

# Factors Affecting Members' Participation in Cooperatives of the City of Bushehr

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## Abstract

Cooperatives as an organization are a system for moving and coordinating various efforts between members to gain common targets. Accordingly, planning and developing mechanisms for member's participation is among the subjects studying which can help to improve the role and position of cooperatives and its members' benefits. Considering this necessity, the aim of this research is to investigate the factors affecting members' participation in the cooperatives of the city of Bushehr and providing solutions in this case. The method of this research is the survey. The analysis of the results has been done in two levels: descriptive and inferential. The results of the research showed that inter-organizational factors including financial performance and managers' ability, and also extra-organizational factors such as members' inclination to do group work, social confidence, foresight, the government's support and the laws and regulations have been effective in the rate of members' participation in the cooperatives in the city of Bushehr. Furthermore, if these factors are improved, the rate of the members' participation will also increase.

**Keywords:** Cooperatives, participation, members, inter-organizational factors, extra-organizational factors.

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## Introduction

Cooperatives have a strong cultural importance in Iran, so that in the Constitution of the Islamic Republic of Iran, the cooperative sector is recognized as one of the three

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sectors of the economic system and there has been an emphasis on its strengthening in urban and rural areas.

According to the 44th Principle of the Constitution: "The economic system of the Islamic Republic of Iran" is based on three sectors: a) Governmental b) Cooperative c) Private (Ministry of Cooperatives, 2005: 28)

The 43rd principle has also particularly emphasized on cooperative sector. In this regard, two paragraphs of the general policies of the Fourth Development Plan (paragraphs 47 and 48) and a separate article (Article 102) of the Fourth Plan are dedicated to the development of the cooperative sector. Furthermore, general policies for development of cooperative sector are determined by the Supreme Leader in the form of general policies of Article 44 of the Constitution (Ministry of Cooperatives, 2006: 2-3).

Studies have shown that "cooperation and cooperatives" play an effective role in weakening and eroding economic injustices and inequalities. The element of participation has caused the public to consider cooperation as one of the economic trends which is the symbol of "participation" and people's intervention is evident and obvious in all its affairs and activities (Movahedi Na'eeni 2005: 453).

The main point of the necessity of members' participation is voluntary, satisfying, and comprehensive cooperation of people in cooperatives' movement. However, participation must be genuine, spontaneous and conscious, and participation process should be continuous and sequential. Continuous and cyclic process of public participation can be expressed in the following four steps:

The first step: participation in decision-making; the second step: participation in the operation; the third step: participation in the evaluation, and the fourth step: participation in the benefits. In fact, the result of all efforts of "participation" is the benefit that belongs to the participant (ibid: 454-455).

Although a variety of studies have been conducted so far in the field of cooperatives, little attention has been paid to the issue of members' participation in cooperatives management, especially in decision-making. For this reason, the most important principle of cooperatives, i.e. democracy, has been neglected. On the one hand, Members participation in cooperatives management provides a favorable situation for proper planning, and on the other hand it facilitates the implementation of programs.

Nowadays, cooperatives do not reflect the member-oriented image expected by people. Therefore, public participation and members' involvement is not significant in their administration process. (Sheikhi & Hussein, 2005: 607-608).

Undoubtedly, research in this area and providing solutions and practical mechanisms in the sector can help to improve the role and position of cooperatives. In addition to the benefit of the cooperative members, other sections of society can also benefit from it. The main objective of this study is to investigate the factors influencing members' participation in cooperatives of the city of Bushehr and to provide solutions and strategies in this regard.

## Research Methodology

This study is a descriptive (non-experimental) research in that it does not interfere with/ manipulate the position, the status and the role of research variables. It is also a survey in that the reasons for participation of members in cooperatives are collected through a questionnaire distributed among the members of a representative sample.

### *Research Population*

The population of the research includes all members of cooperatives operating in the city of Bushehr (in total, 35012 members (6959 members from production cooperatives and 28053 members from distributive cooperatives)).

### *Sampling method and sample size*

Sample size calculation formula (Cochran) was applied to select the sample with the population of 35012 people and the 95% confidence level or 5% probability of error. The sample size was calculated as 400 respondents.

$$\frac{t^2 \times p \times q \times N}{(N \times d^2) + (t^2 \times p \times q)} = \frac{(2^2) \times .5 \times .5 \times 35012}{(35012 \times .05^2) + (2^2) \times .5 \times .5} = \frac{35012}{87.5} = 400$$

P represents the proportion of people with the desired features (0.5).

q shows the proportion of the population without the desired features (1-p)

t is the t-value at 95% level of confidence (which approximately equals to 2)

d shows negligible error (0.05).

N shows the number of respondents

n shows the sample size.

### *Data collection methods and tools*

The required information for this study was collected through a questionnaire consisted of open and closed questions. The questionnaire is composed of two parts with a total of 38 questions (items).

### *Data analysis techniques*

The questions were analyzed using the software known as SPSS in the Windows operating system. Descriptive statistical methods were applied for analyzing the data and describing the variables. The effect of inter-organizational and extra-organizational factors on the dependent variable was also studied using the advanced methods of statistical inference.

## Statistical findings

### *Descriptive statistics*

The obtained data shows that 30.3% of respondents are female and 69.7 % are male. Most of the respondents are between 21 and 30. In other words, most respondents are young. The variation range in the age of the respondents is 44 and the average age of the respondents is 30.85.

40 percent of all respondents are single, and the rest of them, i.e. 59.5 percent are married. The highest frequency is related to those respondents with a high school diploma (141 respondents (35.3)), while the lowest frequency is related to those respondents with a master degree and above (9 respondents (2.3))

Most of the respondents (292 people (0.73)) have expressed their membership duration in cooperatives as being between 1-5 years. The least number of respondents are those whose membership duration is more than 16 years (20 respondents, 0.5%).

20 percent of all respondents are members of production cooperatives while the others, i.e. 80 percent of them are members of distributive cooperatives.

Table 1: descriptive statistics indices for the rate of members' participation in cooperatives

variable	Number of items	Variation range	Mean	Standard deviation
The rate of participation in cooperative	6	24	16.8	4.38

The table shows that the variation range is 24, the mean score of members' participation in cooperatives is 16.8, and its standard deviation is 4.83. The calculated mean (16.8) indicates that the rate of members' participation in cooperatives is low.

Table 2: descriptive statistics indices for the factors affecting members' participation in cooperatives

Factors affecting members' participation	Number of items	Variation range	mean	Standard deviation
Inter-organizational factors	8	2.5	2.56	0.51
Extra-organizational factors	18	2.61	2.99	0.52
overall scale	26	2.47	2.86	0.44

Based on the data obtained from the table, it can be said that according to the mean obtained from the sample under study, it can be concluded that in the view of respondents, the factors influencing members' participation in cooperatives are external factors (mean = 2.99) and internal factors (mean = 2.56) in order of priority.

*Inferential statistics*

Table 3 shows the correlation between members' participation in cooperatives and inter-organizational factors and their components.

Table 3. Correlation test between members' participation and inter-organizational factors and their components

Variable	Frequency	Mean	Standard deviation	Correlation coefficient	Level of significance
Inter-organizational factors	400	20.54	4.1	0.28	0.0001
Financial performance of cooperative	400	10.89	2.67	0.11	0.03
Managers' ability	400	9.65	2.6	0.33	0.001

The table below shows the correlation between extra-organizational factors and their components, and the rate of members' participation in cooperatives

Table 4. Correlation test between members' participation and extra-organizational factors and their components

Variable	Frequency	Mean	Standard deviation	Correlation coefficient	Level of significance
extra-organizational factors	400	53.91	9.37	0.0368	0.0001
Desire for group work	400	9.2	2.93	0.16	0.001
social confidence	400	9.3	2.4	0.179	0.0001
Foresight	400	10.43	2.95	0.151	0.003
Government's support	400	14.42	2.99	0.273	0.0001
Laws and regulations	400	10.55	62.8	0.443	0.0001

The results of studying the relationship between demographic variables and dependent variable are provided in table 5.

Table 5. the results of studying the relationship between demographic variables and dependent variable

Hypotheses	Result
There is a difference between members' participation in cooperatives in the city of Bushehr in terms of gender	Confirmed
There is a difference between members' participation in cooperatives in the city of Bushehr in terms of marital status	Confirmed
There is a difference between members' participation in cooperatives in the city of Bushehr in terms of education	Confirmed
There is a relationship between members' age and their participation in cooperatives in the city of Bushehr	Confirmed
There is a relationship between membership duration and members' participation in cooperatives in the city of Bushehr	Confirmed
There is a difference between members' participation in cooperatives in the city of Bushehr in terms of cooperative types	Confirmed

## Discussion and conclusion

Hypothesis 1: There seems to be a significant relationship between inter-organizational factors and the members' rate of participation in cooperatives in the city of Bushehr.

Pearson correlation coefficient indicates a weak positive relationship between inter-organizational factors and the members' participation in the cooperatives. Thus the above hypothesis was confirmed. This finding is consistent with the results obtained by Safari Shaali (2005).

Cooperatives can improve inter-organizational factors by wise decision-making, scientific and systematic planning, organizing, directing, empowering the existing forces and resources, optimum implementation of operation, and ultimately controlling the flow and process of operation, to increase the members' participation in cooperatives.

Hypothesis 2: There seems to be a significant relationship between the financial performance of cooperatives and the members' participation in cooperatives in the city of Bushehr.

This relationship is significant at the level of 0.05. So the above hypothesis was confirmed. This finding is consistent with results obtained by Shirzadi (2001). So if the financial performance of cooperatives improves, the members' participation in cooperatives will also increase.

Hypothesis 3: There seems to be a significant relationship between cooperatives' managers' abilities and the members' participation in cooperatives of the city of Bushehr.

This relationship is significant at the level of 0.05. So the above hypothesis was confirmed. This finding is consistent with the results obtained by Ganji and Moeini Kia (2000). It can be said that the rate of participation increases as the cooperatives' managers increase their scientific, professional and managerial abilities, and become better and

more aware of their responsibilities and tasks, while getting familiar with cooperatives' principles, values, laws and regulation and taking advantage of communicative, humane, and cognitive skills.

Hypothesis 4: there seems to be a significant relationship between extra-organizational factors and the members' participation in cooperatives in the city of Bushehr.

Pearson correlation coefficient indicates a weak positive relationship between extra-organizational factors and the members' participation in the cooperatives. This relationship is significant at the level of 0.05. Thus the above hypothesis was confirmed.

These findings are consistent with the results obtained by the research conducted by the (U.S. Department of Agriculture (USDA), 1998). It can be said that if extra-organizational factors improve through promoting and developing public participation and cooperation, supporting cooperatives with regard to the role of these organizations in the sustainable development of society and social justice, and modifying and ratifying the required laws and regulations, participation in cooperatives will also increase.

Hypothesis 5: there seems to be a significant relationship between the members' inclination towards group work and their participation in cooperatives in the city of Bushehr.

The data indicates that the above relation is significant at the level of 0.05. Thus the above hypothesis was confirmed. These findings are consistent with the results obtained by Krishna & Uphoff (1999); however they are not consistent with the results of the research conducted by Sheikhi and Hosseini (2005), which shows that members' participation does not depend on their interest in group work. Therefore, it can be said that members' participation in cooperatives increases as the cooperatives' members are more willing to work in groups.

Hypothesis 6: there seems to be a significant relationship between social confidence and the members' participation in cooperatives of the city of Bushehr.

Pearson correlation coefficient indicates a weak positive relationship between the level of social confidence and the members' participation in the cooperatives in the city of Bushehr. This relationship is significant at the level of 0.05. Thus it can be said that members' participation in cooperatives increases as their level of social confidence improves. Thus the above hypothesis was confirmed.

Hypothesis 7: there seems to be a significant relationship between members' foresight and their participation on cooperatives in the city of Bushehr.

Pearson correlation coefficient indicates a weak positive relationship between the members' level of foresight and their participation in the cooperatives in the city of Bushehr. This relationship is significant at the level of 0.05. Thus the above hypothesis was confirmed. This finding is consistent with the results of research conducted by Grootart (1999).

Foresight is as important in material life as in spiritual life, and must be considered

and acted upon by the Islamic community. Thus it can be said that members' participation in cooperatives increases as their level of foresight improves.

Hypothesis 8: there seems to be a significant relationship between government's support and the members' participation in cooperatives in the city of Bushehr.

The relationship is significant at the level of 0.05. Thus the above hypothesis is confirmed. This finding is consistent with the results of the study conducted by Shoja'ee (2006). Considering the cooperatives' nature and philosophy, they require the government's financial support and consultancy, so that they can compete with other economic sectors and play their own role in this context.

Hypothesis 9: there seems to be a significant relationship between the existence of supportive laws and regulations for cooperatives and the members' participation in cooperatives in the city of Bushehr.

Pearson correlation coefficient indicates a relatively weak positive relationship between the existence of supportive laws and regulations for cooperatives and the members' participation in the cooperatives in the city of Bushehr. This relationship is significant at the level of 0.05. Thus the above hypothesis was confirmed.

This finding is not consistent with the results obtained by Safari (2009). It can be said that the members' participation in cooperatives increases as the existing laws and regulations provide more support to cooperatives. Law is regarded the basis of all organizations and social systems and availability of supportive laws and regulations and their implementation by competent authorities leads to people's tendency towards cooperatives and consequently the link between the members will be strengthened.

## **Recommendations**

-Taking advantage of the capacity of the national media, the Ministry of Education and Training and the Ministry of Science to strengthen and develop cooperation culture and public participation.

- Changing and modifying the approach of cooperative sector administrators from quantity-orientation towards quality-orientation in order to use existing material and spiritual capabilities to increase productivity in cooperatives.

- Restructuring the cooperative sector and providing appropriate organizational structure for cooperatives.

- Integrating the organizations in charge of the cooperative sector in order to strengthen the body of the Ministry of Cooperation to further support, lead and monitor the cooperatives.

### *Recommendations based on the research results*

- Developing cooperative organizations based on their main pillars, which are:

1) Collaborative process that reinforces group identity and synergy of individuals and members for economic cooperation and social support.

2) Empowerment which embodies strengthening the bargaining power, learning new skills and cognitive bases.

3) Participating in decision-making, execution and supervision; that is, the active involvement of members in the formulation and implementation of collaborative activities

4) The communication network which enables collective cooperation among members at higher levels.

- Strengthening social capital among the members of cooperatives in particular, and among the public in general, through increased social confidence and improved social cohesion.

-Reviewing and Modifying current laws and regulations governing cooperatives in accordance with expectations and missions defined for the cooperative sector.

-Establishing a performance evaluation system and improving members' satisfaction.

- Strengthening the financial power of cooperatives and balancing governmental support between the three economic sectors (public, private and cooperatives).

- Informing members of their role and position in cooperatives and responsibilities resulted from membership, as cooperatives work relying on their members, and neglecting this important issue would result in avoiding the goals and mission of cooperative sector.

- Building trust in members of cooperatives and increasing the level of teamwork in cooperatives.

- improving the members' participation in cooperative assemblies through creating awareness towards their duties and responsibilities as well as the role of assemblies in cooperatives.

- Designing and establishing a suggestions system in cooperatives to use comments and feedbacks of cooperative members.

#### *Future Research recommendations*

- Exploring how to create a culture of cooperation and collaboration in the economic and social system

- Independent study of the existing shortcomings of Departments of Cooperatives in order to support the empowerment of cooperatives under their protection.

- Exploring the knowledge and awareness of educated people in the society, especially

graduates of universities and higher education institutes, about cooperative sector, and conducting job-creative activities in the form of cooperative organizations.

- Exploring the ways to foster the participation of members in cooperatives.
- Conducting further researches or studies in the field of the current research, evaluating it by the authorities and managers and applying its findings.
- It is recommended that similar researches are conducted in private companies and the results are compared with this study.

### **Research limitations**

- Lack of adequate research on the subject, despite the scattered researches on cooperation and collaboration.
- Most respondents' failure to respond timely the questionnaires, in a way that quite a lot of time was spent for collecting the questionnaires.
- Imprecision of some respondents in responding the questionnaire items
- Lack of comprehensive standardized questionnaire on the subject of the research and development of some items of the questionnaire by the researcher.
- Lack of easy and quick access to foreign articles and researches conducted in this particular field in different scientific sites.
- Lack of precision in responding to questionnaire items, which was beyond the control of the researcher.

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