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Research Article

Managerial Skills Development of Buah Ketakasi Cooperative: Improvement of the Quality Management System

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ABSTRACT

Buah Ketakasi is a cooperative founded by a community of coffee farmers in Jember district. Initially, the cooperative business unit involved was coffee agribusiness with 64 permanent members and 12 extraordinary members. The cooperative business unit expanded into coffee industrial agriculture, chicken and goat farm, dragon fruit cultivation, and organic fertilizer production. The number of permanent members has also increased to 182 people and extraordinary members to 300 people. This cooperative had problems including planning work programs, organizing resources, division of work, implementing work programs, monitoring and evaluating them. The offered solution to solving managerial problems of the cooperative was a mentoring program on how to plan a work program; how to organize resources, division of work, strategies for implementing work programs and monitoring-evaluation up to the reporting.

Keywords: *Economic enterprise, Managerial skills, Management system*

Introduction

Jember is one of the largest robusta coffee producing regions in East Java. Sidomulyo Village in Silo District constitutes a center of robusta coffee cultivation that becomes the assisted village of University of Jember. Silo District is one of the areas in Jember Regency which has the highest coffee productivity compared to other districts. Coffee productivity in Silo District reaches 11 tons per hectare in average. Silo District is the center of the coffee industrial agriculture to bring in added value. Industrial agriculture is part of the agribusiness

sub-system which integrates with other sub-systems such as the cultivation sub-system, production activities, and marketing of post-production products. To support industrial agriculture and agribusiness activities, an institution is needed, namely cooperative.

Buah Ketakasi Cooperative was founded on 8th December, 2007 at Sidomulyo Village, Silo District. The name of the cooperative means a group of coffee farmers in Sidomulyo. The legality of the cooperative was stated in the cooperative legal entity letter on 19th December, 2007. So far, the managerial activities of Buah

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Ketakasi Cooperative are still conventional. The work program planning has not involved members through needs analysis process beforehand and thus the planning results are not based on the needs but based on the wishes of the cooperative management group. The organization of resources and the division of work has not taken into account the potential of human resources, infrastructure, funds and existing cooperative regulations. As a result, the placement and division of work are not in accordance with the expertise of employees (Sergiovanni, 2009). All of this resulted in the implementation of the work program that is often encountering problems, being ineffective and inefficient, even the monitoring and evaluation of program implementation that had not been carried out as expected.

The founding of Buah Ketakasi Business Cooperative was motivated by several things as follows:

- a) The existence of a cooperative institution is expected to (1) be able to reduce the dependence on capital needed by coffee farmers on middlemen; (2) be a learning platform for farmers in the development of mutually beneficial cooperation; (3) create a culture of saving money for farmers; become a platform of the development of economic institutional units in the region.
- b) Enhancing synergy between University of Jember and the cooperative in information and technology transformation.
- c) Building strong access between financial institution (banking) and the cooperative through the provision of business capital facilities.
- d) Building strong access with marketing institutions, particularly exporter agencies and the Association of Indonesian Coffee.

The activity of program planning at the beginning of each year involving all administrators at the Buah Ketakasi Cooperative office was carried out without applying a needs

analysis and even a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats). This resulted in an internal potential analysis that had not been carried out, therefore it could not identify the strengths and weaknesses of its potential resources (Kurmanalina, et al, 2020)

Regarding the external potential, namely the opportunities and threats of cooperatives, it seems that the management has never carried out an analysis, hence various opportunities for the development of cooperatives are not identified (Ruben & Heras, 2012). The provision of capital in this cooperative was also underutilized. The market opportunities that were wide open were not also optimally utilized. This can be observed through the Ketakasi cooperative business diversification program. Meanwhile, cooperative competitors with the same commodity, namely coffee, are growing quite rapidly in terms of quantity (number of coffee entrepreneurs) as well as in quality. This can threaten the survival of Ketakasi Cooperative.

The pattern of organizing resources and division of labor is very monotonous and there were no significant changes from year to year. While market demands were always changing at any time. The lack of responsiveness of the cooperative to market changes resulted in the decrease of cooperative performance from day to day. This is evidenced by the decline in cooperative income. Training is necessary in improving the performance of human resources (Shanin, 1971).

Less effective planning and organization resulted in deviations in the implementation of economic products. This condition was getting worse because the monitoring and evaluation program experienced deviations in the implementation of the work plan. This impacted on the findings of deviations that occurred in the final evaluation at the end of each year. Management in all sectors is able to improve the economy (Puji, RPN et al, 2018; Puji RPN et al; 2018)

Table 1. Partner Problems and Solutions

No	Problems	Solutions	Description
1	Incomplete reseources data	Data inventory	Human resources, infrastructure, source of funding and regulation

No	Problems	Solutions	Description
2	Work program planning that is not based on needs analysis	Applying SWOT analysis	Cooperative management
3	Ineffective resources organization and labor division	Optimalization of resources utilization and labor division based on resources' skills	Division of labor in each work unit
4	Ineffective work program implementation strategy	Formulating achievement indicators, time allocation, and funding eligibility of each work program	Drafting work program based on priority scale
5	Ineffective monitoring-evaluation	Deciding monitoring-evaluation strategy with the principles of transparency, participation and accountability by involving all parties	Accessibility of monitoring-evaluation result. Responsibility of every work unit
6	The follow-up plan that has not been implemented properly	Following-up the result of evaluation to decide the next program	Striving for program continuity from year to year

The problem experienced by the Ketakasi Cooperative is the management pattern that is applied. Managerial functions include planning, organizing, program implementation up to the implementation of monitoring-evaluation programs (Geertz, 1970). The more detailed results of problem identification found in the Ketakasi cooperative are as follows.

- a. Data availability regarding the resources possessed by Ketakasi Cooperative was inadequate (data sources for human resources, infrastructure, financial and information about the opportunities and threats of cooperatives).
- b. Work programs planning was not based on needs analysis.
- c. Organization of resource and division of work did not consider the strengths and weaknesses of human resources.
- d. The execution of work programs was not completed with proper monitoring and evaluation.
- e. There was no follow-up plan based on work program evaluation at the end of year.

A. Human Resources

Table 2. Human Resources

Work Unit	Number	Description
1. Pre-production (cultivation activities)	3 people	Samuji, Suyadi, and Abdus Salam
2. Production process (upstream activities)	3 people	Sunari, Gatot, and Roni

Methods

An observation technique was applied in current research. Observation is the technique of data generation conducted through observing the objects accompanied by notes on the state or behavior of objects (Adler and Adler, 1994). The instrument utilized was an interview guide of the participants at Buah Ketakasi Cooperative. Buah Ketakasi Cooperative constitutes a cooperative operating to provide comfort and welfare to the farmers around. The observation activity was developed by asking for permission to the cooperative parties.

Results and Discussion

The following will explain the results and discussion in this activity. Cooperative resources were spread across three work units as follows: (1). Pre-production work units (cultivation activities); (2). Production process work units (upstream activities); and (3). Post-production work units (downstream activities).

Work Unit	Number	Description
3. Post-production (downstream activities)	5 people	Slamet, Jaelani, Bunaris, Sirin, and Revita.

B. Infrastructure

The following will explain the potential infrastructure facilities provided in the

cooperative. For further information, please refer to the table below.

Table 3. Infrastructures

Infrastructures	Good	Minor damage	Major damage
1. Pre-Production	100 %	-	-
2. Production Process	-	20%	-
3. Post-Production	100 %	-	-

C. Funding Source

Cooperative funds are obtained from various sources, such as from member mandatory fees as much as Rp. 25,000/month and member voluntary contributions. Profits can be seen from the receipt of the remaining operating results at the end of the year. Other sources of funds are obtained from banks, namely Indonesian banks and Indonesian Islamic banks. In 2022 the cooperative will receive a loan of 1 billion. As for the source of funds obtained from cooperative business units were as follows.

arabica coffee. Both two types of coffee can produce 1 ton/year from an area of 10 ha in 2022. For the coffee industrial agriculture business, the Ketakasi Cooperative manages it in the form of coffee beans and powder. For the coffee beans themselves, there is the type of All Great at a price of Rp30,000/kg. While the coffee powder consists of two, namely great powder 1 and great powder 2. Great powder 1 is sold at Rp80,000/kg, while for great 2 it is sold at Rp60,000/kg. The coffee marketing network has widely spread to international markets, namely Italy and America.

1. Coffee cultivation

There are two types of coffee managed by the Cooperative, namely robusta coffee and



Figure 1 Coffe products

As for the Buah Ketakasi Cooperative coffee products in packaged form that are sold in the market are as follows.

Table 4. Products of Ketakasi Coffee

No.	Product Types	Price
1.	Premium Robusta Coffee 250 grams	Rp. 20.000
2.	Premium Robusta Coffee 160 grams	Rp. 15.000
3.	Ginger Coffee 250 grams	Rp. 35.000
4.	Paper-packed Arabika 200 grams	Rp. 17.500
5.	Robusta Paper-packed 200 grams	Rp. 15.000
6.	Plastic-packed Arabika 500 grams	Rp. 40.000
7.	Plastic-packed Arabika 250 grams	Rp. 20.000
8.	Plastic-packed Robusta 500 grams	Rp. 25.000
9.	Plastic-packed Robusta 250 grams	Rp. 13.000
10.	Sachet coffee 10 pcs	Rp. 10.000
11.	Lanang Coffee 250 grams	Rp. 45.000
12.	Can-packed Lanang Coffee 200 grams	Rp. 50.000
13.	Wine Robusta Coffee 50 grams	Rp. 50.000
14.	Wine Arabika Coffee 50 grams	Rp. 75.000

2. Chicken Farm

There are 7 locations of broiler coops spreaded to the houses of cooperative members at Sidomulyo village. Each coop contains approximately 8000 chickens. Each farmer or breeder needs to prepare the coops. While the other complements such as chicken seeds, feed, and medicines are provided by the cooperative. The chicken resulted from the harvest is purchased by the cooperative where the payment is deducted from the price of the seeds and production inputs obtained from the cooperative.

3. Goat Farm

The location of the goat farm is spread over the houses of the cooperative members. The number of goat pens is 70 cages, with a total of 400 goats. The initial capital for buying goats was obtained from a cooperative loan. Goat maintenance is the responsibility of the breeder. The goats that have grown up will be sold and the profits will be shared with the cooperative.

4. Dragon Fruit Cultivation

The width of the dragon fruit cultivation area is 8 ha. In each year, the dragon fruit cultivation can produce 50-60 tons with the selling price of Rp10.000/kg. Dragon fruit is a fairly good commodity in the economy in Jember. Dragon fruit also has very good nutrition for

health. This has a positive impact on the development of dragon fruit cultivation.

5. Organic Fertilizer

The organic fertilizer raw materials managed by the cooperative come from goat and cow manure. In 1 week the Buah Ketakasi Cooperative can produce approximately 3 tons of goat and cow manure which are processed to become organic fertilizer. This provides financial benefits to cooperatives because it saves production costs on fertilizers.

6. Rice Agroindustry

The width of the location managed by the cooperative is 250 ha with the production of approximately 800-900 tons in each harvest season. Production inputs such as seeds, fertilizers, pesticides/medicines are provided by the cooperative. While farmers are responsible for land management, planting, maintenance up to the production process into dry grain. Production results are purchased by cooperatives whose payment is deducted by input costs.

7. Taro Chips Agroindustry

Raw materials of taro chips production are easy to obtain in Sidomulyo Village. Taro plants are planted on the sidelines of the coffee plants. Most of the taro crops are sold outside cities, such as Surabaya and Jakarta. Every month, the

cooperative can sell out of town around 10 trucks/month. While some are made for taro chips whose production depends on orders.

8. Mushroom Cultivation

Mushroom cultivation is a new business unit that was started in early 2022. The number of workers in mushroom cultivation is 2 members of the cooperative. The production reaches 10-15 kg/day. This is a promising initial production. The more business fields

carried out by the cooperative, the higher the income that will be obtained.

D. Regulation

The regulatory/policy documents are commonly available and quite complete, including regulations from the central, regional and internal cooperative. Here is the regulatory/policy documents related to coffee management in the Ketakasi Cooperative.

Table 5. Buah Ketakasi Regulation

Regulation	Complete	Quite Complete	Less Complete
Center/Ministry	√	-	-
Region/Province		√	-
District/City		√	-
Internal			√

commonly do not have SOP

E. Cooperative Management

1. Work Program Planning Applying SWOT Analysis

Planning is the process of setting organizational goals and objectives based on the results of a need analysis. To determine the needs, the organizations usually use a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats). SWOT analysis is basically managing the main strengths, weaknesses, opportunities, and threats to the organization. This analytical technique was originally developed by Albert Humphrey who led a research project at Stanford University in the 1960s.

Strengths and weaknesses constitute internal factors that can be controlled and changed along with the development of the cooperative management. While opportunities and threats are external factors coming from outside the organization that cannot be intervened and changed by the organization. Organizations can take advantage of these opportunities to protect the organization from external threats. The results of SWOT analysis are in the form of a work program which is then carried out by determining the priority scale of the program to be realized consecutively.

Every resource in the organization has both strengths and weaknesses. Based on the quantity aspect, the number of human resources is sufficient. This is an aspect of strength in the

cooperative. However this cooperative still has low quality human resources. This is a weakness in this cooperative. Another case is dealing with the infrastructure. The infrastructures are complete and proper in quantity. However, the utilization of these facilities is still less optimal.

The insufficient funding of the organization is also considered as a weakness. However, the organizational assets can be utilized to raise education funds, for example by organizing training. The superior competence of human resources can be a source of input to the organization. The other strength is the extensive land ownership which can also be used to raise funds through leasing and so on. The superior organizational potential will become a threat if it is not managed properly. Organizations can develop if these advantages are able to be managed wisely and used to cover weaknesses that exist within the organization.

Various regulations are needed to take advantage wisely. This thing is kind of an opportunity to cover the organizational weaknesses. Another funding source that is possibly obtained is grants from Ministry of Cooperatives and SMEs (Small and medium-sized enterprises) and Ministry of Finance. Physical and non-physical assistance through this funding can be an opportunity but if it is not utilized well, it will become a threat to the organization.

Through SWOT analysis, an organization can plan realistic and accountable work programs. This is because the organization has considered the internal conditions of the organization through the strengths and weaknesses of the cooperative. In addition, the cooperative also considers the external conditions of the organization through opportunities and threats from outside the cooperative. Evaluation of these conditions is the basis for consideration to determine the feasibility of an organizational work program.

The following will explain the analysis of the internal and external conditions of the Ketakasi Cooperative.

1. Strengths of Ketakasi Cooperative:

- a. The number of human resources is adequate
- b. The infrastructures are commonly proper to use except the infrastructures in production activity that need to repair (20% is minor damaged)
- c. The funds are sufficient and optimal to utilize
- d. The central and regional regulations are well-structured and complete to be

the legal basis in the management of cooperative.

2. Weaknesses of Ketakasi Cooperative:

- a. The quality of human resources in all work units is less adequate, both in pre-production activities, production and post-production activities
- b. The infrastructures having minor damage in production activity need to repair
- c. The cooperative internal regulations such as the guideline to structuring work programs and SOP (Standard Operating Procedure) are still unavailable.
- d. Analysis of the external potential of Ketakasi Cooperative can be carried out by referring to the following guidelines.

The strengths and weaknesses of cooperatives need to be managed appropriately and taken into consideration in determining the policy of the cooperative. The following will explain the opportunities and threats faced by this cooperative. Please refer to the table below to get information regarding opportunities and threats in cooperatives.

Table 6. Results of the External Factor Analysis of Ketakasi Cooperative

No	Opportunities	Realization	Description
1	Regulation of Central Government (Ministry of Cooperatives and SMEs)	Available and realized	Opportunity
2	Regulation of Region (Province/Regency)	Available and realized	Opportunity
3	Financial Assistance of Financial Institutions (Banking)	Accessed (Soft loans)	Opportunity
4	Training offers from Outside Institutions	Accessed (Level of Province and Regency)	Opportunity
5	Partnership cooperation among coffee cooperatives	Not collaborating (not yet realized)	Threats as a business competitor
6	Other competitive and comparative cooperatives	Not collaborating (not yet realized)	Threats as a business competitor
7	The existence of other business units (non-cooperatives) engaged in the coffee business	Not collaborating (not yet realized)	Threats as a business competitor

Based on the analysis results, the external factors that are a threat to the Ketakasi Cooperative are (1) the Ketakasi Cooperative has not yet established a partnership relationship

between coffee cooperatives; (2) The Ketakasi Cooperative has not yet established a partnership with coffee cooperatives that have competitive or comparative advantages and (3) the

Ketakasi Cooperative has not established a partnership with other non-cooperative coffee business units. While the opportunities that have been taken advantage of by the Ketakasi cooperative are that the cooperative already has central and regional cooperative regulations and this cooperative has taken advantage of capital assistance/loans from banks with soft interest.

Having analyzed the internal and external factor, a SWOT analysis was then performed by integrating the strengths, weaknesses, threats and opportunities of the cooperative as a basis for determining work program plans.

2. Resource Organization (Organizing)

Resource organization is the process of inventorying and gathering human resources, finance, infrastructure, and regulations needed to support the achievement of organizational goals that have been planned by Ruben, R and Heras, J. (2012). Each work program requires resource support, which is then carried out a division of work (Cook and Bredahl, 1990). In order to achieve the goals of cooperatives to be effective, efficient, and the results satisfying all parties, it is necessary to coordinate among personnel in each work program, and coordination of personnel between work programs.

The organization of resources and the accuracy of the placement of personnel in a work program are factors determining the success of achieving the goals/targets that have been set previously. Based on the data obtained in the field, it is necessary for the cooperative managers to get the attention on the division of labor as follows:

- 1) Human resources skill
- 2) Number of human resources involved in each activity
- 3) Completion time required for an activity
- 4) Funds needed to finance activities
- 5) Infrastructures needed to support the completion of the activities
- 6) Measurable activity achievement indicators

3. Work Program Actualization (Actuating)

Work program actualization is the process of the encouraging existing human resources to carry out activities to achieve goals so that the

process efficiency occurs and produces work effectiveness. At this stage, effective leadership and supervision are needed. In implementing this program, it is necessary to carry out an orientation program for personnel who is given responsibility, thus the personnel understands the scope and time of implementation as well as the achievement indicators. It would be better if the organization had SOP (Standard Operating Procedures) as a guide in carrying out activities for personnel. If the scope of work is wide, the delegation of authority is often performed so that the number of personnel and the volume of work are proportional.

4. Controlling

Controlling is the process of monitoring and evaluation to comparing the results achieved to the previous plans through work performance standards. Supervision is then executed as follow-up step if deviations occur (Brokett, 1990). Monitoring is an activity carried out in evaluating performance. The purpose of monitoring is to detect early whether there are irregularities in the execution of work. Based on the monitoring results, an evaluation is carried out to decide whether or not corrections are needed. In conclusion, monitoring is the process of evaluating the work implementation, while evaluation is the assessment at the end of the work implementation.

Conclusion

The buah ketakasi cooperative has problems including work program planning, resource organization, work division, work program implementation problems and monitoring and evaluation problems. The solution to solving the cooperative's managerial problems is through the identification of a SWOT analysis. The results showed that the strength possessed by this cooperative can be an advantage and needs to be developed further in order to increase business productivity

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