a quantitative approach with design or correlation design. It is as Arikunto (1995) noted that correlational research does not only shows interrelationships, it can also expresses causal relationships. The essence of the correlation analysis is not only to measure the strength of this relationship but also if there is a strong relationship between the

variables then with further analysis can be known the causal relationships that exist.

The population is a cooperative institution called the Cooperative Employees of the Republic of Indonesia (KPRI) in East Java as many as 1.777 pieces of legal entities/ institutions. Based on to be used is a combination of techniques Purposive, Proportional and Random Sampling., it will get a sample of 182 KPRI and who became respondent in this study is each Chairman of the KPRI so that the number of respondents obtained by $182 \times 1 \text{ person} = 182 \text{ people}$.

The technique of taking data is by using questionnaire. Questionnaires were used to collect the overall data from these study variables. Then the answer scale used in the questionnaire is using Likert Scale. The Likert scale measures the attitude of opinion and perception of a person or group of social phenomena (Sekaran, 2000; Suprpto, 2004, Sugiono, 2009). In the Likert scale uses the numbers 1 to 5 where the number 1 indicates the lowest score while the number 5 indicates the highest score. To test the hypothesis that has been formulated in this study, the method of inferential data analysis is Structural Equation Model / SEM (Solimun, 2006; Supranto, 2004; Waluyo, 2011).

3 RESULTS AND DISCUSSION

The calculation of the goodness values of fit indexes which are produced by the modification model can be seen in Table 1:

Table 1: Value of goodness of fit and cut off value modification model.

Criteria	Model Test Result	Critical Value	Explanation
Probability of X ² Chi square	0,000	≥ 0,05	Not Fit
Cmin/DF	2,053	≤ 2 or 2 – 3	Fit
RMSEA	0,076	≤ 0,08	Fit
GFI	0,823	≥ 0,90	Marginal
AGFI	0,777	≥ 0,90	Not Fit
TLI	0,903	≥ 0,90	Fit
CFI	0,917	≥ 0,90	Fit

Modified model results show most of the goodness of fit criteria of the good (fit) index so that testing can proceed. This is in line with the opinion of Solimun (2006) that if we find one or two the goodness criteria of fit is fit /good, thus it can be said that the model is good.

To determine whether or not the influence of exogenous variables on endogenous variables and endogenous variables on endogenous variables, these following provisions are used:

- The first parameter is to compare CR arithmetic > 1.96 or -CR count < -1.96 then there are exogenous variables influence on endogenous variables or endogenous variables influence on endogenous variables and vice versa.
- Or it can also be seen from the level of significant $\alpha = 0.05$. If the significance value is ≤ 0.05 then there are exogenous variables influences on endogenous variables and vice versa.

The parameter of partial existence influence can be known based on CR value (Critical Ratio) as shown in table 2.

Table 2: Regression weight causality test result.

Causality Relation	Std. Estimate	SE	CR	P-value
Managerial Ability → Board Performance	0.179	0.060	2.173	0.030
Organizational Commitment → Board Performance	0.218	0.044	2.657	0.008
Job Satisfaction → Board Performance	0.152	0.077	1.764	0.078
Job Challenge → Board Performance	0.279	0.055	3.253	0.001
Managerial Ability → Organization Performance	0.340	0.059	5.163	0.000
Organizational Commitment → Organization Performance	0.375	0.044	5.672	0.000
Job Satisfaction → Organization Performance	0.015	0.074	0.220	0.826
Job Challenge → Organization Performance	0.123	0.053	1.820	0.069

Board Performance → Organization Performance	0.236	0.094	3.065	0.002
--	-------	-------	-------	-------

Based on Table 2, it can be explained the findings of the study results:

3.1 The Influence of Managerial Ability to the Board Performance

The result of parameter estimation of managerial ability to board performance based on its indicator shows significant result with CR 2.173 value, this value is greater than 1.96. Moreover, the level of significance 0.030 ($p \leq 0.05$) was obtained. So the first hypothesis that explains the managerial ability significantly influences the performance of KPRI boards in East Java proved true. The results of this study support the research of Tasrifin (2012) which showed that the managerial ability has a positive and significant effect on the performance of consultant of BDS-KKMB Consultant Performance in East Java.

3.2 The Influence of Organizational Commitment to the Board Performance

The result of organizational variable parameter estimation to management performance based on its indicators shows significant result with CR 2.657 value, this value is greater than 1.96. Besides, the significance level was 0.008 ($p \leq 0.05$). So the second hypothesis that explains that organizational commitment has a significant influence to the performance of KPRI management in East Java is also proven true.

3.3 The Influence of Job Satisfaction to Board Performance

The result of the parameter estimation of job satisfaction variable to the board performance based on the indicators shows the result which has no effect to CR value 1.764, this value is smaller than 1.96. Besides, the significance level is 0.078 ($p > 0.05$). Thus the third hypothesis that explains that job satisfaction has a significant influence to the performance of KPRI management in East Java is not proven.

3.4 The Influence of Job Challenges to the Board Performance

Job Challenges have a significant influence to the performance of KPRI management in East Java. The result of estimation of job challenge variable parameters on the performance of the management based on the indicators showed significant result with CR value 3.253, this value is greater than 1.96. In addition, the significance level of 0.001 ($p \leq 0.05$) was obtained. Thus the fourth hypothesis that explains the job challenges has a significant influence to the performance of KPRI management in East Java, also proven true.

3.5 The Influence of Managerial Capacity to Organizational Performance

The result of parameter estimation of managerial capacity to organizational performance based on its indicator shows significant result with CR value 5.163, this value is greater than 1.96. Besides, the significance level of 0.000 ($p \leq 0.05$) was obtained. Thus the fifth hypothesis which explains that the managerial capacity significantly influence the performance of KPRI organization in East Java, also proven its truth.

3.6 The Influence of Organizational Commitment to Organizational Performance

The result of estimation of organizational commitment variable to organizational performance based on its indicator shows significant result with CR value 5.672, this value is greater than 1.96. Besides, the significance level of 0.000 ($p \leq 0.05$) was obtained. Thus the sixth hypothesis explains that organizational commitment has a significant influence to the performance of KPRI organization in East Java, also proven its truth.

3.7 The Influence of Job Satisfaction to Organization Performance

The result of parameter estimation of job satisfaction variable on organizational performance based on the indicators shows the result which has no influence to CR value 0.220, this value is smaller than 1.96. Besides that, the level of significance is 0.826 ($p > 0.05$). Thus the seventh hypothesis that explains that

job satisfaction has a significant influence to the performance of KPRI organization in East Java is not proven.

3.8 The Influence of Job Challenges to Organizational Performance

The result of estimation of variable of job challenge variable to organizational performance based on its indicator also shows the result which have no influence to CR value 1.820, this value is smaller than 1.96. Besides that, the level of significance is 0.069 ($p > 0.05$). Thus the eighth hypothesis which explains that the job challenge has a significant influence to the performance of KPRI organization in East Java is not proven.

3.9 The Influence of Board Performance to Organization Performance

The result of parameter estimation of management performance variable to organizational performance based on its indicator shows significant result with CR value 3.065, this value is greater than 1.96. Besides, the significance level of 0.002 ($p \leq 0.05$) was obtained. Thus the ninth hypothesis which explains that the board performance has a significant influence to the performance of KPRI organization in East Java, also proved true.

4 CONCLUSIONS

Based on the results of analysis and testing of hypotheses that have been done, as well as the objectives to be achieved from the study, it can be concluded: managerial ability has a positive and significant influence to KPRI management performance in East Java, organizational commitment has a positive and significant influence to the performance of KPRI management in East Java, job satisfaction does not influence the performance of KPRI management in East Java, job Challenges have a positive and significant influence to the performance of KPRI management in East Java, managerial ability have positive and significant influence to KPRI organization performance in East Java, organizational commitment has positive and significant influence to KPRI organizational performance in East Java, job satisfaction also does not influence the performance of KPRI organization in East Java, the job challenge does not influence to

the performance of the KPRI organization in East Java, the management performance has a positive and significant influence to the performance of KPRI organization in East Java.

REFERENCES

- Arikunto, S., 1995. *Manajemen Penelitian*. Jakarta: PT. Rineka Cipta.
- Boswell, W.R., 2003. Individual Job Choice Dimensional the Impact of Attribute and Recruitment Practice: A Longitudinal Field Study. *Human Resource Management*, 42, 23-37.
- Deweting, K., 2006. *The Job Challenge Construct Revisited: Conceptualization, Antecedents, And Consequences of Experienced Challenge And Over challenge In the Job*. Intercollegiate Center for Management Science, Brussels, Belgium
- Fatah, Y., 2013. *Beberapa permasalahan Yang Dihadapi Dinas Koperasi dan UMKM Jatim*. <http://diskopumkm.jatimprov.go.id> (diunduh 19 maret 2013)
- Gibson. James. L, John M, Ivancevich, James H, Donnelly, Jr. 1996. *Organisasi, Perilaku, Struktur, Proses*. Jakarta: Binarupa Aksara.
- Gibson. James. L, John M, Ivancevich, James H, Donnelly, Jr, 2000a. *Organizations*. Boston: McGraw-Hill Companies, Inc.
- Gibson et al. 2006b. *Organization: Behavior, structure, processes*. New York: McGraw Hill.
- Kamenaung, A. G., Anantara, M., 2004. Kinerja KUD Bali. *Jurnal MEP*. FE-Universitas Sam Ratulangi.
- Kuzey, C., 2012. Impact of Health Care Employees' Job Satisfaction on Organizational Performance Support Vector Machine Approach. *European Journal of Economic and Political Studies-5* (1), 2012.
- Latif, M. S., Mushtaq Ahmad, Muhammad Qasim .2013. Impact of employee's job satisfaction on organizational performance. *European Journal of Business and Management* www.iiste.org ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol.5, No.5, 2013
- Mauruhu, D., 2003. *Pengaruh Kepuasan Kerja Karyawan sebagai Variabel Moderator terhadap Keefektifan Implementasi TQM serta Dampaknya pada Kinerja Karyawan (Studi Empiris pada PT. Sri Boga Ratu Raya Semarang)*. Semarang: Undip.
- Meyer, J. P., Allen, N. J., Smith, C. A., 1993a. Commitment to Organizations and Occupations: Extension and Test of a Three-Component Conceptualization. *Journal of Applied Psychology*, 78, 538-552
- Meyer, J. P., Allen, N. J., Smith, C. A., 1998b. *Commitment in the workplace*. Thousand Oaks, CA: Sage.
- Muhadi, 2007. *Analisis Pengaruh Kepuasan Kerja Terhadap Komitmen Organisasional Dalam Mempengaruhi Kinerja Karyawan (Studi Pada Karyawan Administrasi Univeristas Diponegoro)*. Semarang: Undip.

- Nasution. Muslimin. 2008. *Koperasi Menjawab Kondisi Ekonomi Nasional*. Jakarta: PIP dan LPEK.
- Nasution. S., 2009. *Metode Research (Penelitian Ilmiah)*. Jakarta: Bumi Aksara.
- Nirbito, J.G., 2001a. *Pembinaan Anggota Memberdayakan Koperasi Di Koppas dan Kopwan di Jawa Timur*. Disertasi. Program Pasca Sarjana Universitas Negeri Malang.
- Nirbito, J.G., 2003b. *Arah Baru Kebijakan Pembangunan Koperasi di Indonesia dan Strateginya Lewat Jalur Pendidikan*. Pidato Pengukuhan Guru Besar Fakultas Ekonomi Universitas Negeri Malang, Malang, 13 Desember.
- Nurthal, P.L., 2001. Managerial Ability A Review of its Basic and Potential Improvement Using Psychological Concept. *Agriculture Economic* 24, 247-262.
- Rintuh, C., 1995. *Perekonomian Indonesia*. Yogyakarta: Liberty Offset.
- Robbins, S. P., 1993a. *Organizational Behavior: Concept, Controversies and Applications*. Sixth Edition. New Jersey: Prentice Hall International, Inc
- Robbins, S. P., Timothy A. J., 2007b. *Perilaku Organisasi. Terjemahan: Benyamin Molan*. New Jersey Prentice Hall, Inc.
- Robbins, S. P., Timothy A. J., 2011. *Perilaku Organisasi*. Buku 1. Edisi 12, Terjemahan Diana Angelica dkk. Jakarta: Salemba Empat.
- Rusdiarti. 2009. Pengaruh Keterlibatan Pembina, Kemampuan Pengurus Dan Partisipasi Anggota Terhadap Kinerja Keuangan Koperasi Pondok Pesantren. Fakultas Ekonomi Universitas Negeri Semarang. *Jejak*, Vol. 2, No. 1, Maret 200
- Singh. Rajwinder, Harminder Singh Sandhu, Bhimaraya A. Metri, Rajinder Kaur. 2011. *Organizational Performance and Retail Challenges: A Structural Equation Approach Business*, 3, 159-168 doi:10.4236/ib.2011.32022 Published Online June 2011 (<http://www.scirp.org/journal/ib>) Copyright © 2011 SciRes. iB
- Solimun. 2006. *Aplikasi Metode Kuantitatif SEM*, FMIPA-PPS UB Malang.
- Sugiyono, 2010. *Metode Penelitian Bisnis: Pendekatan Kuantitatif, Kualitatif, dan R&D*, Bandung: Alfabeta.
- Tasrifin. 2012. *Pengaruh Kemampuan Manajerial, Orientasi Kewirausahaan, Komitmen pada Profesi. Karakteristik Individu, terhadap Keunggulan Bersaing dan Kinerja Konsultan BDS-P/KKMB di Jawa Timur*. Disertasi. Surabaya: Universitas Tujuh Belas Agustus 1945.
- Tobing, Z. J., 2006. *Pengaruh Budaya Organisasi, Kepuasan Kerjadan Motivasi Terhadap Komitmen Organisasi dan Kinerja (Kasus pada PT. Astra Agro Lestasi Tbk. Jakarta)*. Disertasi. Universitas Brawijaya Malang
- Waluyo, M., 2011. *Panduan dan Aplikasi Structural Equation Modelling. (Untuk Implikasi model dalam penelitian tehnik industri, psikologi, social dan manajemen)*. Jakarta: PT. Indeks Permata Puri Media.
- Wibowo. 2013. *Perilaku dalam Organisasi*. Jakarta: Rajawali Pers.