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STUDY ON THE MEMBERS' PERCEPTION TOWARDS THE PERFORMANCE OF MULTIPURPOSE AGRICULTURAL COOPERATIVES IN WEST SHEWA ZONE OF OROMIA REGION, ETHIOPIA

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Abstract

Cooperatives are crucial engines of economic and social development in most developing countries. Their performance fluctuated widely with a declining trend. Due to these members perception towards the performance of cooperatives was very poor and their participation and involvement in cooperatives is low. The study therefore, sought to examine member's understanding based on four performance criteria. To meet the intended objectives of the study, data were drawn from primary and secondary sources and follows a mixed method research approach. A two-stage stratified sampling method was employed to select the sample districts and cooperative societies. Systematic sampling methods were used to reach at 236 member respondents from the sampling frame of cooperative societies. The finding result indicates that out of the sixteen items stated for perceptual examination 12 items were in disagreement, 2 items were agreed and the rest two items were below 50 % of the Likert scale measurement. This shows that a negative perception /attitudes of members towards the various functions and activities of the cooperatives from the normally accepted performance of cooperative enterprises.

Keywords: Multipurpose agricultural cooperatives, Perception, Performance

Introduction

A cooperative is an autonomous association of persons united voluntarily for the common social, economic, cultural needs and aspiration through a jointly owned and democratically controlled enterprises (ICA, 1995).

Perceptions are defined as “an individual's or group's unique way of viewing a phenomenon that involves the processing of stimuli and incorporates memories and experiences in the process of understanding” (McDonald, 2012).

Customer service received good performance evaluations and was one of

the issues identified by respondents to be the reason for patronizing cooperatives. Experience of the farming community in cooperatives indicated by the age of the household head and is the likely to have a range of influences on member's participation and perceptions. Farmers with long experience in farming may have better and wide knowledge to perceive risks and constraints to effective transfer of new technologies and better performance (Ortmann & King, 2007; Ugochukwu, 2013). These perceptual understandings of members on the performance of agricultural cooperative could be positive, negative or neutral influence on the level of members participation depending on the benefit gained. The basic benefits on literature reviewed members gained from cooperatives include supplying farm inputs, storage facilities, facilitating bank loans, marketing and business activities (Berko, 2001).

Hence, members do not perceive their cooperatives perform well in terms of their needs and expectation. Therefore, the study examine member's perception on the bases of four performance criteria in West Shewa Zone, Oromia region, Ethiopia where there is a large number of agricultural cooperatives.

Objective of the study

Members' Perception on the Performance of Multipurpose Agricultural Cooperatives in West Shewa Zone of Oromia Region, Ethiopia

Significant of the study

The study would be useful for the management bodies in which operating under similar conditions in improving cooperatives performance through appropriate and relevant measures. It also provides policy makers and development practitioners who are interested in further promotion and support of agricultural cooperatives as an important institution for cooperative development. Pre-eminently, the study will be useful to elucidate the

performance of multipurpose agricultural cooperatives by taking West Shewa Zone into consideration.

Description of the study area

The study was carried out in West Shewa Zone, Oromia region where three districts were selected purposefully and six cooperative societies (Assgorii, Barodo, Metii, Billo, Quillimmitto and T/Gebakimissa) were identified on the bases of some selection criteria. Agriculture is the dominant economy of the area where mixed farming was practiced. The major crops grown in the area are theff, barely, sorghum, maize, lentils chickpeas and that of animals are oxen, cows, sheep, goat, etc.

Research methodology

This research employed a mixed method approach where both qualitative and quantitative data types were used to examine member's perception on the performance of agricultural cooperatives. The study uses sixteen perceptual statements (Items) and it had been developed based on four performance criteria (membership base, management, marketing and financial performance) on the five point Likert scales measurement approaches and questionnaires were distributed to the respondents among 236 agricultural cooperative members. To supplement data gathered through questionnaire, open-ended questionnaires were employed in order to corroborate the data collected from questionnaires. Descriptive statistics such as frequencies, percentages were used. The data collected from questionnaires were analyzed using Statistical Package for Social Sciences (SPSS) version 20.0 software.

Data collection tool

The study largely employed questionnaire as data collection method. In order to realize the selected respondents, the study used well-designed questionnaire as best instrument and closed and open ended questions were designed.

Determining sample size

Sample size determination is the most important design decision problem that faced by most researcher or scholars who are engaged in research. The sample size of the study or the number of member of the respondent were determined using Kothari (2004) formula:

$$n = \frac{p * q * z^2 * N}{(N - 1)e^2 + z^2 * p * q}$$

Where:

n = is the minimum sample size required (236)

N = is number of population (Cooperative under study) 6054

Z= 95% confidence interval under normal curve (1.96),

e= acceptable error term (0.05)

$$n = \frac{0.8 * 0.2 * (1.96)^2 * 6054}{(6054 - 1)(0.05)^2 + (1.96)^2 * 0.8 * 0.2}$$

$$n = \frac{0.16 * 3.8416 * 6054}{6053 * 0.0025 + 3.8416 * 0.16}$$

$$n = \frac{3721.1274}{15.747156} = n = 236$$

From the selected district cooperatives two hundred thirty six (236) respondents were selected by using Probability Proportional to size sampling techniques (PPS). In this case, the researcher considers the available resources and time.

Table 1
Sample districts and selected cooperative societies

S/ N	Name of the districts	Name of selected PMAC	Year of establishment	Capital	Total No. of members			PPS		Total
					Male	Female	Total	Male	Female	
1	Ambo	Meti	1969	252, 067.15	461	74	535	18	3	21
		N/Bilo	1977	64, 318.00	248	39	287	10	3	13
2	Dendi	Asgorii	1997	102, 534.45	830	143	973	32	6	38
		Borodoo	1997	176, 567.00	474	288	762	18	11	29
3	T/kutaye	G/Kemissa	1988	789, 985.50	1403	94	1497	55	4	59
		Qiiliinxo	1994	348, 018.30	1435	565	2000	56	20	76
Total				2,191,808.7	4851	1203	6054	189	47	236

Source: Zonal Cooperative Promotion Office (2017)

Results and discussions

In the result and discussion part descriptive statistical analysis was used to examine member's perception on the performance of agricultural cooperatives.

As the findings of most of the respondents' perceptions towards the various purpose and business operations of multipurpose agricultural cooperatives they are involved in indicates unfavourable perception towards the normally assumed purpose and business operations and benefits of cooperatives. Many of them indicated that cooperatives performance in terms of membership base, management, marketing and financial performance was poor.

The Likert Scale measurement approaches elicited "Strongly disagree" and "Disagree" to 50% or more of the respondents on the various purpose and business operations of the six multipurpose agricultural cooperatives.

Twelve positively stated statements elicit 61.26% respondent disagreement while 2 other positively stated statements elicited 90.25 % respondent agreement. As dominantly reflected in the 12 statements out of the 16 Likert scale items on the multipurpose agricultural cooperatives, most of the respondents, about 61.3% or 145 members expressed negative/unfavourable attitude towards the various functions/activities and qualities of the agricultural cooperatives they belong to in the three districts of the study area. Only two statements elicited "Strongly agree" and "Agree" to 50 % or more of the respondents on the purpose and business operations and activities of the multipurpose agricultural cooperatives. These are being a member of agricultural cooperatives results in productivity (i.e. members relatively better than non-members) (194:82.2 %) and price of inputs being better in cooperatives (232: 98.3%). The Table below illustrates the unfavourable attitude/ perception of the

members towards the various functions/activities of their cooperatives: The statement to receive a greater percentage of disagreement over the many purpose and business operations and activities of the cooperatives is '*having access to loans through agreements reached between the cooperatives and banks*'. Similarly, the Likert scale measurement approach also indicates that the only item to receive a greater percentage of agreement over the various functions/activities of the agricultural cooperatives is *price of inputs being better in cooperatives*. In general the overall performance of agricultural cooperatives is low. The Likert scale questionnaire are supported by the open-ended questionnaire forwarded to member respondents.

Conclusion;

Findings from the quantitative and qualitative analysis in terms of the performance criteria revealed that members' attitudes /perceptions are characterized by a dominantly emerged negative theme. From similar study, it can also be deduced that cooperatives do not steadily supply agricultural inputs. Besides, member's involvements did not significantly influence leadership for improved cooperative performance. Members stated that cooperative membership is important than not to member for some small benefit, as a result cooperatives business activities were not strong. On top of these, the financial data of cooperatives were not reported to members during meeting and cooperatives did not make formal agreement with banks to facilitate access to credit to members. As a result, member's perceptions on the overall performance of cooperatives were found to be poor. This indicated those cooperatives' competitiveness and institutional sustainability and viability is questionable.

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