

FACTORS AFFECTING MEMBERS' PARTICIPATION IN THE BUSINESS OPERATION OF AGRICULTURAL COOPERATIVE IN THAILAND.

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ABSTRACT

The specific objective of this study is to investigate the factors affecting member's participation in the business operation of Sawang Daen Din Agricultural Cooperative Limited (SDDACL), Sakon Nakhon province (1). It also attempts to explore the members' level of participation in the business operation of SDDACL, Sakon Nakhon province (2). Participants were recruited from 360 members of SDDACL, Sakon Nakhon province. The study was conducted in the form of a survey, with data being gathered via a questionnaire. Data for this study were collected using percentage, frequency, mean, standard deviation (SD), t-test, F-test, including multiple linear regressions.

The current study found that most of the participants were female, and their age was ranged from 50 – 59 years old. Their educational level was at the elementary level and they have been the member for more than 21 years. In terms of their occupation, they are agriculturalist and have approximately earned 5,000 Baht for their monthly income. The results of this study show that there are factors that have an influence on the member's participation in business operation of SDDACL: source of the loan (\bar{X} = 4.39), stability of the cooperative (\bar{X} = 4.28), appropriateness of the SDDACL's location (\bar{X} = 4.25), convenience in business operation with SDDACL (\bar{X} = 4.19), the staff's service mind (\bar{X} = 4.06), the committees' reliability (\bar{X} = 4.02), benefits i.e. dividend, refund (\bar{X} = 4.02), the sense of ownership (\bar{X} = 4.01), and distribution of information of SDDACL (\bar{X} = 3.93), respectively. With respect to the level of members' participation in the cooperative, it was found that the level of SDDACL members' participation in cooperative was somewhat moderate. The level of members' participation in the benefits of the SDDACL and involvement in members' perception and decision making was considerably low. Involvement of the SDDACL members in SDDACL's business operation and SDDACL's controlling and checking appeared to be unaffected by the level of members' participation.

In this study, the factors in members' involvement in business operation and individual factors were compared. It reveals that age, educational level, the involvement of SDDACL members in business operation were found to be statistically significant (0.05). Concerning of comparison of the level of participation in business operation and members' individual factors, it is suggested that there are factors related in the involvement of SDDACL members i.e. age, length of membership, occupation, average monthly income. These factors also show statistical significance (0.05). In the same way, this finding suggests that the factors including SDDACL members' involvement and the business operation of the cooperative and the level of participation in the business operation of SDDACL were related. It is possible, therefore, that there are two levels of members' participation in the business operation of SDDACL: involvement in members' perception and decision making and level of members' participation in the benefits of the SDDACL.

Keywords : Agricultural Cooperative, participation

INTRODUCTION

In the new global economy, agriculture has currently become the main occupation of the Thai people. There are several factors that have been considered to have an impact on agricultural occupation, high risks and requires various products that can meet with the market's demand. Being exploited by middlemen is one of the key issues for the farmers since the middlemen take advantages from the farmers. In 1916, Thailand adopted a cooperative system to solve these problems since it can help farmers have a better quality of life.

The word *cooperatives* are considered as institutions that are generally believed that it can help solve economic and social problems. Moreover, the cooperatives may allow members to have a better quality of life, to be able to do self-help, to be able to help each other or to provide a sense of self-reliance. (Thanyarat Malai) [8] Also, cooperative principle can help create ethical and honest values, transparency, social responsibility and generosity among the members. It has previously been observed that the principles of cooperatives are comprised of organizations with the same profession. (Thanyarat Malai) [8] The organization shares the same problems and would like to conduct economic and social business together for the benefit of members. Regardless of the profits, the main aim of doing cooperatives is to operate and control in regarding democratic principles so that everyone can participate in all cooperative activities. (Thanyarat Malai) [8]

Sawang Daen Din Agricultural Cooperative Limited (henceforth SDDACL) is an agricultural cooperative and is established among agricultural professions. There are many businesses conducted to help members including credit, procurement, depositing and withdrawing money. SDDACL is a large cooperative in the district level. Since there are members in different sub-districts, carrying out the transaction with SDDACL activities is problematic. As a result, members lack participation in the SDDACL's business, and it can cause misunderstanding of the concepts and cooperative principles. So, this issue has led to a decline of uncooperative work and has boosted strong movement of cooperative members.

The aim of this study is to explore the factors affecting a member's participation in the business operation of SDDACL. The study offers some important insights into improving cooperative management to be more efficient. If SDDACL has good management, it can allow members to use the service from the cooperative. In turn, it will enable the cooperative business to progress and maximize its benefits. It can also increase the efficiency of the cooperative's operations in order to continually meet the needs of the members. In addition, it can provide guidelines to promote cooperative members to be more involved in business operations.

LITERATURE REVIEW

Community participation

Sutee Worapradit [6] defines community participation as the extent to which community participation in an activity that can affect the needs of the people which is in line with the way of social life and for the community to have truly participated. There are factors that should be taken into consideration: lifestyle, values, traditions, and attitudes towards voluntary participation in community activities. As can be inferred from this definition, it should have a process that can allow the community to be involved. And it is important to use the community as a centre and provide help from the government as needed. There are five steps in community participation as follows: analysing and synthesising of community problems, making a plan that is appropriate and fits the way of life, determining and carrying out the activities, and evaluating them.

Similarly, Williams [3] maintains that the community participation is an opportunity for people to participate in the practice of promoting thinking, including decision making to solve problems in using knowledge and ideas. Additionally, it is a good way to solve problems by yourself to promote, to supervise, and to follow up the results of operations of the organization and related practitioners.

Moreover, according to Cohen and Uphoff [4] stated that community participation is a way people participate in the public. They also extend that many factors can be involved in participation such as age, gender, family status, educational level, social condition, occupation, income from property, including owning a land area, and working conditions. Also, personal factors are/can be considered as those which contribute to other kinds of participation i.e. the factors that are relevant to community leaders which are regarded as crucial in the development of the community.

In previous studies on participation (e.g. Cohen and Uphoff) [4] it can involve a social meeting from both individuals and group participation. The member of a group has a chance in decision making, and they can have an attachment to their work. In so doing, it is resulting that the members can work effectively, and they can achieve the set objectives. (see Reeder) [1]

Levels of participation

Reeder [2] showed that dividing the level of participation can be done according to the intensity of participation. According to the American Public Health Association, they regard participation level as participation that neither changes to a certain kind, nor it is involved the number of activities done. Instead, the participation level can change to a certain degree of participation, for example, being responsible for planning activity. Therefore, participation in this context means being accepted to available services provided, and group gatherings for decision making. The level of participation can be divided into three levels as follows:

1. *Decision making* - At this level, people will participate in planning, and manage the development on their own (or level of responsibility by themselves).

2. *Cooperation level* - At this level, people will cooperate with the plan, initiative of ideas, sacrifice from the people in terms of time, property, and can help make the project succeed at an acceptable level of participation (acceptable level of participation).

3. *Utilization level* - It is a level the people will accept and make use of the services from the planned project. The project is accepted in the level of service acceptance only.

Thitilina Jaiphien [7] Redistribution of power can be done by encouraging people who do not have the power or so-called *have-nots*. The term *have-nots* involve people who are not able to set guidelines for acknowledging or sharing information, and operating activities and projects. Therefore, the level of public participation can be divided into eight levels as follows:

1. The level of manageability (*i.e. manipulation*) concerns a group of people that come together in various forms, such as an advisory committee, inspection committee, etc. Instead of being truly involved in public participation, the lowest level of this participation ladder shows distortions of public participation. This phenomenon makes people become a tool for public relations activities or policies of the authority.

2. The level of therapy (*i.e. therapy*) from behavioural experiments. The term powerless is like a mental illness which refers to giving people the opportunity to participate in intensive activities and can/may cause illness in any way.

3. The level of informing people is a way of providing information about rights, duties, responsibilities, and various alternative policy for the people. This level is considered as the first time of public participation and is seen as a *one way of flow of information*, regardless of a response from people's needs. There is almost no opportunity to change the activities and projects that are designed.

4. The level of *consultation* is to persuade people to express their opinions such as polls, community meeting, public hearing. Such a method aims to attract people to participate in the activities.

5. The level of *placation* can be defined as a way people can be able to give advice or to participate in the planning process without having any boundaries. However, the decision-making process should also take into consideration/account people's advices and opinions.

6. The level of cooperation level (*i.e. partnership*) is exerting power that is allocated through negotiations between people and authorities. Both of the parties are responsible for planning and making a decision together.

7. The level of *delegated power* is the people's ability to make decisions in planning and implementing various plans. This power occurs without prevention from the government's decisions. This opportunity for participation demonstrates the ability to respond to problems and respond to the needs of the people without waiting for the process of examination or monitoring of the policy.

8. A *citizen control* is a way the people are guaranteed that policies and the management of any plans or projects that they participate will be in the right direction, and in the way that people truly want. Moreover, they can be able to negotiate various terms, and no one can change them later.

CONCEPTUAL MODEL AND HYPOTHESES

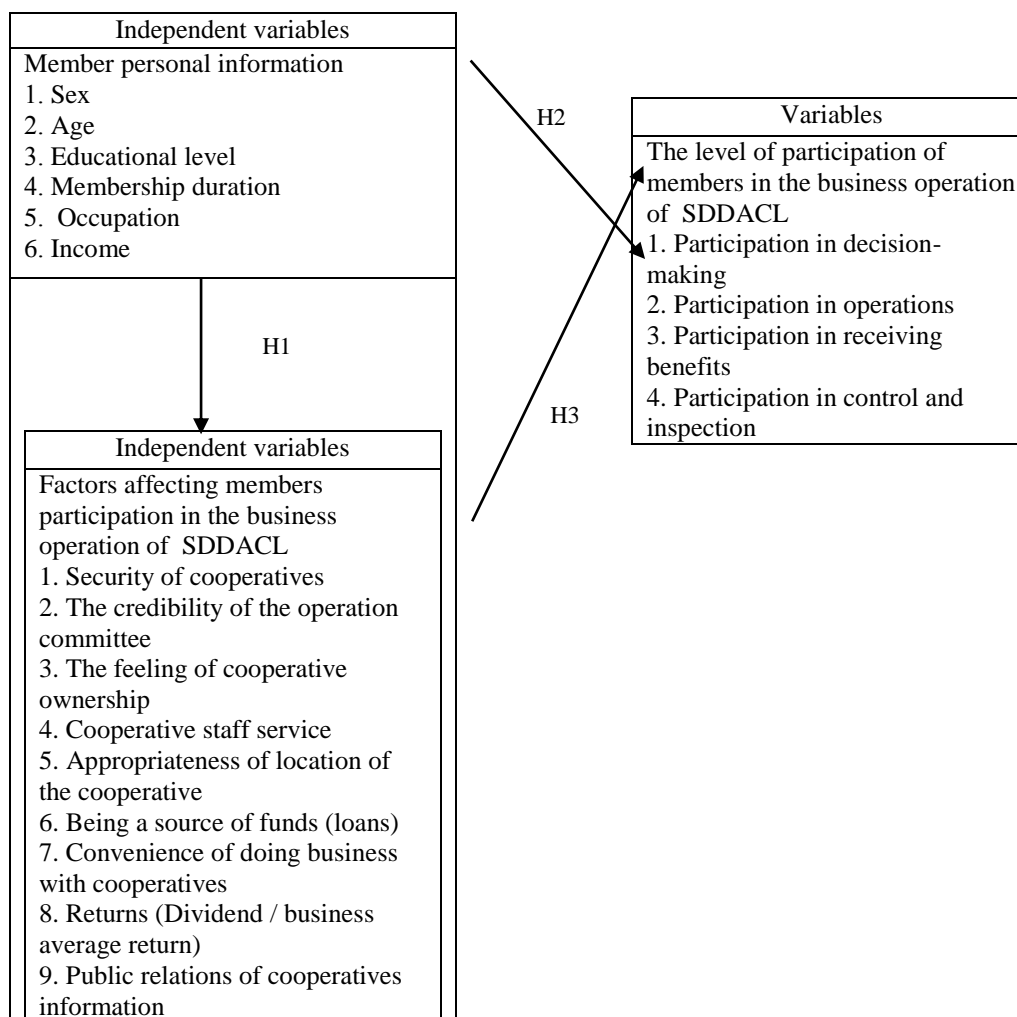
The analysis was based on the conceptual framework proposed in Figure 1 below. As can be seen from Fig. 1, factors are affecting the members' participation in the business operation of SDDACL. The proposed conceptual framework presents the relationship between the independent variables (H1 and H3) and other variables (H2).

H1: Factors affecting member's participation in the business operation of SDDACL, member personal information

H2: The variables that consist of the level of participation of members in the business operation of SDDACL

H3: Factors affecting member's participation in cooperative business operations and are correlated with the level of business participation of SDDACL members

Figure 1
Research Conceptual Framework



RESEARCH METHODOLOGY

This quantitative research is aiming to investigate factors affecting members' participation in business operations of agricultural cooperatives in Thailand, using SDDACL as a case study. The main objectives are to study factors affecting members' participation in business operations of SDDACL (1). It is also aiming to determine the level of participation of members in the business operation of SDDACL (2). The total population in this research consist of 360 people who are the members of SDDACL. To identify the population in this research, the data from a sample of 360 people was collected by the researchers/authors using a Likert Scale questionnaire. Reliability was calculated using Cronbach's alpha. This method is designed to find out participation factors in cooperative business operations (1) to investigate the levels of participation of members in the cooperative business operations (2). There are four levels of participation involved here: participation in acknowledgement of members' making decisions (1), participation in member operations (2), participation in member benefits (3), participation in the audit control of members was 0.863, 0.811, 0.868, 0.744 and 0.947 (4), respectively. As shown in Table 1 below, the data were analysed using descriptive statistics such as percentage, mean and standard deviation. Inferential statistics

were also used in this study i.e. Pearson correlation analysis and multiple regression analysis. A significant 95% confidence interval was also used to analyse the data.

Table (1). Cronbach's alpha coefficient of variables

Variables	Cronbach's Alpha
1) Factors of participation in business operations of cooperatives	0.863
2) The level of participation of members in the cooperative business	
1. Participation in acknowledgment of members' decisions	0.811
2. Participation in member operations	0.868
3. Participation in member benefits	0.744
4. Participation in member audit controls	0.947

RESULTS

The first set of questions aimed at showing general information of respondents regarding factors affecting members' participation in business operations of SDDACL. As seen in Table 2, the respondents are comprised of both males (41.70%) and females (58.30%). The average age of the highest cooperative members is between 50-59 years (35.80%). The educational level of the cooperative members is primary (70.83%). Their length of membership is between 21 years and over (24.70%). Most of the members are farmers (87.50%). Also, the average monthly income is less than or equals to 5,000 Baht (59.71%), as can be seen from Table 2 below.

Table (2). Description of the respondents

Demographic Information		Numbers of Respondents (NR) (n=360)	Percentage of NR to Number of TR* (100%)
Gender	Male	150	41.70%
	Female	210	58.30%
Age	20 - 29 Years	3	0.8%
	30 - 39 Years	23	6.40%
	40 - 49 Years	77	21.40%
	50 - 59 Years	129	35.80%
	60 Years or Above	128	35.60%
Education	Primary school	255	70.83%
	Junior high school	66	18.30%
	High school or equivalent to a vocational certificate	30	8.33%
	Diploma or equivalent	7	1.94%
	Bachelor	2	0.60%
Higher than Bachelor's degree (Others, please specify)	0	0%	
Length of membership	1 – 5 years	39	10.80%
	6 – 10 years	84	23.40%
	11 – 15 years	71	19.70%
	16 – 20 years	77	21.40%
	21 years or older	89	24.70%
Occupation	Own the business	31	8.61%
	Employee or private company employee	4	1.11%
	Government official	1	0.28%
	Employees	0	0%
	Farmers (please specify...)	315	87.50%
Others (please specify.....)	9	2.50%	

Monthly income	Less or equal to 5,000 Baht	215	59.71%
	5,001 – 10,000 Baht	108	30.0%
	10,001 – 15,000 Baht	28	7.80%
	15,001 – 20,000 Baht	3	0.83%
	20,001 – 25,000 Baht	3	0.83%
	More than 25,001 Baht	3	0.83%
Total		360	100.00%

* TR denotes total respondents.

Hypothesis testing

The data were collected using correlation analysis to find the relationship between the translator and a simple regression analysis to test the hypothesis. In order to make it easier to remember when testing the hypothesis. The researchers have defined/designated the following abbreviations for the below variables:

MA is the factor of participation of members in the business of cooperatives.

MB is the level of participation of members' perception in the decision-making.

MC is the level of participation in the members' operations.

MD is the level of participation of members' receiving benefits.

ME is the level of participation of members' control and inspection.

Table (3). Factors affecting members' participation in business operations of SDDACL

Hypothesis 1: Factors affecting members' participation in business operations of SDDACL varies by members' personal factors

	Gender	Age	Education level	Length of membership	Occupation	Monthly income
Factors affecting participation in business operations of SDDACL	1.520	3.964*	3.880*	.928	1.413	1.932

*P< 0.05, **P<0.01

As can be seen from Table 3 above, there are factors affecting the participation of members in the business operation of SDDACL, which varies from members' factors related to age and educational level. The statistical tests revealed that there is statistical significance at the level of 0.05.

Table (4). Level of participation of members in the business operation of SDDACL

Hypothesis 2: Level of participation of members in the business operation of SDDACL varies by personal factors of members

	Gender	Age	Education level	Length of membership	Occupation	Monthly income
The level of participation of members in decision-making.	1.194	7.299**	3.065	3.356	2.715	1.151
Level of participation in members' operations	.691	2.319	.339	2.212	1.440	1.623
The level of participation of members' receiving benefits	2.323	1.764	1.914	7.421**	1.358	3.268
Level of participation of members' control and inspection	1.325	2.042	.802	1.483	3.783*	4.228*

*P< 0.05, **P<0.01

As can be seen from the data in Table 4, difference in ages have separate levels of participation in the perception of members' decisions making, which shows statistical significance at the level of 0.05. The difference of duration of membership shows different in the effect on the level of participation in receiving benefits of various members, showing statistical significance at the level of 0.05. It is apparent from this table that occupation and the average monthly income affect the level of participation in the audit control of the different members which shows statistical significance at the level of 0.05.

Table (5). Correlation analysis among independent variables

	MA	MB	MC	MD	ME
MEAN	4.12	2.04	1.65	2.44	1.44
S.D.	0.484	0.562	0.572	0.464	0.671
MA	1				
MB	0.169**	1			
MC	0.044**	0.692**	1		
MD	0.317**	0.253**	0.309**	1	
ME	-0.003	0.484**	0.672**	0.407**	1

** Correlation is significant at the 0.01 level

As Table 5 shows, there is a correlation analysis which can explain the relationship between co-variables (see also Hair et al.) [5] They explain that the co-relationship between independent variables should not exceed .80. If over .80, it could be presumed that it might create multicollinearity. From this data, we can see that the correlation between the initial variables has the highest value of .692, which is less than .80. The results can be concluded that the independent variables in a regression model are not correlated, or there is no multicollinearity. Then, the variables can be further used to test in multiple regression analysis.

Table (6). Research results from hypotheses testing

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	Beta	Std. Error	Beta		
MA →MB	0.211	0.58	0.244	3.609	0.000***
MA →MC	-0.087	0.68	-0.103	-1.290	0.198
MA →MD	0.385	0.56	0.369	6.887	0.000***
MA →ME	-0.146	0.50	-0.202	-2.941	0.003
Adjusted R2 = 14.50%		S.E.E = 0.448		F = 16.174	

***. Predictor is significant at the 0.000 level

The table above illustrates the results of the hypothesis analysis using the simple linear regression method. It shows that the coefficient (β) of MA →MB, MA →MD, MA →ME are 0.244, 0.369, and -0.202, respectively. The factors that affect the participation of the members in the cooperative business operation are related to the level of participation in the business of the cooperative members (see Table 6). There is correlation among the level of the participation in the decision-making of the members, the level of participation in receiving member benefits, and the level of participation in the audit control of members. The results also revealed that there are positive relationships and statistical significance. The findings also suggest that there is no relation between MA →MC, showing coefficient ($\beta = -0.103$). The current study found that there is a correlation between the level of participation in the operation, and the participation of members in the business of cooperatives.

CONCLUSIONS

The main goal of the current study was to determine the factors affecting the participation of members in the business operation of agricultural cooperatives in Thailand, using SDDACL as a case study. This study has identified factors affecting the members' participation in cooperative business operation. The factors found in this research are closely related to the level of participation in the business of cooperative members and the level of participation of members' decision-making. This present research has also shown that there are other levels of participation, i.e. the level of participation in receiving member benefits and the one of participation in the audit control of members. The results of this investigation show statistical significance.

The results also indicate that the guideline for managing the participation of SDDACL should be introduced as the first step. For example, the SDDACL should encourage members to participate in any stage of the cooperative operation such as the perception of members' decisions making, members' carrying out of the activities, members' membership benefits, and members' control of the investigation of the business operation.

The second major finding was that the SDDACL should motivate members' in the participation of the cooperative activities. This can be achieved by providing opportunities for the members to exchange knowledge. As such, the members would be aware of their roles and could engage themselves in cooperative business operations. Furthermore, the findings of this research support the idea that maintaining members' motivation can strengthen cooperative operations, and in turn, it can meet the members' demand in the long run. This study lays the groundwork for future research into using the guideline to promote cooperative members' involvement in cooperative business operations. Further investigation and experimentation using qualitative methods are strongly recommended because other factors could be found from the members' perspective towards the cooperative business operations, and can maximize the member participation in such areas.

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