



The Influence of Healthy Financial, Business, and Human Resource Competence toward the Performance of Cooperation Institution: A Study on the People Living in the Coastal Area in Makassar

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ABSTRACT

This research was aimed at analyzing cooperative performance at coastal areas around Makassar. This research was an explanatory research. The populations are cooperative members in coastal areas in Makassar consisting of 715 people. The sample was determined using formula made by Slovin, i.e., $n = N/(1 + N.e^2)$, where $e = 0.05$ or 5%. The data were analyzed using SPSS software. The results show that healthy organization, financial, business, and human resources' competence simultaneously influence cooperative performance. Partially, the influence of healthy organizations on the cooperative performance is 0.256, healthy financial is 0.003, healthy business is 0.000, and human resources' competence is 0.000. Therefore, significance of healthy organization on cooperatives performance is 1.139. It shows that H_0 is accepted, and it means no influence because T-table is 1.960. The influence of healthy financial on the cooperative performance is 2.979. It shows that H_0 is rejected, and it means that there is an influence. The significance of healthy business on the cooperatives performance is 4.003. It shows that H_0 is rejected so there is an influence. In addition, the significance of human resource competencies on the cooperatives institution performance is 6.792. It shows that H_0 rejected or influential.

Keywords: Cooperation Institution Performance, Cooperation, Coastal Area

JEL Classifications: G1, G3

1. INTRODUCTION

The existence of the cooperation institution has been very helpful and plays a significant role particularly in the development and progression of our country i.e., as the economy driving force and movement which is expected to unite the society and the people in general. As the social economy movement, the fundamental basis of the constitution on Indonesia is based on the Chapter 33 Constitution 1945 and the regulation number 25 in 1992 on cooperation. It has been explained within chapter 33 the phrase 1 of the Indonesian Constitution 1945 that the economy is managed altogether as a mutual business based on the family principles (Indonesian Constitution, 1945). This is in line with the regulation No. 25 in 1992 chapter 1 that it was explained that cooperation is a business institution consisting of one or more people in the form of a board of institution which emphasizes its activities on

the basis of cooperation principles as well as the people economic movement which based on the family principles (Indonesian Regulation, 1992).

The function and the role of the cooperation are based on the regulation no. 25 in 1992 on cooperation that is intended to build and develop the potential and capability of the members prosperity in particular and the people or society in general i.e., to improve their social and economic lives, participate actively in an attempt to enhance and upgrade the quality of manpower or human resources i.e., the quality of people's lives, strengthen the people's economy and prosperity as the fundamental power and support the national economic stability where cooperation is the pioneering fundamental attempt to manifest and develop the national economy which constitutes mutual effort on the basis of economic democracy and family principles.

According to the International Cooperative alliance (ICA), the Cooperative is the association of persons united voluntarily to meet the needs and aspirations of economic, social, and culture, through the companies they belong together and they controlled democratically. Alliance International Cooperative (ICA) (1999) formulated the co-operative principles as follows (Böök, 1992).

1. Cooperative is a voluntary association, open to everyone who is able to use the services of willing to accept the responsibilities of membership, without gender discrimination, social, racial, political and religious,
2. Cooperatives are democratic societies, controlled by its members who are actively participating in setting policies and taking decisions,
3. Members of the cooperative contribute equitably and democratically to control the capital of their cooperative,
4. Cooperatives are autonomous, an association that helps themselves and controlled by its members,
5. Cooperative implement education for their members, elected representatives, managers and employees so they can contribute effectively to the development of cooperatives,
6. Cooperatives can provide effective services for its member to strengthen the cooperative movement by cooperation through local structures, national, regional, and international,
7. Cooperatives work for the sustainable development of their communities through policies approved by their members.

A healthy organization can be measured on how the organization could achieve its goals and targets. The strong organization concept argued by many experts of management and organization that it has various interpretations, depending upon the referred outline utilized, the existence and its function on the operational activities, the human resources, and human resources functioned as well as the management institution. Lowry and Hanges (2008) argued that the healthy organization concept constitutes one of the institutions that possess the profile in which several aspects of live dimension are working together to keep and maintain the organizational synergy and institutional responding power. There are several factors and issues faced by the cooperation institution i.e., the lack of professional staff handling this problem and others. Furthermore, the existing tough competition nowadays as a result of the growing number of this similar institution. In order to solve and overcome this issue and problem, it is highly suggested that there should be some kind of managements under the authority of certain power to give and provide more consultations, understanding, and enlightenment.

The commitment of the organization is to be the media for the members or the employees to take part in the organization where the employees go for the certain organization and his goals and will to maintain his membership in the organization. Zurnali (2010) stated that the general concern and main goal of the human resource organizational unit are to find out the best measurement to estimate more accurately the commitment of the workers or the employees and also to build and to develop the programs and activities to improve the commitment of the organization. It is further stated that the extensive research study of the psychology science and management is about the concept and role of organizational commitment.

The existing human resource and manpower in the certain organization should function its best to advance the organization based on the given role and responsibility. In order to achieve those goals, the available existing human resource and manpower should develop themselves to function their best to advance the organization based on the role given. In order to achieve that goal, the existing human resource and manpower should always develop themselves through various kinds of methods that training is intended to be executed in order to prepare the employees for what they should do as well as the development of the employees who need the knowledge, skills, and attitude.

Therefore, they should always learn to grow and develop themselves in order to achieve the goals they set for themselves. Dessler (1997) stated about the human resource and manpower management that is is the policy of any certain practice required by a person or people in order to conduct and carry out “people” aspect or manpower and human resource for the position in the management including arrangement, management, filtering, training, rewarding, and assessment.

Based on the explanation stated above, then the healthy cooperation and business can be manifested if the consulting service of a business runs well, the needs of the members fulfilled, members participation in the development and the progression of a business, the participation in building and cooperating in terms of business plan, setting up the business report as well as the members’ participation in order to find and harness the business opportunity. The existing manpower and human resources involved in the organization ought to do their obligation for the healthy business cooperation runs effectively. The business is arranged and managed according to the rule and regulation within the organization that is set based on the aspiration of the members and always makes the report of the business growth transparently. This is in line with one of the criteria of the human resources and manpower performance involved within.

Cooperative education and training constitute an effort or attempt to enhance and improve the competence and commitment of cooperative human resources (“wirakoperasi”) which is absolutely needed in the development of cooperation in the long term. The holistic understanding and apprehension on cooperation from the members as a result os education and training performance as well as professional managerial performance as the outcomes of management education could potentially create the members’ loyalty and trust. They are as well willing to join and get involved with cooperation and its programs for a long time (long-term-oriented) and able to adapt themselves (their attitude and behavior) with the strategy applied in cooperation institution. These benefits would then become the competitive edge of cooperation institution which is difficult to be imitated by the competitors. Johannessen et al. (2001) explain that human resource management is the design of formal systems within an organization to ensure the use of human talent effectively and efficiently in order to achieve organizational goals. Whether the company is a big company that has 10,000 employees or a small non-profit organization which has 10 employees, the employees must be paid. It means that it takes a compensation system that is good and valid. Employees

also must be recruited, selected, trained, and organized. Each activity requires thought and understanding of what works well and what is not good.

The existing cooperation institution in Makassar, particularly in the coastal areas i.e., in the Tamalate District, Ujung Tanah District, and Biringkanaya District. The number of cooperation is approximately 234 units with the total members around 715 people. This big potential benefits or advantages of the existence of cooperation institution in those coastal areas should be seen as an asset for the inhabitants in the coastal areas in an attempt to improve the people's welfare or prosperity, particularly in economic aspects. However, the problem and the main issue is that the cooperation has not been able to make the people living in the coastal area prosperous.

Institutional aspects which have become the general issues are working area, an institutional model, and the inventories of the organization within the cooperation institution not yet fully functioned as wished. These are occurred or happened particularly as a result of the insufficient knowledge and skills of the selected committee and the supervising staff (BP) as well as the business executor who generally haven't been able to carry out or conduct the organizational management, arrangement, and business properly as well as unresponsive at responding the environmental changes and growth.

Besides that, the relation mechanism and the job sharing among the committee, supervising board and business executor (manager) remain inharmonious and not yet suitable and match to each other. The annual budgeting conference and meeting (RAT) has not been able to be conducted on time, and it was thought to be unable to fulfill the aspiration on the same needs, wants, wills and its members' interest.

2. RESEARCH METHOD

The ex post facto method is a typical method which is done or conducted and carried out to observe and research the things or activities going back to the past in order to find out the actors behind the activities or the factors led to that; this research is typically considered to be a survey research namely the typical research which is conducted an carried out through some surveys from certain areas to collect the data using questionnaires and interviews. This type of research is conducted to be an explanatory research categorized into an associative research which means a type of research to connect between two variables or more.

The targets and goals of this research is the cooperation of the coastal areas in Makassar City, administratively in Makassar including the Biringkanaya District, Ujung Tanah District, and Tamalate District. The description of this research focus is to study the influence of healthy organization, healthy finance, healthy business as well as the competence of human resource and man power toward the cooperation institution performance.

The data analysis method used for this research was the SPSS software method and assistance i.e., using double

linear regression method which is conducted simultaneously with F-count variable. The significance value is measured by comparing the F-count with F-table or looking at the significance on the SPSS output. The populations of this research i.e., the members of the cooperation in the coastal areas in Makassar consisting of 715 members or people. The sample quantity is determined with the formula by Slovin i.e., $n = \frac{N}{1 + N.e^2}$, where $e = 0.05$ or 5%.

3. RESULTS AND DISCUSSION

Administratively the city of Makassar is divided into 14 districts, 143 subdistricts, 994 small subdistricts, and 4966 house associates. While, the total population of Makassar City is approximately 1.408.072 people consisting of 695.955 men and 712.117 women. Meanwhile, the total population in Makassar in the year 2012 is about 1.369.606 people. The composition of citizens according to sex and gender is around 97.73%, which means that every 100 men, there would be 98 women.

The level of prosperity was classified based on the districts available in the city of Makassar. The most populated district with the most number for the father is Tamalate District with the family men around 31.642 family men. Then, followed by Biringkanaya district as the second most populated district for as many as 5.881 family men. Tamalate is a district with the biggest number of family men as well as the district which possess the lowest prosperity level if viewed from the household category which is categorized under pre-prosperous family households for as many as 10.031 households.

Afterward, the second lowest prosperity level district is Tallo with the number of the pre-prosperous families as many as 8.181 households. Ujung Pandang District possesses the lowest pre-prosperous family quantity i.e., 872 households. Then, when viewed from the number of family men which are targeted to receive "RASKIN" (Rice for poor people) the receiver is Tallo i.e., 10.184 family men. Then, the district with the second highest targeted receiver is Tamalate district for as many as 10.167 family men. Meanwhile, the lowest targeted receiver is Ujung Pandang District i.e., around 927 family men.

Tamalate District is one of the districts among 14 districts in Makassar city that has border and territory to the northern part of Mamajang District in the east is Gowa, in the south is Takalar and in the west is Makassar Strait. Tamalate District consists of 10 subdistricts with the total area around 20.21 km². From the area noticed, it is noted that Barombong Subdistrict has the largest area i.e., 7.34 km², the second largest is Tanjung Merdeka subdistrict with total area 3.37 km², while the smallest area or region is Bungaya Subdistrict i.e., 0.29 km².

There are three subdistricts in Tamalate District which are deemed and considered to be coastal areas, and seven other subdistricts constitute noncoastal areas with the topography under 500 m from the sea surface. According to the distance, the location of each subdistrict to the capital city of district varied from 1 to 2 km (Macini Sombala and Balang Baru) between 3 and 4 km (Jongaya

and Parang Tambung) and the other subdistricts distance ranging from 5 to 10 km.

Ujung Tanah District constitutes one of 14 districts in the city of Makassar which has a border to the north with Makassar Beach, to the east with Talo District, to the south with Bontoala District and the western part of Makassar Coast. Around seven subdistricts in Ujung Tanah District area coastal areas and five others are noncoastal areas with the topography around 500 m under the sea level. Based on the distance, the location of each subdistrict to the capital city of the district around 1 to above 10 km. Kodingareng district, barang caddi, and barang lombo is the furthest subdistrict that has distance miles away from the capital of Ujung Tanah District. Biringkanaya district is one of the 14 districts in Makassar city has border to Maros regency in the north, to Maros regency as well as to East part, to Tamalanrea in the south and Tallo district in the west. Biringkanaya district is a non coastal area with the topography of height is in between the sea surface. According to the distance, the location of each subdistrict to the capital of the district is around 1-5 up to 10 km.

Biringkanaya district consists of 7 sub-districts with the total area around 48.22 km². Therefore, there should be a study conducted in order to assess the performance and productivity of the cooperation institution as the media to support the development of the economy of the people living in the coastal areas by focusing on the organisational study aspects with the main indicator i.e., annual meeting for the members of the cooperation institution, the level of cooperation institution activities based on the basic budgeting (AD) and the domestic budgeting (ART) of cooperation.

The level of attendance of the members of cooperation if invited for the meeting, the participation of the members of the cooperation in terms of contributing ideas and insight in the development of the cooperation, the level of cooperation activities based on the basic budgeting (AD) and the domestic budgeting (ART) of cooperation, the level of obedience from the committee and the members of the cooperation to the cooperation basic budgeting (AD) and the domestic budgeting (ART), the level of responsibility of the members toward the job description given, the level of responsibility of the cooperation committee toward the report transparency.

The level of responsibility of the members toward the advancement of the cooperation and the level of responsibility of the members toward the accountability of the cooperation performance. The study on the financial aspects of the indicator of cooperation committee activities especially related to the cash flow level, the execution of the leasing activities and the operational activities of the cooperation, the execution of the budgeting evaluation activities, the execution of the cooperation sharing service report, the execution of budgeting utilization growth report, the execution of cooperation report on the budgeting cash flow report, the improvement and the advancement of the cooperation business growth, the advancement of the cooperation business as well as the improvement or the advancement of the cooperation business as well as the advancement of the quantity of the business result remain receiver (SHU).

The study of the business aspects with the indicator of consultation service provided to the members. The execution of business service to the members, the execution of the loan given to the members, the participation of the members toward the development of the business, the participation of the members toward the building and developing the partnership, the participation of the members of the business plan through members partnership, the participation of the members toward the business strategy and the participation of the members toward finding and harness the business opportunity.

The study on the manpower or the human resource management competence with the indicator of training program development, the business training simulation programs, training program development evaluation, business training activities execution; the supervision of the business training activities, the evaluation of the business result activities, the development of the business training activities, technology-based training model development, the training model development for the small and micro business (UKM), training model development on the creative and innovative training.

The study on the cooperation institution performance with the indicator that they have developed several growing businesses, the increase in the business result in certain time, the growth of the business, the level of members addition increase. The level of increase in the members' quantity, the level of increase in business result remain receiver (SHU), The level of efficiency of business result management, and the level of business result remain receiver (SHU) received on time.

Then we could proceed to the level of prosperity of the members with the indicator of being able to save money and spend for the education of the family, the opportunity of upgrading the education of the family, the opportunity of joining the course or anything like that, the level of business growth of the members, the members' business productivity level, the growth and the development of marketplace, business volume increase, sales volume increase, and the members business income increase.

The object of this research is the number of the cooperation available in the coastal areas in Makassar City by analyzing the performance of the cooperation particularly on the healthy organization, healthy financially, healthy business and the competence of the manpower or human resource. The population of this research covering as many as 715 members of the cooperation in coastal areas in Makassar city. The number of samples determined by the formula by Slovin as follows:

$$n = N / (1 + N \cdot e^2), \text{ where } e = 0.05 \text{ or } 5\%$$

From the total number of population of the members of cooperation around the coastal areas in Makassar, around 715 members, the sample that can be reached is 257 members or people the cooperation based on the formula by solving above. Afterward, trying to analyze the correlation coefficient. In the statistics viewpoint, the correlation term means that the relation between two variables or more. This relation and correlation between two

variables or more are called as bivariate correlation, while the connection or relation or correlation between two or more variables is well-known as multivariate correlation.

The correlation coefficient constitutes a number on how certain powerful correlation can be the guiding role on how to judge and assess how big the correlation power among all the variables possessed. The number of the quantity is around 0 up to 1.00 (meaning that the lowest is 0 then the highest is 1.00). The sign plus minus in the coefficient correlation number is merely functioned as the information show the direction of the correlation.

Whenever the coefficient correlation show the symbol plus (+), then the correlation is more positively and the only one direction. Whenever the coefficient correlation show the symbol negative (-) then the correlation is negative and contrast in the direction. And if the coefficient score is = 0 then this means that there is no correlation then measuring the significant degree, then measuring the degree of significance. It can be known and concluded from the distribution t-table or F-table or r-table (coefficient correlation), which determining and counting the score of the values or score used, the example of the this is when the sample is looking for sample t-count or F count the to be compared in order to find out the significance or not really significant. If $F\text{-table} < F\text{-count}$ meaning that H_0 was rejected or influence, and so the opposite, if $F\text{-table} > F\text{-count}$ then H_0 was accepted or has no effect.

From the result of the research, it can be stated and explained that the healthy organisation, healthy financially, healthy business and the competence of human resources affects more positively simultaneously, particularly towards the performance of cooperating institution with the score of regression coefficient as much as $r = 0,761$ and the square score as much as $0,579$. Then, in order to view the significance score of the strong organization, healthy financially, healthy business, and the competence of human resources, then it was partially analyzed, i.e., the significance of healthy organization (X_1) toward the performance of the cooperation i.e., 1.139 showing that H_0 is accepted.

Meaning that it has no effect since $T\text{-table} = 1.960$ ($1.960 > 1.138$). Significance of healthy financially (X_2) toward the performance of the cooperation is 2.979, this means that H_0 is rejected, meaning that it has an effect or influence since ($F\text{-table} < F\text{-count}$) or ($1.960 < 2.979$), the significance of healthy business (X_3) toward the performance of the cooperation is 4,003 this means that H_0 is rejected or has an effect on $F\text{-table} < F\text{-count}$, and significance of the human resource (X_4) toward the performance of the cooperation is 6.792 this means that H_0 is rejected or has an effect since $F\text{-table} < F\text{-count}$.

4. CONCLUSION

Based on the result of the research on the effect of the strong organization, healthy financially, healthy business, and the competence of human resources toward the performance of the cooperation institution, then the conclusions of this research are as follows:

1. The healthy organization, healthy financially, healthy business and the competence of human resources affect more positively and significant toward the performance of the cooperation institution with the coefficient regression as much as $r = 0.761$
2. The significance of healthy organization toward the performance of the cooperation institution is 1.139 smaller than T-table (1.960), this showed that H_0 is accepted, meaning that it has no effect or impact. That could occur and happen as a result of conducting and carrying out the members annual meeting conducted every year wasn't conducted and carried out based on the regular fixed schedule that has been determined previously. Besides that, the low level of obedience of the committee and the members of the cooperation institution toward the basic budgeting (AD) and the domestic budgeting (ART) of the cooperation institution and the low level of attendance of the cooperation members when invited for the meeting.
3. The healthy organization, healthy financially, healthy business and the competence of human resources and manpower, each possess a high level of significance that affects and influences other factors since $F\text{-table}$ is smaller than $F\text{-count}$.

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