

Business & Society

Assessment of Factor that Affecting Consumer Cooperative Performance: The Case of Chiro Town, West Hararghe Zone, Oromia Regional State, Ethiopia

Journal:	<i>Business & Society</i>
Manuscript ID	BAS-25-0788
Manuscript Type:	Original Manuscript - Full Length
Keywords:	Consumer cooperative Performance, Management factor, Political factors, Technological factors, Marketing factors
Abstract:	<p>The main objective of this study was to assess the factors that affect Chiro town's consumer cooperative performance. In order to achieve the objective of the study, explanatory research design was used. The researchers also employed Statistical Package for Social Science (SPSS) version 24.0 for data entry and analysis. The result of the study show that, the Chiro town consumer's cooperatives performance was affected by management, political, technological, and marketing factors. The study has suggested that cooperative promoter, government, prospective members and other stakeholders to take action on those identified factors that affect consumer cooperative performance into consideration while they organize cooperative, making policies and strategies for cooperatives.</p>

SCHOLARONE™
Manuscripts

Assessment of Factor that Affecting Consumer Cooperative Performance: The Case of Chiro Town, West Hararghe Zone, Oromia Regional State, Ethiopia

Abstract

The main objective of this study was to assess the factors that affect Chiro town's consumer cooperative performance. In order to achieve the objective of the study, explanatory research design was used. The researchers also employed Statistical Package for Social Science (SPSS) version 24.0 for data entry and analysis. The result of the study show that, the Chiro town consumer's cooperatives performance was affected by management, political, technological, and marketing factors. The study has suggested that cooperative promoter, government, prospective members and other stakeholders to take action on those identified factors that affect consumer cooperative performance into consideration while they organize cooperative, making policies and strategies for cooperatives.

Keywords:

Consumer cooperative Performance, Management factor, Political factors, Technological factors, and Marketing factors

Introduction

Co-operatives have consistently united individuals to address economic and social challenges while creating employment for millions globally, thereby establishing themselves as a vital source of job provision, generating revenue for members, and significantly contributing to the mitigation of poverty (Mahazril 'Aini Ya, 2012). Although the underlying principles remain constant, it is imperative to give particular consideration to the specific characteristics of the cooperative in question (Shirima, 2022).

According to a number of academics, cooperatives that adhere to the widely recognized cooperative organizing principles and core values have the potential to be extremely important in a variety of socio-economic development areas (Beck AF, 2021). Cooperative identities are built and broken by members and staff who develop the identity as their vision. This is the reason behind the successes and failures of cooperatives (Smith, T. A., 2016).

Overall, cooperatives are making a modest but noticeable impact on economic growth (Pham, M., 2022). It is important to note that their performance is not insignificant due to the significant issues that have been found (Nduta, N., 2018; Arias et al., 2020; Castilla-Polo, F., 2022).

According to Rajaratnam, et al. (2010) identified a dearth of qualified managers, committed management committees, a small capital base, weak horizontal and vertical relationships, low member participation, low awareness, inadequate infrastructure, low stakeholder participation, a lack of adequate credit, and a lack of crucial technical support.

In the context of Ethiopia, a multitude of self-help cooperatives are prevalent. These entities represent indigenous or traditional grassroots organizations, characterized by an inherent

organizational framework, exemplified by institutions such as Debo, Mahiber, Iddir, and Iqub. Such traditional informal cooperatives may serve as a foundational basis for the establishment of formal cooperatives (Atsbaha, B. A. W., 2008).

And presently the Ethiopian government is endeavoring to thrust co-operatives with the target of creating them into free self-help teach (Yamao, M., 2016). However, Ethiopian consumer cooperatives, like those in most developing nations, face numerous obstacles. Political economy, both domestically and globally, is the source of these (Abebaw Y. and Dejen D., 2019). Study conducted by Etefa, D. F & D. (2019) also identified the following issues that prevented cooperatives from succeeding in the context of economic development: outdated viewpoints, a lack of dedicated leadership, poor governance, a lack of capital, a culture of corruption, a lack of data and expertise, inadequate resources, a lack of support from the government and various stakeholders, and weak vertical and horizontal linkages between cooperatives. Moreover, Deresa (2019) studied the Goh consumer cooperatives Bench-Maji Zone in the southwest of Ethiopia in order to better understand the role that consumer cooperative society's play in maintaining price stability. Also the findings indicated that they face a number of problems, including competition from the private sector and a supply shortage.

There are various studies conducted on the topic of consumer cooperative and factors that affect cooperative performance which have identifies consumer cooperative faced various problem in their findings (Castilla-Polo, F.,2022; Zainudin et al., 2018; Mundi, 2016; Sala-Rios, M., 2024), established the following factors that both internal and external factors influence the performance of cooperative:- poor governance, delayed loan processing, no dividends on shares and as compared to other financial institutions members queue for long to receive services.

Similarly, Consumer cooperatives are falling behind in terms of overall performances, the sufficiency of consumer goods they provide to the community, timely supply of basic goods and services, consistency of supply of essential goods/commodities, generate incomes to members, and lack of promotion (Balo, 2021; Knagaraj, 2012). So, previous studies found only factors like; quality, relational, finance, government support, communication, external factors, membership size, education level, training of cooperative leaders and reliable income on factors influencing on the performance of cooperative societies whereas the researchers needs to study other factors like political factors, management factors, marketing factors and technological factors and other factors in the study area which are considered as a research gap for this study.

Therefore, many studies have been conducted on factors that affect the performance of consumer cooperative societies. However, limited literature was focused on consumer cooperatives societies especially in Ethiopia. Also, the factors affecting the consumer cooperative's performance in the Chiro town context were not investigated in earlier research. Hence, Ethiopia in general and Chiro town specifically there are large number of consumer cooperative's but as of yet poorly studied and comprehended consumer cooperative performance. Given the above-mentioned justifications, the study has been conducted to close the gap. Therefore, this study was focused on assessment of factors such as political, market, technology, and management factors were problems that affect consumer's cooperative performance. To address the above problems, the study main objective was assessment of factors that affect the performance of consumer cooperatives of Chiro town with four specific objectives to assess effect of Political factor on consumer cooperative performance in Chiro town, to examine the effect of technology factor on consumer cooperatives performance in Chiro town, to examine the effect of management factor on consumer cooperative

performance in Chiro town and to assess the effect of marketing factor on consumer cooperatives performance in Chiro town.

Conceptual Framework

The following conceptual framework was devised to show the relationship of dependent and independent variables of the study. According to Smith (2016) tried to find out whether inefficient technology, inadequate management skills, lack of members participation, and political interference could affect the growth of saving and credit cooperatives. These findings draw propositions in referred to factors that led to Malawian agricultural cooperatives sustainability problems which will later be tested an outsized sample within other parts of the country or region. From such experiences and lessons, it is recommended to establish an apex organization or secondary level cooperative at the district level to address governance, management, and market access problems, to improve the performance of cooperatives. As Began (2016) has pointed out lack of the autonomy of the cooperatives and the interference of local administration, poor governance, and management, unable to provide basic goods adequately, timely & consistently was among others. However, there are issues regarding its weaknesses, especially in the management, financial, and members ‘participation (Aini et al., 2019). Finally, the following conceptual framework (Figure 1) developed based on the above detail review to show the relationship between Consumer Cooperative Performance and its factors.

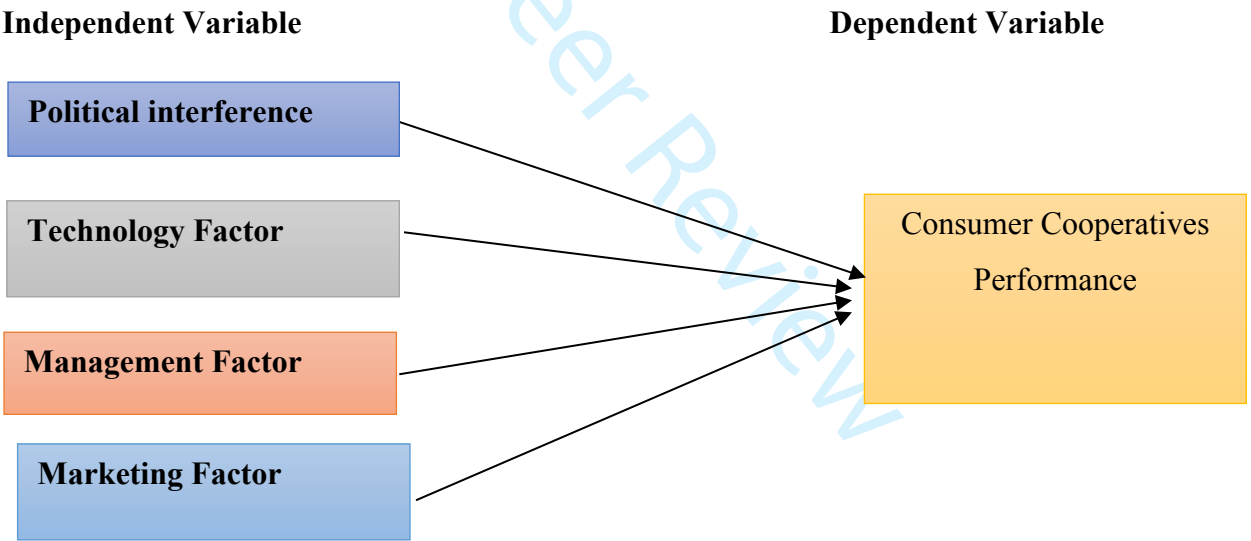


Figure 1. Conceptual Framework

Source: Adapted by the authors from (Smith, 2016)

In the current study, there are four independent variables which are the influence of marketing factor, influence of technological factor, influence of management factor and political factor. These variables are observed to influence consumer cooperative performance in town consumer cooperative.

Therefore based on the literature reviewed above the researcher developed the following research hypotheses.

H1: Political factor has positive and significant effect on Consumer cooperatives performance.

H2: Technology factor has positive and significant effect on Consumer cooperatives performance.

H3: Management factor has positive and significant effect on Consumer cooperatives performance.

H4: Marketing factor has positive and significant effect on Consumer cooperatives performance.

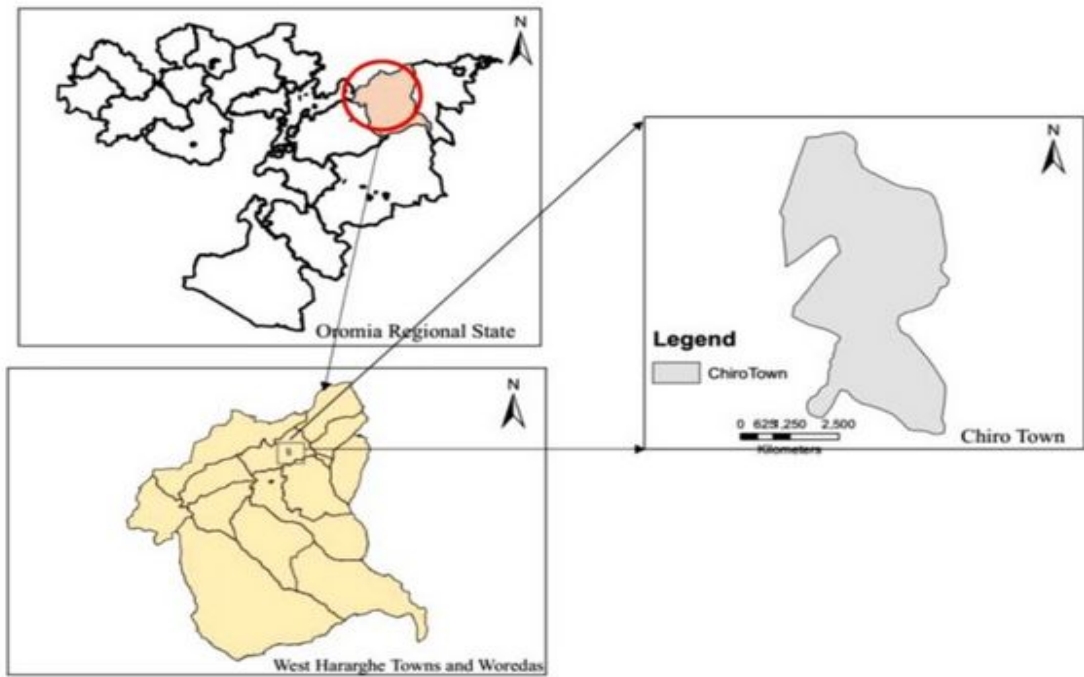
Research Methodology

Description of Study Area

This research was carried out in Chiro town, located in the West Hararghe zone of the Oromia Regional State in Ethiopia. It is located 326 km from the capital city of Ethiopia, Addis Ababa, and east of Addis Ababa, the capital city of Oromia regional state. The city is located in the Amhar Mountains and has a latitude and longitude of 9°05'N 40°52'E or 9.083°N 40.867°E or 9.083; 40.867 Coordinates: 9°05'N 40°52'E or 9.083°N 40.867°E or 9.083; 40.867, and an altitude of 1826 meters (5991 feet) above sea level. The time zone is UTC + 3 (EAT). It serves as the administrative center of the West Hararghe Zone. The city was surrounded by Chiro woreda. 149,723 people live in this town, of whom 72,288 are men and 77,435 are women, with a total area of 3122.797 hectares.

The majority of the populations were followed Muslims religion, with 49.88% of the reporting they observed, while 43.34% of the population followed Orthodox religion, and 5.33% of the population were Protestant (CSA, 2007). It has a maximum and minimum temperature of 30 °C and 15 °C, respectively, and a maximum and minimum rainfall of 1800 mm and 900 mm, respectively (2013 E.C. data from the Office of Agriculture of the town). From June to September was the main rainy season, and the short rainy season is from March to May. There are sandy soil, clay soil (black soil), and loamy soil types covering 25.5%, 32%, and 42.5%, respectively (Office of Agriculture, 2013).

Chiro was founded around 1924 by Fitawrari Tekle Hawariat Tekle Mariyamon the site of a village named Chiro. It was the capital of the former "model" province of Chercher, created as part of Emperor Haile Selassie's campaign of modernization in the 1930s. In 1995 E.C, Chiro city was legally rated as a Class 2 B City. It is currently in the Central City and received this status in 2009 E.C. Before 2012, cities are structured with One Town Administration and 3 Town Villages (01, 02 and 03) which have now been renamed as Caffé Arara, Ifa Misoma and Mada Bekumsa villages respectively. The Other Villages which are bounded to the town by the addition of Najabaas, kiliso, Chiro-Qala, Alwagora, Wadeyt, Madico No. 9 and Madico No. 2. Now town of Chiro has 10 urban villages. The town has twenty-four public sectors and 1620 employees. So, the study was design to see the factors that effects of consumer cooperative on performance in the case of Chiro town. Finally, the details map of the town presented by the following figure 2.



Source: Taken from Nejib et al. (2019).

Figure 2: Map of the Study Area

Research Design

In this study the explanatory research design was used to simplify why and the way there’s a relationship between two or more aspects of a condition or phenomenon. Explanatory research tries to seek out explanations of observed phenomena, problems, or behaviors. It attempts to identify causal factors and outcomes of the target phenomenon.

Target population, Sampling technique and Sample size determination

Target population of the study was 1521 legally registered members of consumer cooperative within the Chiro town. Because they serve as respondents who have been a tremendous help in providing very vital information within the study area. The researchers used probability sampling technique in the sampling and selection process. From the probability sampling method, the researchers was used a simple random sampling technique.

In order to determine sample size the researchers was used Yamane (1967) formula for the study.

$$n = \frac{N}{1+(e^2)N}$$

Where

N= the total population

e = sampling error estimated

n = total sample size which is taken from the calculation

So, the study sample size:
$$n = \frac{1521}{1+(0.05)^2} = 317$$

Therefore, 317 respondents have been used as the sample for the study.

Source of data and Methods of data collection

The study was used both primary and secondary source of data. The primary data was collected through questionnaires method from sample of the respondents. The questionnaire which was designed to address the research questions and objectives was administered to the members of consumer cooperative. The secondary source of data was also collected through review of the cooperative office annual report and cooperatives record documents.

Method of Data Analysis

Data collected from respondents through questionnaires was analyzed by using Statistical Package for Social Science (SPSS) version 24. Both descriptive and inferential data analyses was employed. Descriptive statistics, including frequency percentages, means, and standard deviations, were utilized to assess the information provided by the respondents. Furthermore, the researchers used inferential statistical tools such as correlation and multiple regression analysis to determine whether there is a significant relation between the independent variables and the dependent variable of the study.

Model Specification

Multiple linear regression analysis is used to analyze the relationship between dependent variable (consumer cooperative performance) and independent variables (Political factors, marketing factors, Management factors and technology factors. To ascertain whether statistically significant relationship between political factors, marketing factors, management factors and technology factors with the cooperative performance, Pearson product correlation coefficient was used.

The study regression equation was formulated based on two categories of variables: the dependent variable (consumer cooperative performance) and the independent variables.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon$$

Where, Y=dependent variable-performance

α = may be a constant term the worth of Y when all Xs are zero.

$\beta_1, \beta_2, \beta_3, \beta_4$ = are the regression co-efficient or change introduced in Y by each X.

ε = is that the random error for all other factors not captured within the model.

X_1 = Political factors

X2= Marketing factors

X3=Management factors

X4= Technology factors

Results and Discussion

Demographic Characteristics of Respondents

Demographic characteristics of respondent backgrounds like gender, age, educational level and work experience are believed as important and could impose a significant effect on the subject matter and thus be assessed for the study. Accordingly, its result is presented briefly in below table 1 as follows.

Table 1. Demographic characteristic of the Respondents.

No	Demographic characteristics		Frequency	Percentage
1	Gender of Respondents	Male	227	73.7
		Female	81	26.3
2	Age of Respondents	18-28	0	0
		29-38	186	60.4
		39-50	98	31.8
		Above 50	24	7.8
3	Marital status of the Respondents	Single	14	4.5
		Married	292	94.8
		Divorced	0	0
		Widow	2	0.6
4	Educational level of Respondent	1-8th grade	60	19.5
		10th complete	79	25.6
		12th complete	14	4.5
		Diploma	128	41.6
		First degree	27	8.8
		Second degree and above	0	0
5	Work experience	Bellow five years	52	16.9
		5-10 years	148	48.1
		Above 10 years	108	35.1

Source: SPSS output, 2024

As indicated in the table above 1, regarding the gender of the respondents the majority of the 73.7 % were males while the remaining 26.3% were female respondents. From this, the result shows that in terms of gender, the respondents were from both genders though the Male group appears to majority in number.

Regarding the age composition of the respondents, 60.4 % and 31.8% of them were in the age group 29-38 and 39-50 years while the lowest concentration of the respondents which made up 7.1%, and 0 % fall in the age ranges above 5 years and 18-28 years, and above years, respectively. So, majority of the member of the Consumer cooperative were age between 29-38 years old. This implies that from the total sample of the study youth age groups were more involved in consumer cooperative. Concerning the marital status of respondents, 94.8 % were married individuals while the remaining 4.5 %, 0.6%, and 0% of the respondents consist of single, widowed and divorced individuals respectively. This reflects all most all member of consumer cooperatives were married.

About the level of education of the respondents, 41.6% and 25.6% of the total respondents were in the College diploma and grade 10th complete group respectively. While the remaining 19.5%, 8.8%, 4.5%, 0% of the respondents were 1-8 grade complete, first-degree holders, and second-degree and above holders respectively. This shows that most of the members of consumer cooperatives are dominated by college diploma holders. So, the Consumer cooperative had a significant number of literate members.

The above table 1 demonstrates about the length of time that respondents use or to be a members of the consumer cooperatives. Accordingly, 48.1% (148) of the respondents had 5-10 years' experience as a members of Consumer cooperatives. Whereas, 35.1% (108) of the respondent was a members of consumer cooperatives for a period above 10 years from. About 16.9% (52) of the respondents were the members of consumer cooperatives below five years. This implies most of members of consumer cooperatives are very experienced.

Inferential analysis

For achieving the objectives of the study, Pearson's product moment correlation coefficient and regression analyses were used. With the help of these statistical techniques, conclusions are drawn and decisions are made from the results of research hypothesis.

Pearson's Product Moment Correlation Coefficient

The researchers used Karl Pearsons coefficient of correlation (or simple correlation) analysis as it is the most widely used method of measuring the degree of relationship between two or more variables. Values of Pearson's correlation coefficient is always between -1 and +1. A correlation coefficient of +1 indicates that two variables are perfectly related in a positive sense. Also, if the correlation coefficient approaches to positive +1 there is a strong relationship among the two variables. Whereas a correlation coefficient of -1 indicates that two variables are perfectly related in a negative sense. A correlation coefficient of 0 indicates that there is no linear relationship between the two variables. A low correlation coefficient from 0.1 - 0.29 value suggests that the relationship between two items is weak or non-existent. If r result is exist between 0.3 and 0.49, the relationship is moderate. Further, a high correlation coefficient, which is >0.5, indicates that there is a strong relationship between variables.

Thus, in this study the relationship between independent variables (political factors, marketing factors, management factors and technology factors) and dependent variable (Consumer cooperative performance) per were analyzed using the Pearson's correlation coefficient. The correlation results presented in the table 2.

Table 2. Correlations Analyses

Independent variables		Consumer Cooperative performance
Consumer Cooperative performance	Pearson Correlation	1
	Sig. (2-tailed)	
	N	308
Management factors	Pearson Correlation	.827**
	Sig. (2-tailed)	.000
	N	308
Marketing factors	Pearson Correlation	.752**
	Sig. (2-tailed)	.000
	N	308
Political factors	Pearson Correlation	.599**
	Sig. (2-tailed)	.000
	N	308
Technological factors	Pearson Correlation	.800**
	Sig. (2-tailed)	.000
	N	308
**. Correlation is significant at the 0.01 level (2-tailed).		

Source: SPSS output, 2024

From the result in the above table 2, indicates that there is significant positive correlation between management factors and consumer cooperative performance with a Pearson correlation coefficient $r=0.827$ and sig. (2-tailed) is 0.000, which is <0.05 . This implies that when the consumer cooperative performance increases their management skill by 1% consumer cooperative performance 82.7%. Therefore, there is strong and statistically significant relationship at 5% significant level.

Technology factors is positively related to consumer cooperative performance with a Pearson correlation coefficient $r=0.800$ and sig. (2-tailed) is .000, which is <0.05 . Therefore, there is strong and statistically significant relationship at 5% significant level. Results of the correlation also indicate that there is a positive relationship between marketing factors and cooperatives performance as the Pearson correlation value 0.752, $r = 0.752$ and sig. (2-tailed) is 0.000, which is <0.05 . Finally, results of the correlation indicate that there is a positive relationship between political factors and cooperatives performance as the Pearson correlation value 0.599, $r = 0.599$ and sig. (2-tailed) is 0.000, which is <0.05 .

Multiple Regression Model Results

In order to determine the extent to which the independent variables explain the variance in the explained variable, the regression analysis was used and the result was presented below table 3.

Table 3. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.871 ^a	.758	.755	.35872	1.141

a. Predictors: (Constant), Political factors, Management factors, Marketing factors, Technology factors

b. Dependent Variable: Consumer Cooperative performance

Source: SPSS output, 2024

In this case as shown in model summary in above Table 3, $R = 0.871$. This indicates there was an overall strong and positive relationship between the independent and dependent variables. The R-Square in the study was found to be 0.758 and Adjusted R square is 0.755. This value indicates that the independent variables (political factors, marketing factors, management factors and technology factors) can explain 75.8 % of the variance in the consumer cooperative performance in Chiro town. The remaining 24.2 % of the variance is explained by other variables that were not included in this study. Therefore, the model can predict the variation in the performance of consumer cooperatives. The Table 4 represents the basic result of ANOVA output.

Table 4. Result of ANOVA output

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	122.337	4	30.584	237.677	.000 ^b
	Residual	38.990	303	.129		
	Total	161.327	307			

a. Dependent Variable: Consumer Cooperative performance

b. Predictors: (Constant), Political factors, Management factors, Marketing factors, Technology factors

Source: SPSS output, 2024

On results of the output found in the ANOVA table 4 the model is statistically significant when political factors, marketing factors, management factors and technology factors ($F = 237.677$ and $p < 0.05$). In this case, F-statistic is significantly greater than 1 that is 237.677 and the associated P-value is less than chosen significant level of 0.05. The associated P-value is 0.000. Therefore, this indicates that the model is statistically significant and a linear relationship exists between variables.

Coefficient of determination

The average amount of change in the dependent variable brought about by a unit change in the independent variable is explained by the regression coefficient. A higher Beta coefficient value for an independent variable indicates greater support for the independent variable as a crucial factor in the dependent variable's prediction. The coefficient results presented in the table 5.

Table 5. Coefficient of determination

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.100	.136		-.732	.465
Political factors	.083	.031	.099	2.657	.008
Marketing factors	.158	.067	.141	2.380	.018
Technology factors	.285	.066	.285	4.337	.000
Management factors	.513	.059	.441	8.669	.000

a. Dependent Variable: Consumer Cooperative performance

Source: SPSS output, 2024

The above table 5 of multiple regression coefficient pertained that the contribution or the effect of each independent variables on the dependent variable. From the above table 5, the beta coefficients indicated that how and to what extent the independent variables influence the dependent variable. The predictor variables which have a higher beta coefficient with lower p-value ($p<0.05$) have a significant effect on the dependent variable. Otherwise, predictor variables which have the small beta coefficient and higher p-value have a little or no effect on the model.

Accordingly, the result in above table 5 above indicated that management factors ($\text{beta} = .513$, $t=8.669$, $p=.000$) have significant effect on consumer cooperative performance followed by technological factors ($\text{beta} = .285$, $t=4.337$, $p=.000$), marketing factors ($\text{beta} = .158$, $t=2.380$, $p=.000$), and political factors ($\text{beta} = .099$, $t=2.657$, $p=.000$) respectively. This result is consistent with the findings of (Pham, M., 2022). The variables which are tested using regression were management factors, technological factors, marketing factors and political factors. This finding is also in line with results of (Tamiru, H., & Leta, A., 2022).

From the above table of multiple regression coefficients, the following regression equation was developing to predict the consumer cooperative performance due to the listed predictor on this study. The equation for the regression model was expressed as:

$$Y=\beta_0+ \beta_1X_1+ \beta_2X_2+ \beta_3X_3+ \beta_4X_4+ \beta_5X_5+\epsilon$$
$$Y= - 100+ 0.083X_1 + 0.158X_2 + 0.285X_3 +0.513X_4$$

Where,

Y is the dependent variable- member satisfaction

X1, X2, X3, and X4 are the explanatory variables (or the repressors)

β_1 is the intercept term- it gives the average effect on Y of all the variables excluded from the equation, although its mechanical interpretation is the average value of Y when the stated independent variables are set equal to zero.

β_2 , β_3 , β_4 , and β_5 refers to the coefficient of their respective independent variable which measures the change in the mean value of Y, per unit change in their respective independent variables.

X1=Political factors,

X2= Marketing factors,

X3= Technology factors

X4= Management factors

Test of Hypothesis

The study tests of hypothesis whether the value stated in null hypothesis (H_0) is likely to be true and an alternative hypothesis (H_a) is a statement that directly contradicts a null hypothesis by stating that the actual value population parameter is less than, or not equal to the value stated in the null hypothesis. The significance (sig.) value expresses a value to accept or reject the (null) hypothesis is also called p-value. The p-value is the probability that the correlation is one just by chance. Therefore, the smallest the p-value, the better will be. The general rule is reject H_0 if $p < .05$ and accept H_a if $P \geq .05$.

Hypothesis 1

H1a: The effect of technology factors has positive and significant effect on Consumer cooperative performance.

Table 5 of Beta value show that influence of technology factors has effect on consumer cooperative performance with value of 0.285, since the p-value is less than .05 (at $p=.000$) the value is highly significant. This implies that, other explanatory variable remains constant, if the mean score value of technology factors increases by 1 unit on average the mean score value of consumer cooperative performance increase by 0.285 unit and the relationship is statistically significant at 5% significance level. This study was supported by (Sitotaw W., 2024) who observed the speed of technology adoption and its overall application in co-operatives within the region is mostly low.

Thus, decision of researchers reject the null Hypothesis (H_{1o}) and, accept the alternative hypothesis (H_{1a}) says that influence of technology factor has significant effect on consumer cooperative performance of Chiro town.

Hypothesis 2

H2a: The effect of management factor has positive and significant effect on Consumer cooperative performance.

The management factor 0.513, the value has effect on the dependent variable consumer cooperative performance. Since the value of $p=.000$ is less the .05, the coefficient of influence of management skill, has highly significant effect on consumer cooperative performance of Chiro town. Therefore, researcher reject the null Hypothesis (H_{1o}) and, accept the alternative hypothesis (H_{1a}) says that management factors has significant effect on consumer cooperative performance of Chiro town. This result is consistent with the findings of (Sitotaw Wodajo & Worku Haile,

2024; and Dogarawa, A. B., 2010). Study indicates that; know a day cooperatives a faces a crisis of management.

Hypothesis 3

H3a: The effect of political factor has positive and significant effect on Consumer cooperative performance.

The politics factor 0.083, the value has effect on the dependent variable consumer cooperative performance. Since the value of $p=.000$ is less the .05, and the value of beta is different from zero the coefficient of political has significant effect on consumer cooperative performance of Chiro town. This implies that, other explanatory variable remains constant, if the mean score value of politics factors increase by 1 unit on average the mean score value of consumer cooperative performance increase by 0.083 unit and the relationship is statistically significant at 5% significance level. This finding is also in line with results of ((Sitotaw W. & Worku, 2024). Political factor, has highly affect the success of consumer cooperatives of south west Ethiopia. It shows there is political influence on the decisions and other activities of the consumer cooperatives.

Hypothesis 4

H4a: The effect of marketing factor has positive and significant effect on Consumer cooperative performance.

The effect of marketing factor 0.158, the value has effect on the dependent variable consumer cooperative performance. Since the value of $p=.000$ is less the 0.05, and the value of beta is different from zero the coefficient of marketing factor has significant effect on consumer cooperative performance. This implies a 1% increase in marketing factors influence resulted in a 0.158% increase in the performance of consumer cooperatives. This shows that, other explanatory variable remains constant, if the mean score value of effect of marketing increases by 1 unit on average the mean score value of consumer cooperative performance increase by 0.158 unit and the relationship is statistically significant at 5% significance level. This result is consistent with the findings of (Awoke, H.M., 2021). The study indicate as acquiring information, input procurement and getting market require more resources of the cooperatives. This means that consumer cooperatives marketing factors positively and directly affect consumer cooperatives performance.

Conclusions

The study concluded that 75.8% of the variation in the enterprise performance can be explained by the independent variables (political factors, marketing factors, management factors and technology factors). The remaining 24.2 % of the variance is explained by other variable that is not included in the study.

It can be concluded that management factors is the factor that highly affect consumer cooperative performance because of the lack of management skill. Therefore, management is the major factors affecting the consumer cooperative performance in study area.

The study also conclude that the second factor affecting the performance of consumer cooperative performance where technology factor. This factor have been strong predictor of the performance of the cooperative (with its beta value =0.285) and have strong and positive correlation with the

performance of the enterprise ($r=0.285$, $p<0.05$). Moreover, this study has shown how marketing affects the performance of the consumer cooperative. It can be concluded that marketing factors is the factor that affect consumer cooperative performance. Furthermore, political related factors also were positively correlated with the performance of the consumer cooperative and the improvement in this factor leads to improved performance of the consumer cooperative.

Recommendation

The results from this study have implications for practitioners faced with factors that effect on consumer cooperative performance. Cooperative promoter, government, prospective members and other stakeholders should take action on those identified factors that affect consumer cooperative performance into consideration while they organize cooperative, making policies and strategies for cooperatives. Specifically, consumer cooperatives management should be professional personals that increase the performance of consumer cooperatives at the maximum level. In addition, in order to improve consumer cooperatives performance, the study recommended that efforts should be made to increase the capacity and skills of the management committees and workers on management through continuous trainings, experience sharing from successful cooperatives and provision of advice and consultancy. The other major factors that affecting performance of consumer cooperatives are lack of technology. So, consumer cooperatives should have to use and adopt new technology that improve consumer cooperative performance. Specifically, they should consider improving equipment and other necessary materials. This would help to improve the performance of the consumer cooperative. In addition, government and NGO should have to help the cooperatives by providing accessible market to reduce the challenges that faces the consumer cooperatives. Furthermore, government should care and take corrective measure to minimize the problems of politico-legal factors; especially political intervention and the illegal payments which the members of the cooperatives were not positive about it.

In general, cooperative and government need to work to solve factors affecting consumer cooperatives performance. Therefore, cooperative should to minimize factors related to technology, management, political and marketing helps to reduce the factor that influence the cooperative performance. It is true that reducing the effect of those factors will improve cooperative efficacy and in turn improve consumer satisfaction.

Limitations and Suggestions for further researchers

The research was conducted only on Chiro town consumer cooperative, other towns did not included in the study. The research was conducted only on members of the consumer cooperative others stakeholders and other cooperative did not included in the study. Hence, the above problem limits the result of the study. The researchers recommend further research to investigate other factors that affect Consumer cooperative performance like government support, financial resource, members and member's participations. In this regard therefore the researcher recommends that there is need to have additional studies conducted in this area as it was superficially discussed in this paper.

References

Atsbaha, B. A. W. (2008). Analysis of the Role of Cooperatives in Agricultural Input and Output Marketing in Southern Zone of Tigray, Ethiopia. 49(1), 11. <https://www.bertelsmannstiftung.de/fileadmin/files/BSf/>

Arinaitwe, R. & Ntirandekura, M. (2022).Organizational Communication and Performance of Cooperative Societies in Uganda. A Case Study of Abateganda Ntungamo Growers Co-Operative Society Ltd, International Journal of Academic Multidisciplinary Research (IJAMR) 6(5): 83-104.

Awoke, H.M. (2021).Member commitment in agricultural cooperatives: Evidence from Ethiopia, Cogent Business & Management, 8:1-22.

Balo, M.G. (2021), Factors Affecting the Success of Consumer Cooperative: The Case of Kolfe Keraniyo Sub-City. MSc. Thesis University. Ethiopia.

Beck AF, Marcil LE, Klein MD, Sims AM, ParsonsAA, Shah AN, et al. (2021). Pediatricianscontributing to poverty reduction through clinical-community partnership and collective action: anarrative review. Acad Pediatr. 21: S200-S206.

Castilla-Polo, F., & Sanchez-Hernandez, M. I. (2022). International orientation: An antecedent-consequence model in Spanish agri-food cooperatives which are aware of the circular economy. *Journal of Business Research*, 152(July 2021), 231–241. <https://doi.org/10.1016/j.jbusres.2022.07.038>

Dogarawa, A. B. (2010). The Role of Cooperative Societies in Economic Development. <http://dx.doi.org/10.2139/ssrn.1622149>

Deresa, T. K. (2019). Role of Consumer Cooperative Society in Price Stability in the Case of Goh Consumer Cooperatives Benchi-Maji Zone, Southwest of Ethiopia. International Journal of Cooperative Studies, 6(1), 16–24. <https://doi.org/10.11634/216826311706708>

Etefa, D. F & Studies, D. (2019). Assessment of the Role of Research in Molding Cooperative Policies. Public Policy and Administration Research, 9(5), 6–12. <https://doi.org/10.7176/ppar/9-5-02>

Kikuchi, P., & Yamao, M. (2016). Japanese Consumer Cooperative: An Alternative Institutional Model to Promote Organizational Learning for Cooperatives in. 3(2), 45–51. <https://doi.org/10.13140/RG.2.1.2482.3521>

Knagaraj, K. (2012). A Study on Challenges and Opportunities of Consumer Cooperative Societies in Hawassa City, SNNPR, Ethiopia -An Analytical Approach, CLEAR IJRCM ,2(3),1-25.

Mahazril ‘Aini Ya, H. H. (2012). Factors Affecting Cooperatives’ Performance In Relation To Strategic Planning and Members’ Participation. *International Congress on Interdisciplinary Business and Social Sciences*, 100 – 105. doi:10.1016

- Mundia, M. (2016). Financial factors that affect performance of saving and credit cooperative societies: A survey of deposit taking sacco in Kiambu County. Proceedings of Jomo Kenyatta University of Agriculture and Technology.
- Nguyen, A. H., Pham, H. T., & Nguyen, H. T. (2020). Impact of working capital management on firm's profitability: Empirical evidence from Vietnam. *Journal of Asian Finance, Economics and Business*, 7(3), 115–125. <https://doi.org/10.13106/jafeb.2020.vol7.no3.115>
- Nduta, N. N. (2018). Monitoring And Evaluation Strategies, Management Support And Performance Of Dairy Primary Cooperative Societies In Murang ' A County , Kenya.
- Pham, M. (2022). Influencing factors of performance of agricultural cooperatives in the Vietnamese Mekong Delta, *Journal of Agriculture and Rural Development in the Tropics and Subtropics*, 123(1), 97–108.
- Rajaratnam, S. D., Noordin, N., Said, M. S. A., Juhan, R., & Hanif, F. M. (2010). Success factors of co-operatives in Malaysia: An exploratory investigation. *Malaysian Journal of Co-operative Studies*, 6(1), 1–17.
- Sala-Ríos, M. (2024). What are the determinants affecting cooperatives' profitability? Evidence from Spain. *Annals of Public and Cooperative Economics*, 95, 85–111. <https://doi.org/10.1111/apce.12423>
- Shirima, V. (2022). Critical Success Factors for the Better Performance of Agricultural Marketing Cooperative Societies in Rombo District, Tanzania: Are Members Aware of Them? *Cogent Business & Management*, 9(1), DOI: 10.1080/23311975.2022.2144703
- Sitotaw Wodajo, and Worku Haile (2024), Factors That Affect the Success of Consumer Cooperatives in Case of Bench Sheko, West Omo and Sheka Zones Ethiopia. *Journal of Business and Economic Development* 9(3), PP 59-68
- Smith, T. A. (2016). Factors Influencing Growth Of Saving And Credit Cooperative Societies In Kenya: A Case Study Of Kajiado East Sub County. August. Stevens, M. H. H. (2010). Book Review: A Primer of Ecology with R. *Journal of Statistical Software*, 32(BR-3). <http://www.jstatsoft.org/v32/b03>
- Tamiru, H., & Leta, A. (2022). Analyze of Factor Affecting Development of Primary Agricultural Cooperatives, The Case of Bule Hora District, Oromia Regional State, Ethiopia, *Journal of Entrepreneurship Education*, 25(4), 1-18.
- Towera, A. N. (2019). Factors affecting sustainability of Agricultural Cooperatives: Lessons from Malawi. 1–146.
- Yamane, T. 1967. *Statistics: An Introductory Analysis*, 2nd edition, New York: Harper and Row.
- Zainudin, R., Ahmad Mahdzan, N. S., & Leong, E. S. (2018). Firm-specific internal determinants of profitability performance: an exploratory study of selected life insurance firms in Asia. *Journal of Asia Business Studies*, 12(4), 533–550. <https://doi.org/10.1108/JABS-09-2016-0129>

Declarations

Acknowledgments: We express our sincere gratitude to all customer cooperative who served as the sources of our data collection and employees of Cooperative office of Chiro town for their support. We would also like to extend our appreciation to all those who directly or indirectly have contributed to the success of this study. Moreover, for their time and valuable comments to improve this study, the authors want to thank reviewers in advance.

Conflicts of Interest: The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding statement: The authors of this research did not receive any financial support from any institution.

Data Availability Statement: Data are available upon request from the corresponding author.

Consent for Publication: During data collection, ethical consideration was undertake by the researchers.

Author Biographies

Nehawi Mohammed Jemal is Lecturer and Researcher of Department of Management, College of Business and Economics at Oda Bultum University, Chiro, West Hararghe Zone, Oromia Regional state, Ethiopia. He received his Master degree in Logistics and Supply Chain Management from Commerce Department, College of Business and Economics, Wollega University, Ethiopia, in 2017 and BA degree in Management from Management Department, College of Business and Economics, Jimma University, Ethiopia, in 2015. His primary research interest includes Organizational performance, Marketing Management, Human Resource Management, Operation Management, Financial Management, Supply Chain Management, Small Business Management, Entrepreneurship, Cooperative Management, Customer satisfaction, organizational behavior and the like.

Abdela Muzambil Abas is student of Masters of Business Administration in Department of Management, College of Business and Economics, Oda Bultum University, Chiro, Oromia Regional state, Ethiopia. He received his Master degree in Business Administration from Department of Management, College of Business and Economics, Oda Bultum University,

Ethiopia, in 2024 and BA degree in Cooperative Management from Cooperative Department, College of Business and Economics, Haramaya University, Ethiopia, in 2011. His primary research interest includes Organizational performance, Marketing Management, Human Resource Management, Operation Management, Financial Management, Supply Chain Management, Small Business Management, Entrepreneurship, Innovation, Cooperative Management, Customer satisfaction, organizational behavior and the like.

For Peer Review