

The Influence of Service Quality and Sense of Belonging toward Members' Participation in Co-operative Enterprise

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Abstract: *There is growing recognition about Co-operative movement in Indonesia nowadays. The purpose of this study is attempted to understand how service quality and sense of belonging affect member's members' participation in co-operatives enterprise. By using convenience sampling, 149 members of various co-operatives which are placed in Malang, East Java, Indonesia, taken as respondent and completed questionnaire. Quantitative method was used to analyze data in order to gain conclusions about research question that proposed in this study. All of hypotheses generated in this study were accepted but in small variance, with the greatest impact founded in relationship of service quality and sense of belonging. Analysis has been discussed, together with the implications and suggestion for future research.*

Keywords: *Co-operative in Indonesia, Members' Participation, Service Quality, Sense of Belonging,*

I. Introduction

Such developing countries like Indonesia believes co-operative would offer a great contribution to the economic development. In the co-operative enterprise are almost completely strayed from their members' base and behave in quite the same way as their competitors or any regular commercial firm. One may conclude that the co-operative organization form will remain associated with agriculture for a long time to come. This caused by general opinion that many sectors of Indonesian economies still retain a fragmented structure, characterized by large numbers of small and medium size enterprises in which agricultural sector as a main contributor for economic growth in many years. But then, agricultural sector would still contribute importantly to greater commodity for Indonesian economy. Recently, Yuliando et al [1] have stated that plantation sector has been playing an important role to rural economic of society. Some factor of cooperation will played an important impact for the farmer co-operatives especially to increase commercialization aspect of their products.

How democracy society rise up in Indonesia allow co-operatives organization serving as the third engine of growth after the public and private sectors. Puusa et al [2] argued that co-operative is a business enterprise and a social group of members; and also co-operative has both a business and member community roles. The word co-operative adapted from word co-operation which may be considered as working together, means working together to accomplish a common objective. This term is developed as a new concept to eradicate economic inequality from the society. Nowadays, co-operative firm represented alternative approach as used by some communities against proprietary firms, partnership firms and other companies which represent the dominant form of commercial firms. It promotes voluntary association of individuals having common needs who work together towards the achievement of common economic needs.

Co-operative as representative system allows individual member to have one right vote on organizational decision. Co-operative movement has benefited from a general trend of labor history, and co-operative have contribute on the various forms of mutual aid and financial assistance that was able to provide its members and the communities [3]. There are some benefits about developing a deeper understanding of the nature of co-operative entities, in particular about the characteristics of co-operative member shares including differences between member ownership characteristics and investor ownership characteristics [4]. That all the reason why the government provides special assistance to the co-operative communities to enable them to achieve their objectives successfully. Therefore, the communities are given financial aid at lower rates. Government also extends much more type of subsidies to co-operative communities which could strengthening their financial stability and sustainable growth in future.

However, co-operative must remain competitive, relevantly providing dynamic operations and deploying competitive advantage strategies and are effectively self-help organizations upholding environmental sensitivity. The international co-operative movement show clearly social co-operatives engagement, with the length of the years being created a favourable and positive perception of the co-operative in the Western society. International Co-operative Alliance have its own definition about co-operative identity insists on the community of aspirations among co-operative's members : a co-operative is an autonomous association of persons united

voluntarily to meet their economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise [5].

Co-operative's basic principle has been known as member based oriented activity not capital based oriented activity, so that the members' duties are restricted to bringing in usually not too large shares to the contribution capital [5], of which are paid dividends (as it happens in every company). Co-operative offer its services to its members as well as non-members in the same time. Thus, no special advantages are provided for members who become regular clients. In context of Indonesia, co-operatives capital consist of co-operative's equity, lending, and involvement.

All must have the minimum number of co-op shares and preferred shares defined by the co-operative in order to be eligible for membership, but some members may decide to invest more and to buy more than this minimum number. This does not give them greater rights in the co-operative, because the rule of one person, one vote applies regardless of the number of shares a member has. The amount members must invest in co-op shares and preferred shares may vary greatly from one co-operative to another. It depends on the enterprise's capital requirements.

Co-operatives are democratic firm, governed on the principle of one member, one vote. The co-operative model also offers business and social advantages for society. The primary goal is to serve the broad public of the entire community, and the entire enterprise rests on the membership allowance, so that people in the community will experience its benefits as relevant to the lives. It could be believed that cooperatives are an important economic tool for equitable community development and community wealth building.

It must be sure to differentiate co-operatives from other type of firm in order to identify the most relevant features of its business model. For cooperatives, owner equity and patronage refunds are tried and true tools that create and maintain a mutually beneficial relationship between the cooperative and its owners. There are growing particular attention to the central themes of co-operative business role which addressed in previous literature, stated as the economic rationale, pursuit and treatment of capital and profits, continuity and growth along with competitiveness and effectiveness [2]. Othman et al [6] state about the possibility of co-operatives do not have sufficient amount of physical resource to operate at an efficient level, which this would indicate that co-operatives are using their current assets in maximizing revenues generated from operations. These results indicate that the co-operatives are not able to utilize their current assets in safeguarding their organizations from making net losses or enhance their net profits. Co-operatives are utilizing and developing their financial resources in creating competitive advantage that is crucial in enhancing their performance.

Members have a right to choose the activities they want to pursue and their own level of involvement in the co-operative according to their interest. Obviously there are no "wrong" levels of member involvement. At whatever level members are choose-even if all they do is shop so that they feel they are involved and participating in co-operative development. The co-operative duty is to serve members' needs rather than to try to change them, inspire not only member but also non-member too could served by co-operative. It should be noted that members' needs frequently change over time, and if the co-operative has been successful and nonjudgmental at meeting basic needs, it will be there for people as they change. The co-operative can support people by making it easy and inviting to change their level of involvement (whether more or less) without guilt or pressure.

Main et al [7] stated that while the literature on the potential benefits of co-operative participation is robust, few researchers have examined what factors influence co-operative members' participation and why some members decide not to participate. By understanding the factors that influence members participation is therefore important because of the relativeness increases in co-operative persistence and greater engagement in co-operative organization. Ogunleye et al [8] have examined the socio-economic factors affecting farmers' participation in cooperative society. Management and leadership problem, limited memberships or insufficient fund were the major problems against in co-operative's member participation. Evidence from these work shows that members could participate more in cooperative societies and were represented in various forms and it could be affected by other factors besides socio-economic factors.

This study focuses on co-operatives that are characterized by its applied behavioral model of its members about participative decision. The subject of this study has considered from consumer behavior perspective, which the study of consumer behavior can be categorized into three perspectives: 1) decision making perspective, 2) experience perspective, and 3) behavior influence perspective. A lot of consumer behavior research only using one perspective, yet it is not slightly to combine three perspectives all at once in the same time. In co-operatives context have seen members are also as customers, and owners are also has role as a users. As a customer, the members has utilizing means is about to seek their participation maximally through a better service quality, as well as members' awareness about their sense of belonging to co-operatives.

The following research has two objectives. First, we try to identify the effect of service quality toward sense of belonging among co-operative's member. And second, we aim to highlight key factors among service quality and sense of belonging that could have the biggest impact on member's participation.

II. Theoretical Background

Service Quality

It has been known that concept of quality has been recognized as an organizational strategic tool in order to attaining efficiency and improved business performance [9], and concept of quality is necessary for both the goods and services sectors. Saravanakumar and JothiJayakrishnan [10] stated that service quality is one of the most effective means of establishing a competitive position and improving organizational performance especially to gain profit maximization. To establish a competitive position, co-operatives must measure and determine their level of service quality, so that they could have a strategic plan and thinking about the way to keep their consumers and satisfy their needs. However, service quality management in service firm such as co-operative makes that quality term is not easily identifiable and measurable due to special characteristics of services which it offered to consumer. This may be caused by lack of consensus over the meaning of quality itself which is stems primarily from the divergent perspectives and vantage points used by many organizations to view what is the ideal for them.

Quality is something that has a very high degree of relativity associated with the evaluation of products and services by customers. Therefore it is difficult to make a universal definition. That is what Parasuraman et al [11] stated that only a few researchers gave clear explanation and model of quality because of difficulties in defining and measuring the construct. The concept of service has been discussed extensively in the literature of services. What previous scholar had discussed about services about its most basic distinguishing characteristic which is *intangibility*. The theory and practice of service quality has not really reached a consensus. The term services are known as performances or actions rather than objects. Services cannot be seen, felt, tasted or touched in the same manner in which goods can be [12].

The theoretical foundation of service quality lies in the product quality and customer satisfaction literature, so that concept of service quality is defined by various authors in different ways. Service quality as a function of the magnitude and direction of the gap between expectation and perception of the performance received [13]. A common definition of service quality concept is defined as service which is delivered to customers and should fulfill their requirements, expectations and satisfactions [10]. Newman [14] also explain service quality as degree and direction between customer service expectations and perceptions.

Brown and Swartz [15] said that through an evaluation is known to occur, what is still confusing about explain quality is about lack of clear understanding about how evaluation occurs and the importance of various components of the service encounter to the evaluation outcome.

Parasuraman et al. [11] classify service quality into five dimensions:

1. Tangibles are physical appearance that includes physical facilities, equipment, personnel and means of communication.
2. Reliability is the ability to provide services promised to promptly and satisfactorily.
3. Responsiveness that is the desire of the staff to help customers and provide service with a response.
4. Assurance includes the ability, courtesy, and trustworthiness owned by the staff, free from danger, risk or doubt.
5. Emphaty including ease in the relationship, good communication and understanding the customers' needs.

In a co-operative, it is the ability to obtain profitability of co-operative's business. Therefore, profitability is also a measure of co-operative's performance, it can be said that the service quality of also affect the co-operative's performance. In order to gain higher profitability, the cooperative is closely linked to the level of sales that can be achieved especially from its members. The higher service quality provided to members, will have an impact on increasing sales turnover that achieved by co-operative. A clearer understanding as to the sequence of relationship between service quality, sense of belonging, and ultimately members' participation of co-operative enterprise can help ensure better targeting of limited marketing resources [16].

In addition, members' personal needs could affect their service expectations which offered by co-operatives. It is possible that members were delighted with what the co-operative service offered when they were using the service for themselves [17]. But members would be much more critical when using the service to undertake some serious manner and related to other people among circumstances. Service quality is important thing to be developed by co-operatives so that their members could perceive a good quality in service which is delivered.

Sense of Belonging

Many people from different community want something more as a feedback from their involvement in the co-operative. As a members, they want to be a part of an organization such co-operative that shares their values and makes a difference in the society. People who act as co-operative members would solely think as social members, who would have more personal realltionship and more participation in co-operative social and economic activities.

When determining someone's feeling of morale, Bollen and Hoyle [18] explained that individual decision is made based on "global affective response which is associated with belonging to the group". This implies suggestion that individual morale or feeling for remaining in the group, is based on the affective elements he or she has. This concept taken as construct measured in Hansen et al [19] to explain the impact of trust on co-operative membership retention, which it was conceptualized as individual's perception of group cohesion.

Hatta [20] and Munker [21] explain that the bonding or a strong link between co-operatives member is necessary, because it can help the co-operatives in achieving its objectives. Therefore should be a clear expression that the existence of co-operative societies based on the organized membership strength, of which upright and fall of co-operative linked to its membership base. So members are required not only to contribute symbolic deposit shares in full each month, but also more than which should have a big responsibility to develop co-operatives itself. Cooperative ownership is an economic model that could foster great benefits for our communities and member-owners. The cooperative model is powerful because of proper attention on the owner side of initial term: "member-owner."

This is logical because the co-operatives are member-owned so that it not belongs to anyone. Stoel and Sternquist [22] states that membership of a particular social group influence the perception and behavior of individual members. In social groups, of course, there are norms or values used by members as a guideline about how members should behave in manner. As owner of co-operatives enterprise, co-operative's members should follow the norms that were developed, and responsible to behave well in the group. In other words, the permanent members should pay more attention and run values or norms prevailing in their co-operatives.

Based on previous explanation, the expected role of co-operative's membership is a sense of belonging among its members. Clearly said that member as also have role as owner is not just the owner of its assets, so that it must grows and develops highly dependent co-operatives members. Sense of belonging is a psychological contract between the members of the co-operatives, and as including mental work, attitudinal mechanism which is not written formaly, but it can be manifested in the form of commitment, dedication and responsibility of members of the association or organization.

Members' Participation

Participation is a person's mental and emotional involvement in a group situation that prompted to contribute and share responsibility for achieving the group's objectives [23]. If it is associated with co-operative's perspective, member's participation is something must be done by all co-operative's member, since it is also accordance with mandated by the basic principles of co-operatives. As explained above, member's participation is the main source for co-operatives existence and spirit of organizational life, so that it is logical and crucial for co-operatives stakeholder in order to increasing member participation. According to Whitney and Lindell [24] in predicting member's participation in co-operative enterprise could be done by using derivational concept of organizational commitment. Such findings explained that affective commitment effect is stronger to member's participation rather than continuance commitment.

Members' participation is an important issue to be considered in the cooperative sector [25]. A strong membership base is the foundation for the success of a cooperative, so that more extra cooperatives efforts to build a strong membership such as getting their members to participate in the activities of the cooperatives [26]. Pozzobon and Zylbersztajn [27] stated that in co-operative firm, members could participate in all of the three main cooperative governance bodies: (1), attending general assembly or annual meeting; (2), holding a position in the board of directors; (3), holding a position in the executive board. We believe members' participation also indicate some priority decision to buy and use co-operative products or services. Members' participation is highly regarded variable amongst co-operatives, and it may be much higher in some cooperatives than in others. The benefit of higher level of member participation could increase democratic costs in a co-operative firm, when such a more members who participate in the collective decision making process. The other advantage of higher level of member participation is that these could reduce agency costs, as more members will monitor management [27].

Co-operatives have been regarded as one of the main economic institutional in Indonesia for empowering economically weak members of the society. Yohannes and Endale [28] show that for cooperative development issue about gender integration is essential because active and equitable participation of members, both men and women, is a necessary condition for sustainable cooperative development. Therefore, cooperative should have more attention about improving the services of the organization so that co-operatives should strengthen and expand the involvement of more members in the cooperative activities.

Member participation will be realized to the fullest if the services provided co-operatives "in accordance" with the interests and needs of its members. If the fulfillment is greater than or at least equal compared to contributions made members of the co-operatives, the co-operatives members will obtain the "advantage" or "benefit" of the co-operatives. If the co-operatives benefit greater than the benefits gained non-

co-operatives firm or competitors, it would increase profitability of co-operative. That is why participation among members and manager performance could affect the cooperative's success, and also participation among members is the dominant factor affecting the cooperative's success.

The Relationship of Service Quality on Sense of Belonging

Given the scale of potential resource of market among members will be an internal competitive advantage or core competencies of cooperatives. One of effective co-operative development strategy in globalization era is a marketing strategy such as customer intimacy, with a focus on the implementation of market empowerment, which it would mean "empowering members' co-operative". Unique characteristics inherent in the cooperative can be an excess or force that is beneficial for co-operative enterprise. However, that power may contain flaws or weaknesses that actually become an obstacle to the cooperative development, letting someone not accompanied by efforts to seek and utilize such power. In cooperative enterprises, such members' empowerment has always been fundamental to where people get together to achieve common and shared goals. The cooperative's goals are decided by the members themselves and, since cooperatives are organized on the principle of one person - one vote, the cooperative form of enterprise provides equal opportunity of participating without any borders and constraints among members.

Hansen et al [19] explores the effect of trust in the relationships among members and between members and the management teams of two agricultural marketing cooperatives. Their findings suggest that in such co-operative enterprise, trust between members and co-op management are important in which is a measure of the strength of members' desires to remain in a group. Mutual trust could be enhanced by service quality which is delivered by co-operative to its members.

With consumer behavioral perspective Lee-Kelley et al [29] explain that cognitive is the customer's expressed future buying intention; affective is the customer's feeling of attachment to or affection for a company's people, products or services; and behavioral refers to the actual purchase pattern of the customer. For co-operative enterprise, member's feeling of attachment or affection for co-operative enterprise as an outcome from what they perceived about value, especially delivering quality in co-operative services.

One of evident of concerns with respect to service provision is the assessment and assurance of quality [30] which is delivered by co-operative to its members. An important reason for the interest in service quality results from the growing belief that this could have a beneficial effect on bottom-line performance for the co-operative enterprise. Mutis [31], Nirbito [32], Soedjono [33] states that co-operative's members who act as the subject responsible for everything that co-operative has done, so it was member who has the obligation to maintain and develop co-operative. Service quality is a dynamic condition of a product, services, people, processes and environments that meet or exceed expectations. If service offered is good and exceed the expectation, it would increase customer satisfaction and ultimately increased purchase intentions. In co-operatives perspective, we would see that increased behavioral intention among members could play as an outcome from individual attitude's mechanism.

The Relationship of Service Quality on Members' Participation

A co-operative will not survive as a business firm if it isn't successful in the economic relationship with members and customers. A co-operative needs to be well attuned to what its members and customers want and to provide them with a great shopping experience that meets their expectations. Shopping experience is closely related with service quality, which it must be closely aligned with member needs. Considering the better co-operative's services which provided by managers to its members, these could increase members' participation in their co-operatives [34]. In order to have greater achievement, the progress made by co-operative in implementing strategy including how to make better service to be offered to customer which this could make members more interested to participate in co-operative.

To be successful, a co-operative must offer products and services that meet specific member's needs and interests. Satisfying members at this level is a co-operative's first priority, and the co-operative's economic survival depends on how to do it well. As stated by the International Co-operative Alliance "Statement of Cooperative Identity" defines a cooperative as "an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations." In co-operative enterprise that offer relatively more complex services, members have a strong incentive to rationally evaluate services in which delivered by co-operative management [20].

The co-operative model is also particularly well suited to new methods of participatory management among its members. These could be increasingly adopted by enterprises which are wishing to maximize their performance and their service quality. In fact, through its democratic management philosophy and its work team approach, co-operative can function like a natural quality circle. If someone whether he or she is member or customer not satisfied by a shopping experience with co-operative, he or she will not seek further for a higher level of involvement such as participative decision. Some consumers will not typically join a co-operative if

only the service quality do not meet their needs. However, if the store is a great place to shop and offering good consumer experience, some consumers will seek a higher level of involvement by their decision to participate more in social and economic activities in the co-operative.

The Relationship of Sense of Belonging on Members' Participation

While researchers have explored productivity and other work-related outcomes, a deeper understanding of the relationship between empowerment and service quality is needed to build a stronger case for the implementation of an empowered cooperative member [34]. Member's willingness to share is a form of sense of belonging, which it could be brought together by a longing for member who was perceived service quality of co-operative's service at an accessible price, and a willingness to pitch in and participate more in co-operative community. Participation of each member is critical for the effective and efficient operational of co-operative strategy. Member's economic participation has been also accepted as one of seven principles that guide all co-operative organizations by The International Co-operative Alliance [5].

Bagozzi [35] argued that attitudes and subjective norms are not sufficient determinants of intentions and those intentions do not provide sufficient impetus for action as maintained by leading attitude theories. Basis of an evaluation of the existing attitude theories (the theory of reasoned action, the theory of planned behavior) emphasize that sense of belonging as emotional attachment to co-operative could foster members' participation. In other study such as Babakus et al [36] proposed a conceptual model of service recovery performance, in which Management Commitment to Service Quality (MCSQ) will lead to affective outcomes and performance outcomes.

Co-operative enterprise provides members an incentive to rationally evaluate management simply because the opportunities for more participate in subjective (affective) evaluations which are limited to membership authority. Some of the people who join the co-operative enterprise will be interested in more than a great store with great member benefits. They want to belong, to feel connected with something bigger, something positive in their community, and to make a difference with their membership. It is a great deal social investment in a community which should serve as the model for our society. This condition will lead to the greater sense of belonging of members would affect their decision to participate more in co-operative enterprise.

III. Objectives of the Study

The general objective of this study was to examine the influence of service quality and sense of belonging toward members' participation. In this research, the researcher will only focusing on the members' participation process which cover the stages of the consumer process about perceived value which are quality and emotional attachment.

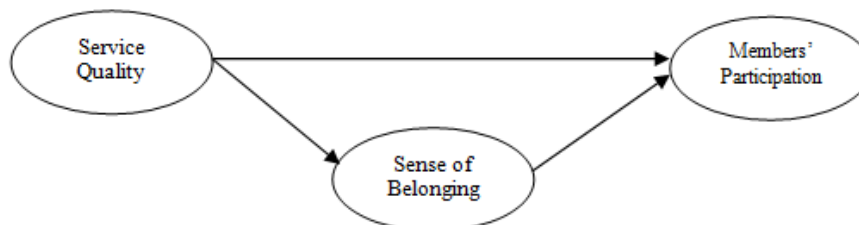


Figure 1 Conceptual Framework

From theoretical perspective and conceptual framework above, (see Fig.1) three hypotheses proposed in this study are mention below:

- H1 Higher service quality perceived by co-operative members will increase their sense of belonging
- H2 Higher service quality perceived by co-operative members will increase members' participation
- H3 Higher sense of belonging perceived by co-operative members will increase members' participation

IV. Methodology

Considering as cross sectional study, variables identified in this research are service quality as exogenous variable, sense of belonging and members' participation as endogenous variable. The respondents of this study were asked to estimate and evaluate the service quality which they received from their co-operative, and also sense of belonging with members' participation which they perceived around their membership circumstances.

Population and Sampling Size

Population in this study are members in various public co-operatives which has been registered in the Indonesian Ministry of small medium enterprises and co-operatives and its placed in Malang, East Java,

Indonesia. There are four state co-operatives which observed in this study, and members of its co-operatives are taken as respondent. To collect the data, managements of 4 public (state owned) co-operative in Malang city in East Java, Indonesia were asked to provide the research team and spent time directly dealing with members for transactions as well as responding to problems and complaints about co-operative service. This resulted in a list of 149 co-operative members, to whom questionnaires were personally distributed by the research team.

Data collection was over the period of 2 month (from February 5 until April 5, 2016), at different times, with a view to sampling a wide range of members. In order to secure high response rate, the questions were structured in such way, in order to be sure that members with different educational backgrounds can understand the measured items and fill the questionnaire in fast and reliable way.

Measures

This explanatory study was aimed to examine and analyze the effect of service quality and sense of belonging toward members' participation. As a cross sectional study, this study used empirical and theoretical base to developed its research instrument.

A scale which consist of 5 dimension adapted from Parasuraman et al [11] to measure service quality used Likert scale ranging from zero to five (0 = Never, 5 = Often). This scale was based on concept of service quality and its instrument had been utilized in so many researchs which has been done before. We have to adopt it and made corresponding modifications to item wording relevant to a co-operative's service setting. Reliability of this construct which shown from Cronbach alpha value was found about 0,770. A scale which consist of 4 item developed to measure sense of belonging used a Likert scale ranging from zero to five (0 = Never, 5 = Often) to rate how often they engaged in each attitude mechanism. Reliability of this construct which shown from Cronbach alpha value was found about 0,850. A scale which consist of 4 item developed to measure members' participation used a Likert scale ranging from zero to five (0 = Never, 5 = Often) to rate how often they engaged in each behavior. Reliability of this construct which shown from Cronbach alpha value was found about 0,667.

Data Analysis

In this study we used SmartPLS software with the Structural Equation Modelling (SEM) from the Partial Least Square (PLS) approach. The major consideration about selecting this approach is because of the advantages in comparison with other statistical techniques. Ringle, Wendel and Will [37] developed PLS approach with such a major advantages as it can handle multiple dependent and independent variables in a single model, and it does not require normally distributed input data. With this approach, PLS-SEM assumes about any explanations of all observed measures of variance are useful, which this could predict or identifying key target constructs [38].

V. Result and Discussion

As shown in TABLE 2, outer loadings, Average Variance Extracted (AVE) and composite reliability can be assessed to confirm convergent validity among constructs in study. AVE score of the constructs in this study shown above 0, 5. This means reflective measurement models in this study have an acceptable convergent validity.

Table 2 AVE Construct, Cronbachs Alpha, Outer Loadings and Mean

Construct	AVE	Cronbachs Alpha	Indicator	Outer Loading	Mean
Service Quality	0,517	0,770	Reliability	0,735	3,90
			Responsiveness	0,775	3,91
			Assurance	0,614	3,61
			Empathy	0,815	3,79
			Tangible	0,633	3,48
Sense of Belonging	0,684	0,850	Emotional attachment as co-operative's member	0,793	4,41
			Involvement in co-operative process	0,880	4,22
			Citizenship benefit as co-operative's member	0,824	4,25
			Responsibility as co-operative's member	0,807	4,05
Members' Participation	0,509	0,667	Member's caring about co-operative	0,693	3,54
			Decision making involvement in co-operative	0,751	3,69
			Priority to buy or shop in co-operative	0,806	3,60
			Co-operative annual meeting attendance	0,548	3,47

Result indicates that service quality mainly manifested by empathy or about showing respect for customer. While sense of belonging mostly indicated by involvement in co-operative process, members' participation mainly indicated by priority to buy or shop in co-operative. Members in some co-operatives have shown that co-operative annual meeting attendance were not the most important thing that would indicates their participative decision. This finding is supported by mean score result which also indicates that co-operative

annual meeting attendance among members must be increased, that is shown from the table above that mean score is only about 3,47. These findings would implies in participative model among members, there are problem arise which shown that members did not have really a good willingness to attend the co-operative annual meeting.

All of the hypotheses were analyzed using Partial Least Square method. Below are explanations of every hypothesis which have proposed in this study:

Hypothesis1. This hypothesis proposed that higher service quality perceived by co-operative members will increase their sense of belonging. The significant path coefficients of the structural line from service quality to sense of belonging were .466 ($p < .000$). From the result we conclude that hypothesis 1 is accepted, which mean that for such members who participated in this study reported that if they could perceive better service quality which offered by co-operative it would foster levels of their sense of belonging.

Hypothesis2. This hypothesis proposed that higher service quality perceived by co-operative members will increase members' participation. The significant path coefficients of the structural line from service quality to members' participation were .407 ($p < .000$). From the result we conclude that hypothesis 2 is accepted, which mean that such members who have better and positive perception about service quality offered by co-operative would increasing levels of their participation.

Hypothesis3. This hypothesis proposed that higher sense of belonging perceived by co-operative members will increase members' participation. The significant path coefficients of the structural line from sense of belonging to members' participation were .242 ($p < .000$). From the result we conclude that hypothesis 3 is accepted, which mean that such members who have better and positive perception about sense of belonging they feel, it would increasing levels of their participation.

TABLE 3 presents the results of path coefficients used to test the hypotheses. In every variable added to the model in the order indicated in the table. The results reported above indicate that service quality explained around 20% of the variance in sense of belonging. While both of service quality and sense of belonging explains 31% of the variance in members' participation. With R square score of each relationship, Q-Square Predictive Relevance (Q^2) calculated in 0,448, which this means that all exogenous variables in this study explain around 44, 80% variance in endogenous variable.

Table 3 Path Coefficients

Relationship Among Variables	Original Sample Estimate	t _{statistic}	Note	R Square
Service Quality -> Sense of Belonging	0,446	5,7790	Sign.	0,198
Service Quality -> Members' Participation	0,407	4,8156	Sign.	0,312
Sense of Belonging -> Members' Participation	0,242	2,3618	Sign.	

VI. Conclusion

The findings indicate that questionnaires identified in this study to measure service quality, sense of belonging, and members participation exhibit acceptable psychometric properties in terms of both validity and reliability. There are three path relationships between variables tested in this study. Result has shown that service quality has influence significantly toward sense of belonging among co-operative's members. Sense of belonging, as well as service quality could used as a predictor of members' participation among members to its co-operative. The greatest impact which founded in this study was the effect of service quality toward sense of belonging. All of results confirm the hypothesized relationship in the research model. Findings revealed that improved service quality will help in increasing sense of belonging and members' participation. These results confirmed the past research results. Out of the three path relationship generated in this study, service quality was found to contribute maximum in influencing sense of belonging among member in state co-operative in Malang, East Java, Indonesia.

Overall, these outcomes appear to be in line with the arguments that (i) service quality is importance of work in an enterprise such as co-operatives, and (ii) emotional attachment among co-operative members also important in order to generate more participation which could lead to greater profitability of co-operative enterprise. The results from this study were of particular interest given the absence to date of any empirical research linking service quality and members' participation in co-operative enterprise. Perhaps more open communication throughout co-operative enterprise to its members can facilitate further understanding of the influence of service quality on sense of belonging and members' participation.

Hopefully this explanatory research effort will contribute to a better understanding of the nature of members' participation in co-operative enterprise. The recognition that the effects of service quality vary depending to its outcome is an important step in nurturing our understanding of service quality in co-operative. Even though the framework in this study has been validated in the context of Indonesia, especially in Malang, East Java, this study still has some limitations. First, the study was conducted only in general co-operatives in Malang, which this means that other co-operatives such as private co-operatives did not included as object in this study. The study did not include private co-operatives, and that is why in order to generalize it has to be

repeated in other and larger study samples. Future research also should employ alternative measures of sense of belonging and members' participation to identify greater external validity and consistency, because of an alternative measure could encompass a member's willingness to participate in co-operative enterprise.

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