



SEBELAS MARET BUSINESS REVIEW

Available online at <http://jurnal.uns.ac.id/smbr>



Performance Measurement Application Model in a Cooperative Using Prospector Strategy and Athena's Organizational Culture

Hernawati Pramesti^{1*} and Kristyana Dananti²

¹Department of Accounting, Faculty of Economics, Christian University of Surakarta

²Department of Management, Faculty of Economics, Christian University of Surakarta

*Corresponding author: hernawati73@yahoo.co.id

ARTICLE INFO

ABSTRACT

Article History:

Received 11 December 2017

Accepted 21 February 2018

Available online 27 December 2018

Keywords:

Performance,
Cooperation,
Prospector Strategy,
and Athens Culture

Generally, cooperative management has not been in the synergy between the department of cooperatives, the SMEs and the managers in it. It can be seen in the management aspect, especially regarding performance measurement that in needs of equal attitudes and actions in design making. The assessment model for a cooperative conducted by the department of cooperatives is just focused on the financial statements. The purpose of this research is to create a performance measurement application program for cooperatives using the *prospector strategy* and the organizational culture of Athens. The approach is focused on testing the implementation of the program. The observation unit is the cooperatives in Surakarta. The observation unit is associated with the organizer of the cooperatives. The respondents are chosen based on the success criteria of the organizer in generating financial reports. The method of this research is descriptive qualitative analysis. The output of this research is a web-based application program in the form of a cooperatives performance measurement.

INTRODUCTION

The study states that the number of cooperatives in Central Java at the end of 2013 is 27.215 cooperatives, 21.832 are active cooperatives while the remaining 5,383 are inactive. In Surakarta, the number of cooperatives at 2013 is 574, but only 25% of them are fit to be in the cooperative category. Also, the Department of Cooperatives, Micro, Small and Medium Enterprises/ SMEs (Kementerian Koperasi dan UMKM) of Surakarta noted that 32 cooperatives in Surakarta up to the middle of July 2013 reported that the lack of participation from the members and their bad loans are caused by the institutional system in the cooperatives.

Based on interviews with several cooperative managers in Surakarta, the researcher obtained the information that the majority, face a chaotic regulation by a change in the cooperatives law. The cooperative management is not optimal due to the resulting mental change for the cooperative members as they experience fear and doubt to engage in the cooperative. Currently, Department of Cooperatives and SMEs has imposed a model of fit assessment for cooperatives with the aspects of the assessment based on the financial statements. The fact shows that the model has not been able to show the results of real work, as the model tends to promote the assessment of financial statement. The main problem is that most of cooperative's financial reports are using a simple system which is unable to meet the assessment criteria applied by the department of cooperatives and SMEs. The cooperatives have their own management that might focus on organizational performance, which was good enough if they can survive by doing a variety of creative ways. Thus, the needs to create a performance measurement model that is capable of expressing the management side that focuses on measuring the performance of cooperatives.

One of the efforts is to apply the *prospector strategy* and organizational culture of Athens, which is already known for the positive effects of its application for organizational performance. This is because the prospector strategy and organizational culture of Athens have a characteristic that can mutually support each other and will affect in the achievement of a better performance which is necessary to support the organization's culture. The results of this study are expected to change the viewpoint of society so that cooperatives can grow more than just the improvement of the standard of application programming performance needed so that more than fifty percent cooperatives can support the improvement of Indonesia's economic structure.

The development of Indonesian economic for the last ten years has proved that cooperatives have a major role in strengthening the Indonesian economy. With such potential in strengthening the Indonesian economy, there is a need to develop and improve the performance of the cooperative's organization. Development and improvement should be pursued to overcome some shortcoming, and among others is about the quality of human resources (HR) management and organizational

performance improvement.

This study aims to increase the performance of cooperative's organization to improve the fate and condition of cooperative, through organizational performance measurement model approach using a prospector strategy and organizational culture of Athens. This research is expected to generate a breakthrough to solve the problems still faced by the cooperatives. Therefore, the contribution of this research is as follows. First, this research looked at the effect of environmental factors on the success of the cooperatives, so that cooperative could be a potential buffer for the local economy. The second virtue of this study is to build a model of organizational performance measurement using prospector strategy and organizational culture of Athens. Third, the result obtained is a preliminary finding used to evaluate and develop a model of organizational performance measurement using prospector strategy and organizational culture of Athens, which is expected to promote the concept of cooperative's organization performance measurement as much as possible.

LITERATURE REVIEW

Typology of strategies based on the concept of Miles and Snow can differentiate the organization's strategy into four (Moore, 2005), namely prospector, defender, analyzer, and reactor. *The Prospector* can be defined as the kind of company that emphasizes innovation and creativity to create new products or new markets. This strategy needs the support of skilled staff and has the ability to culture emphasizes a career system in search of human resources capable of creating change and have high creativity. If internal resources are not found, the organization would be willing to seek from external sources despite the high cost. *The Defender* can be defined as an organization that emphasizes the use of strategic stability and viability of the business. The company is very much retaining its core business or *core business*, without any changes. Its attention is focused on the leadership of the organization during the long-term stability. The *analyzer* is a company that uses the strategy between *defender* and *prospector*. It means that the company is not too bold to take great risk to innovate but still trying to create excellence in service on the market. *The reactor* is the kind of company that is more pressured by the environment, because of the lack of attention to their changing environment and competition system. These types of companies are more concerned with efficiency and reduced costs that include a pressing on human resources. The typology of strategy that will be used on this study is *prospector* strategy. This is because the implementation of *prospector* is growing in the last few years including in the banking industry (Priyono, 2004).

Bourantas and Muijen's (1999) research showed four types of organizational culture and Handy Harrison models, which is based on the character of the god and community groups in the Greek myth. *The Club Culture* (Zeus) organization is often

found in small individual organization, where an entrepreneur is at the center of power and has a major impact on the organization as a whole. The leader is focused on someone or centralization and reflect the irrational tradition of the family head, many use conscience in making decisions, often do good things and to rely on charisma. *The Role Culture* (Apollo) organization is based on the role of the organization rather than personal relationships. The organizational culture assumes that man is rational and everything can be analyzed logically. *The Task Culture* (Athens) organization defined the basis of power or *power* comes from expertise. The this culture is characterized by young, energetic, creative and innovative. Similar to a scattered power source like network nodes or net. Therefore the network is used as a symbol of the culture of this organization illustrating that the resources can be found from the various parts that exist within the organization. *The Existential Culture* (Dionysus) organization assumed that within the organization there is nothing more powerful/rank. Everyone in the organization is responsible for himself. In Dionysus organizational culture, organization member comprised of professionals who stand alone and did not recognize a leader, only coordinators.

Based on the four characteristics of organizational culture above, it can be concluded that organizational culture that has roles and tasks based on a clear division of functions are on *The Role Culture* (Apollo) and *The Task Culture* (Athens). Apollo cultural difference is centralized with tasks that have a definite and clear hierarchical culture of Athens, were more likely to decentralize and give managers the freedom to create and innovate by the duties and responsibilities of each.

Prospector strategy is a tool that can be used to improve the performance of cooperatives for the better, that can be used as a guide for companies to deal with the environment and have characteristics that are firmly focused on innovation and creativity so that the company can become a *pioneer* in competing (Hambrick in Priyono, 2004). While Athenian organizational culture is a culture that tends to be a decentralized organization so that employees have the freedom to create and innovate by the duties and responsibilities of each. Thus, what will be tested in this study is the organizational culture of *Athens* because it has a characteristic corresponding to the *prospector* strategy.

The last few years it is noted that improving the performance of a cooperative can't be carried out only from one side or aspect. For example, enterprise only focused on the aspect of capital strengthening and improvement of the business environment. Improving the performance of a cooperative should be looked at the overall problems faced, for example, the main problem was the lack of loyalty to the cooperative society because there is no measurement in organizational performance. With a thorough understanding, it will be determined towards a more precise and appropriate long-term development, as expected by the *roadmap* for organizational performance measurement using prospector strategy and organizational culture of Athens.

Prospector strategy is a strategy that focused on innovation and creativity to attract customers that want to save money and gain the loyalty of its customers, while Athenian organizational culture is a culture that tends to be a decentralized organization that gives freedom to employees to create and innovate according to their tasks and responsibilities. So, the use of prospector strategy and organizational culture of Athens was the choice of organization performance measurement form in the future, because prospector strategy and organizational culture of Athens have characteristics that can mutually support each other as the compatibility of a relationship in an organization's internal variables will affect the performance of the cooperative's organization. Without the implementation of organizational performance measurement using prospector strategy and organizational culture of Athens then the condition of the cooperative in the future will be the same, as it is today.

On the other hand, the measurement of organizational performance promising potential for the cooperative development to be more advanced because of typology of prospector strategy that has a characteristic of using a basic pattern that the company strategy is planned for the company to survive and adapt to the environment. Also, a *prospector* type as an option to maximize performance and dealing with discoveries or pioneer in *creating* products and services. About the suitability approach, the relationship between strategy and organizational culture that will be tested in this study use the organizational culture of *Athens* because it has characteristics corresponding to the *prospector* strategy.

RESEARCH METHOD

This study used an *action research* method. This method was chosen for the first phase to be examined (*research*) to the measurement models that have been implemented and then based on the results of the study; it will be used to formulate a performance measurement model for the cooperative organization by using prospector strategy and organizational culture of Athens. Then apply to be followed by a revision to produce the final model.

The second phase of activities is carried out in two steps. The first step is to implement the socialization model, preparation, and implementation of the model using the method of action and advocacy. Once the model is applied, there will be a second step which is the verification of the model and improvement of the model, using the method of discussion (FGD). From all this activity, it will produce a final model and web-based application program for performance measurement of cooperative organizations using prospector strategy and organizational culture of Athens.

RESULTS AND DISCUSSION

The result of this study is depicted in Figure 1 and Table 1 as follows. The explanation of the Table 1 are available within the Table.

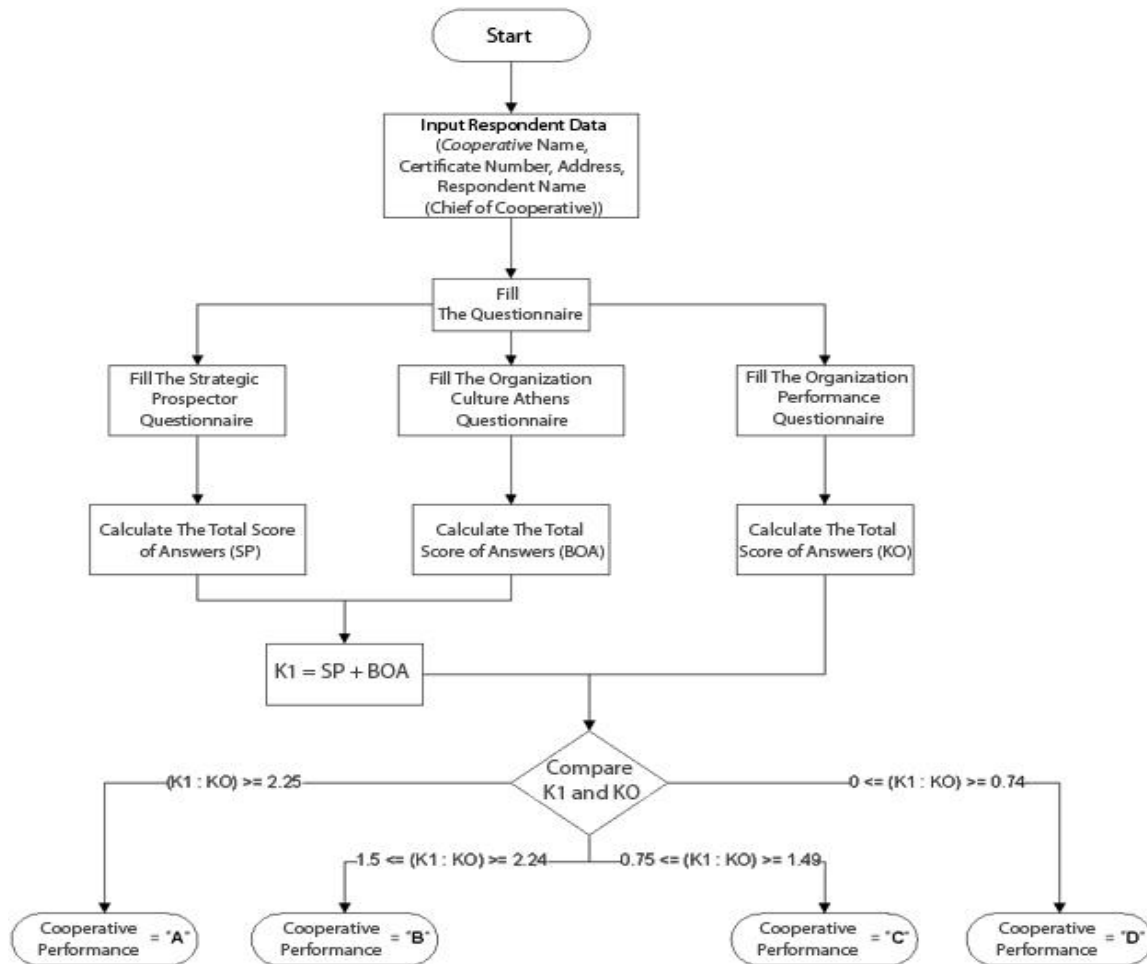


Figure 1. Performance Measurement Model for Cooperatives Using Prospector Strategy and Cultural Organization of Athens

Table 1. Respondent to organizational performance assessment applications model using prospector strategy and organizational culture of Athens for cooperatives

Agencies	Response
The Department of Cooperatives	1. The Department of Cooperatives and SMEs of Surakarta firstly even said that no one had done research related to performance appraisal, especially those regarding cooperative in Surakarta 2. The Department of Cooperatives and SMEs of Surakarta hope that this research will be continued so that the

	<p>program can be used not only in Surakarta but in the national level.</p> <ol style="list-style-type: none">3. The Department of Cooperatives and SMEs of Surakarta suggest to further elaborate or a more detailed assessment per point.4. The program can be used as a donation to other cooperation so that they can be used as a tool to know the height or low performance of the cooperation in question5. The management of cooperative is not optimal due to the resulting mental change for the cooperative members as they experience fear and doubt to engage in the cooperative.
Academics	<ol style="list-style-type: none">1. The academics congratulated the researchers on the success to make the performance measurement application program for cooperative organizations2. The academics were advised to review the performance measurement items using prospector strategy and organization of Athens3. The academics suggested improving the performance of the performance measurement application program, especially regarding the look
Practitioners	<ol style="list-style-type: none">1. The practitioners suggested that the program need to be repaired so it could find a more satisfactory result2. The practitioners suggested defining the parameters of performance measurement to be clearer3. The questionnaire improved by the practitioners suggest a more apparent size parameter4. Most practitioners faced a chaotic regulation caused by the change in the Act for cooperative and hoped that this program could help the practitioners in performance assessment5. The management of cooperative is not optimal due to the resulting mental change for the cooperative members as they experience fear and doubt to engage in the cooperative.

CONCLUSION

After going through several stages in the research, it can be concluded that the management of cooperative is not in the synergy between the Department of Cooperatives and SMEs and the administrators and managers of cooperative as well as academics in Surakarta. In the aspect of management, especially regarding performance measurement is still needed a similar attitude and action in making the design.

Based on the results of this study, it also concluded that the performance measurement model for cooperative is already running, it is indicated by the

certificate issued by the relevant Department for measurement results. Department of Cooperatives and SMEs have a measurement model to provide a suitable category for the cooperative in Surakarta that focuses on the financial statement while the performance measurement is related to organizational management. Moreover, there is no measurement program which can be accessed on the internet for free. Unknowingly there are many cooperatives still face obstacles in preparing the financial statement. Many cooperative still make financial reports in a simple way, and it is unable to meet the criteria for measurement aspect applied by the Department of Cooperatives and SMEs. This issue therefore require a performance measurement model that is capable of expressing the management side that focuses on improving the performance of cooperatives.

Department of Cooperatives and SMEs of Surakarta, cooperative's practitioners, and academics need to unify ideas, synergy and integrate into designing a performance measurement that not only highlights the cooperative's financial statement but also assessed it regarding managerial in detail. This can be done through the involvement of the academics, cooperative's practitioners and Department of Cooperative's and SMEs themselves in the design, so that the performance measurement of quality management of cooperative can improve the economy of the community especially if the model or the measurement program can be accessed by the cooperative for free. So that the practitioners can improve internally.

REFERENCES

- Bourantas and Muijen, V. (1999), "Organizational Culture: The FOCUS Questionnaire", *European Journal of Work and Organizational Psychology*, Vol. 8, pp. 551-558.
- Moore, M. (2005), "Towards a Confirmatory Model of Retail Strategy Types: An Empirical Test of Miles and Snow", *Journal of Business Research*, Vol. 58 No. 5, pp. 696-704.
- Priyono, B.S. (2004), "Analisis Pengaruh Hubungan Ideal Tipologi Strategi dan Budaya Organisasi Terhadap Kinerja", *Jurnal Bisnis Dan Ekonomi STIE STIKUBANK*.