

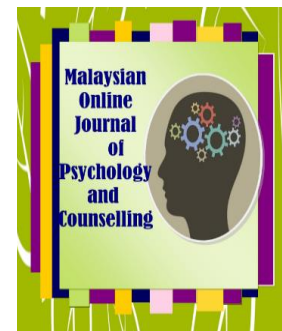
THE STRUCTURAL EMPOWERMENT AND LEVELS OF PARTICIPATION OF CO-OPERATIVE MEMBERS

Hendrikus Pedro, Koentjoro & Sito Meiyanto

ABSTRACT

Co-operative members' participation is one of key factors in the existence of co-operatives. It is even considered that without participation, co-operatives members lose their identity and disperse. The purpose of this study was to measure empirically the differences in the structural empowerment of credit co-operative members in terms of the levels of participation. This study involved 302 co-operative members as participants who were purposively selected using purposive sampling method. The One Way ANOVA was used to test the hypothesis in this research. It was found that there are differences in the mean score of the structural empowerment of co-operatives based on the levels of participation. Members with a very active level of participation achieved the highest mean score while those with inactive level of participation were ranked the lowest in the mean score. The more active the members are, the higher their positive perception of the co-operative structure is. The co-operative structure can be regarded as an external environment that can empower the co-operative members provided that the members must actively participate.

Keywords: *Structural Empowerment; Co-Operative Members; Levels of Participation*



Volume 7 (1),
June 2020

Corresponding Author:
Universitas Gadjah Mada
hendrorodriquez@gmail.com

INTRODUCTION

Kanter(1993) developed the concept of structural empowerment in organizations to explain how organizational structure can empower their employees. The concept then developed broadly and was applied in various forms of organization. Laschinger (2012) applied the concept and developed a structural empowerment measurement tool known as the Conditions of Work Effectiveness Questionnaire (CWEQ). The Structural empowerment developed by Kanter(1993) has not yet been developed in the context of co-operatives, whereas co-operatives are typical organizations that are established for empowering members (Prinz, 2002; Williams, 2007).

Empowerment, in the context of co-operatives, is still not specifically explained. Nayak, Panigrahi, & Swain (2019) found that members with higher levels of participation would be more empowered economically, socially, and politically and vice versa. The empowerment referred by Nayak et al., (2019) is an economic, social and political based empowerment. Krenz, Gilbert, & Mandayam, (2014) who used a case study approach in one of co-operative groups found that co-operative members experienced psycho-social empowerment in the form of feeling more self-esteem, self-confidence, self-efficacy, group cohesiveness, mutual trust, and mutual respect in parallel relationships. In addition to these findings, the members involved in co-operative group would be able to find network, information and support from other members. Moreover, members are also empowered economically as they can have access to capital which enables them to manage finances and combat vulnerability to poverty both for themselves and their families. In terms of household gender empowerment, women were also benefited as their voice is more influential in the decision-making process relating to the household finance management (Krenz et al., 2014).

Kroeker (1995) examined the process of co-operative empowerment from a psychological perspective and found that co-operatives have three levels of empowerment, namely individual, organizational and social levels. At the individual level, co-operatives improve self-control and provide opportunities for individuals to increase their sense of dignity and self-efficacy. At the organizational level, co-operatives prepare structures that enable members to participate in the decision-making process. At the social level, co-operatives can increase the strength and efforts of local people to fight for rights when dealing with government policies. Kroeker's (1995) findings on empowerment at the organizational level are important to be elaborated in more detail. Kanter's(1993) structural empowerment can be used to explain how co-operatives prepare the right structure to empower members in more detail. Another important thing is to look at the levels of member participation and its relation to structural empowerment. Bhaumik & Bera (2015) found that individual participation in co-operative activities increased empowerment. In Bhaumik & Bhera's (2015) study, empowerment is defined as an "expansion of agency freedom", namely the freedom of individuals to act in accordance with their own decisions. This definition has rooted in the theory of Self-Determination from Deci & Ryan (2000) which explores human's extrinsic motivation. Humans, according to the theory, have self-autonomy when acting based on authentic interests that are integrated with desires and values. The correlation between levels of participation and empowerment in co-operatives has also been studied by Nayak et al., (2019) where they found that co-operative members with higher levels of participation are more empowered economically, socially, and politically and vice versa.

Structural empowerment of co-operative members can be differentiated based on their levels of education (Pedro, Koentjoro, & Meiyanto, 2020b). Structural empowerment of members with secondary education level is higher when compared with lower education level (Pedro et al., 2020b).

In addition, the structural empowerment of co-operative members can also be distinguished by their place of residence (Pedro, Koentjoro, & Meiyanto, 2020a). The structural empowerment of co-operative members who live in rural is higher when compared to the empowerment of members who live in urban (Pedro et al., 2020a). The influence of demographic factors has also been investigated as an indicator of structural empowerment. On the other side, it is necessary to examine the impact of structural empowerment on the attitudes and behaviors of co-operative members which is reflected from their participation. It is because one of the important things required from co-operative members is their participation in co-operative activities. Without their participation, co-operative will not be able to operate. Therefore this study was designed to investigate the structural empowerment and participation in co-operative activities.

Structural empowerment is defined as the access to organizational structure in the work environment through communication, support, information, resources through which an employee or member of the organization has the opportunity to take part in the decision- making process, to control the resources owned by the organization and to develop themselves in the process of completing his work (Kanter, 1993).

According to Kanter(1993) there are three sources of power of the organizational structure, namely access to information, support and resources. To be empowered, a person needs access to important knowledge and information that is directly related to his work, both information about the work done and overall important information in the organization that is very valuable in completing work. Support can be obtained through feedback and guidance from superiors, colleagues and subordinates. Access to resources means the ability to obtain goods, money, rewards needed to have the work done accordingly. Spreitzer(1996) emphasized support, access to information and resources as social structural factors that impact on organizational empowerment. Spreitzer(1995) developed a measuring tool from the Kanter's (1993) concept in organizations using the term social political support, access to information and access to resources. These three concepts were developed into a measuring tool to measure social structural factors that contribute to the formation of psychological empowerment. Laschinger(2012) developed a structural empowerment measurement tool based on the Kanter (1993) concept known as the Conditions of Work Effectiveness Questionnaire (CWEQ). The aspects that were used as the basis by Laschinger (2012) to explain structural empowerment are: Access to opportunities, that means access to improve the knowledge and skills that make employees grow. Access to resources relates to a person's ease of obtaining the financial means, materials, time and supplies needed to do the work. Access to information refers to the formal and informal knowledge needed to be effective in an easily accessible workplace. Access to support is the reception of feedback and guidance from subordinates, coworkers, and superiors. Formal power means flexibility, adaptability, creativity related to free decision making, visibility, and centrality for the goals and objectives of the organization in one particular job characteristic. Informal power is a social connection, and the development of communication and information channels with sponsors, colleagues, subordinates and cross-functional groups.

The levels of participation meant here is the individual's assessment of the level of activity in co-operative activities. Byrne & Mc carthy (2014) used different techniques to see the levels of participation of credit co-operative members by calculating patronage activity based on the amount of savings and loans. In their study, co-operative members were given two questions: "1. Do members borrow?, 2. Do members save?". Responses to these questions were scored, ranging for 1 if answering "Yes" (currently borrow/save) and 3 if answering "No" (do not borrow / save).

Participants' averaged score were then calculated and based on their averaged scores, co-operative members were categorized as active members (score 1.5 or less), somewhat active (score 1.6 to 2.5), and inactive (2.6 to 3).

The participation of co-operative members is not only limited to savings and loans. In fact, there are other activities of co-operative members such as attending weekly, monthly, and yearly meetings and joining various mentoring activities which can be used as indicators of their levels of participation. In this research, only one question was given to the participants. They were asked to assess themselves to be inactive, less active, active or very active by answering the question: " I belong to members who are: 1. Inactive, 2. Less Active, 3. Active, 4. Very active? ". Data were presented in the form of ordinal to indicate the levels of participation of members. Based on the description above, the hypothesis can be established as follows: the structural empowerment of co-operative members can be distinguished based on level of participation.

RESEARCH METHOD

This study involved 302 participants who were purposively selected using purposive sampling technique. Participants were restricted to co-operative members who live in Sikka district, East Nusa Tenggara Province, Indonesia and are members of the co-operatives for more than one year. Participants were asked to fill in the scale of structural empowerment given directly by the research team or indirectly by co-operative employees. The scale of measuring instrument used was the scale of structural empowerment in the context of co-operatives adapted from the Laschinger's (2012) Conditions of Work Effectiveness Questionnaire II (CWEQ-II). Laschinger (2012) created CWEQ I and CWEQ II. CWEQ I consists of 58 items of six sub scales while CWEQ-II which are a modification of CWEQ I consist of 19 items of six sub scales.

In this study, CWEQ II was chosen because it was brief and clear. The original scale which consists of 19 items of six factors was adapted into Indonesian and co-operative context. The new scale constructed consisted of 21 items of six factors and used a five point Likert Scale (Goodness Fit Index; 0.912, Comparative Fit Index; 0.961; Root Mean Square Error of Aproximation; 0.051). Each sub scale has a different question. a). Opportunity sub scale; How much of each kind of opportunity do you have in your co-operative? Response answers: 1. None, 2. Between None and Some, 3. Some, 4. Between Some and A lot, 5. A lot. b). Information sub scale; How much access to information do you have in your co-operative? Response answers: 1. No knowledge, 2. Between No knowledge and Some knowledge, 3. Some knowledge, 4. Between Some and Know A lot, 5. Know A lot. c) Support sub scale; How much access to support do you have in your co-operative? Response answers: 1. None, 2. Between None and Some, 3. Some, 4. Between Some and A lot, 5. A lot. d) Resources sub scale; How much access to resources do you have in your co-operative? Response answers: 1. None, 2. Between None and Some, 3. Some, 4. Between Some and A lot, 5. A lot. e) Formal Power uses Job Activities Scale; What is the situation with my current co-operative? Response answers: 1. None, 2. Between None and Some, 3. Some, 4. Between Some and A lot, 5. A lot. f) Informal Power uses Organizational Relationships Scale; How many opportunities do you have for these activities in your co-operative? Response answers: 1. None, 2. Between None and Some, 3. Some, 4. Between Some and A lot, 5. A lot. The data concerning the levels of participation were taken by asking: "I belong to a co-operative member who is: inactive, less active, active, very active". Respondents were asked to choose one of these four alternatives and assess themselves using a five point Likert scale. Data collected were analyzed using one-way ANOVA statistical techniques, using SPSS 17.0.

MALAYSIAN ONLINE JOURNAL OF PSYCHOLOGY & COUNSELING

RESEARCH FINDINGS

Descriptions of research subjects are shown in table 1.

Table 1

Description of Research Subjects

| Levels of participation | N | M | SD | Min | Max |
|-------------------------|-----|-------|-------|-----|-----|
| Inactive | 8 | 47.38 | 18.21 | 31 | 78 |
| Less active | 61 | 54.25 | 20.21 | 21 | 93 |
| Active | 198 | 65.68 | 18.23 | 29 | 105 |
| Very active | 35 | 68.63 | 19.98 | 27 | 98 |
| Total | 302 | 63.23 | 61.01 | 21 | 105 |

Based on the table above, it can be seen that subjects who perceived themselves to be very active have the highest mean, followed by subjects who perceived themselves to be active, less active and those who are inactive. Before conducting the hypothesis test, a power homogeneity test was performed using Lavene statistics. Homogeneity test results indicate that the data are homogeneous. The explanation can be seen in table 2.

Table 2

Results of structural empowerment homogeneity tests

| Levene Statistic | df1 | df2 | Sig. |
|------------------|-----|-----|------|
| .719 | 3 | 298 | .542 |

Hypothesis test results with one way ANOVA show that there is a significant difference in the mean structural empowerment of co-operative members based on the levels of participation, with a value of $F = 8.569$ and a significance level of $P = 0.00$. These results can be seen in table 3.

Table 3

Hypothesis Test Results

| | Sum of Squares | Df | Mean Square | F | Sig. |
|----------------|----------------|-----|-------------|-------|------|
| Between Groups | 9140.01 | 3 | 3046.67 | 8.569 | .000 |
| Within Groups | 105952.67 | 298 | 355.54 | | |
| Total | 115092.68 | 301 | | | |

DISCUSSION

The results of the study showed that structural empowerment can be distinguished based on the levels of participation. Perception of the levels of participation is closely related to the structural empowerment. The more participative the individuals are, the higher their perception of being empowered is. These findings were consistent with previous studies in any fields (Banducci, Donovan, & Karp, 2004; Melcher, 2013; Mok, 2004; Noe & Kangalawe, 2015; O'Neal & O'Neal, 2003)

and the findings also applied to co-operatives settings (Bansal & Singh, 2019; Bhaumik & Bera, 2015; Joshi, 2019).

Research on the concept of empowerment and participation in co-operatives varied. Bhaumik & Bera (2015) described empowerment as an internal motivation of individuals that rooted in the individual perceptions of themselves while the finding in this study described the empowerment as individuals' perceptions of an external factor, namely the co-operative structure. The finding confirmed that members of co-operatives found that they are empowered by co-operative structure as they are allowed to have access to develop, to obtain information, resources and support, and experience formal and informal power. This was a new finding in this research. The finding served as an evidence of the perspective about how co-operative structure, as an external factor, can empower individuals and that this kind of empowerment can be distinguished based on the levels of co-operative members' participation. The more active the members are, the higher their positive perceptions of the co-operative elements that can empower them.

This result was in line with what suggested by Bansal & Singh (2019) who studied the differences in empowerment of co-operatives and non co-operatives members. It was found that co-operative members are more empowered than non-co-operative members. While Bansal & Singh (2019) compared the participation of members and non-members, all subjects in this study were co-operative members, categorized based on the perceptions of individual activity levels. The results of this study complemented the results of Bansal & Singh's study (2019) by providing additional information that individuals who are formally registered as members of co-operatives may not necessarily experience empowerment. The findings of this study indicate that only members who actively participate in co-operative activities could optimally experience structural empowerment.

Bansal & Singh (2019) understand empowerment as the concept which includes four factors, namely social development, decision making, gender quality and entrepreneurial skills perceived by individuals to themselves. In this research, structural empowerment is understood as the perception of co-operative members about the external factor, namely co-operative structure.

Study conducted by Joshi (2019) also showed differences in the empowerment of co-operative members based on their participation. Joshi (2019) observed the empowerment of an individual before and after participating in co-operatives. The results showed that the empowerment of members after participating was higher than before participating in co-operatives. The results of this study revealed that members who perceived themselves to be active have higher structural empowerment than those who perceived themselves to be less and inactive and these reinforced and complemented Joshi's (2019) research. However, this research differed from Joshi's (2019) in terms of participants involved. Joshi (2019) studied empowerment in the context of gender equality and only women co-operatives members were involved. This research accommodated both male and female co-operative members.

While almost all research on empowerment and participation in co-operatives is about an individual's perception of themselves, the results of this study provide a different angle of viewing the concept of empowerment and participation, which is the individual's perception of external factor, namely the structure of co-operatives. This study provides an explanation of how individual perceptions of the levels of participation that can distinguish structural empowerment based on the perception of co-operative members of individual external factors, namely the structure of co-operatives as an empowering environment. The limitation of this study was that the participants of

this study were restricted only to credit union co-operatives members. In subsequent studies, it is recommended to consider taking subjects from other types of co-operatives.

CONCLUSION

The perception of co-operative members of co-operative structure as an external factor can be distinguished based on the perception of co-operative members of the activities levels in the co-operatives. Co-operative members' perceptions of co-operative structure such as access to opportunities, information, support, resources, formal power and informal power are in line with their perceptions of the levels of participation. The more active the members are, the higher their positive perception of the co-operative structure is. The perception of co-operative structure reveals co-operative as an external environment that can empower their members provided that the members must actively participate.

REFERENCES

- Banducci, S. A, Donovan, T., & Karp, J. A. (2004). Minority representation, empowerment and participation. *The Journal of Politics*, 66(2), 534-556.
- Bansal, S., & Singh, A. K. (2019). Examining the social and entrepreneurial development of women through microfinance in Indian context. *Journal of Management Development*, Vol. ahead-of-print No. ahead-of-print.
- Bhaumik, S. K., & Bera, S. (2015). Impact of micro-credit programme on women's empowerment. *Journal of Land and Rural Studies*, 3(2), 219-236.
- Byrne, N., & Mc carthy, O. (2014). Value proposition preference on credit union members and patronage activity. *Marketing Intelligence and Planning*, 32(6), 567-589.
- Deci, E. L., & Ryan, R. M. (2000). The "what" and "why" of goal pursuits: Human needs and the self-determination oh behavior. *Psychological Inquiry*, 11(4), 227-268.
- Joshi, G. (2019). An analysis of women's self-help groups' involvement in microfinance program in India. *Rajagiri Management Journal*, 13(2), 2-11.
- Kanter, R.M. (1993). *Men and women of the corporation*. 2nd Ed. New York: Basic Books.
- Krenz, K., Gilbet, D. J., & Mandayam, G. (2014). Exploring women's empowerment through "credit-plus" microfinance in India. *Affilia*, 29(3), 310-325.
- Kroeker, C. J. (1995). Individual, organizational, and societal empowerment: A study of the processes in a Nicaraguan agricultural cooperative. *American Journal of Community Psychology*, 23(5), 749-764.
- Laschinger, H. K. (2012). CWEQ - Conditions for Work Effectiveness - Heather K. Laschinger Research Measurement Tools- Western University. Retrieved from <https://www.uwo.ca/fhs/hkl/cweq.html>.
- Melcher, K. (2013). Equity, empowerment, or participation: Prioritizing goals in community design. *Landscape Journal*, 32(2), 167-182.
- Mok, N. H. (2004). Self-help group participation and empowerment in Hong Kong. *Journal of Sociaology and Social Welfare*, 31(3), 153-168.
- Nayak, A. K., Panigrahi, P. K., & Swain, B. (2019). Self-help groups in India: Challenges and a roadmap for sustainability. *Social Responsibility Journal*, Vol. ahead-of-print No. ahead-of-print.
- Noe, C., & Kangalawe, R. Y. M. (2015). Wildlife protection, community participation in conservation, and (dis) empowerment in Southern Tanzania. *Conservation and Society*, 13(3), 244-253.
- O'Neal, G. S., & O'Neal, R. A. (2003). Community development in the USA: An empowerment zone example. *Community Development Journal*, 38(2), 120-129.

MALAYSIAN ONLINE JOURNAL OF PSYCHOLOGY & COUNSELING

- Pedro, H., Koentjoro, K., & Meiyanto, S. (2020a). *A Comparative Study on Structural Empowerment of Co-Operatives Members in Urban and Rural Setting*. 409(SoRes 2019), 432-434.
- Pedro, H., Koentjoro, K., & Meiyanto, S. (2020b). *The Prospect of Co-Operative Structure in Secondary Education Graduates*. 409(SoRes), 328-331.
- Prinz, M. (2002). *German Rural Cooperatives, Friedrich-Wilhelm Raiffeisen and The Organization of Trust 1850-1914*. XIII IEHA Congress Buenos Aries, 1-26.
- Spreitzer, G. M. (1995). Psychological empowerment in the workplace: Dimensions, measurement, and validation. *Academy of Management Journal*, 38(5), 1442-1465.
- Spreitzer, G. M. (1996). Social structural characteristic of psychological empowerment. *Academy of Management Journal*, 39(2), 483-504.
- Williams, R. (2007). *The Cooperative Management: Globalization from Below*. London: Routledge.