



## Service Quality In Increasing Participation Of Co-Operative Members

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Submitted: September 2, 2020, Revised: November 25, 2020, Published: December 15, 2020

### Abstract

Member participation is a significant element in spurring activity and for maintaining a unifying bond in a co-operative. This study explores service quality's effect on member participation in the primary employee co-operative (primkopkar) Manunggal. This type of research is explanatory with a quantitative approach. The population in this study were members of the Manunggal co-operative, and the sample in this study was 98 people. The data analysis tool used Structural Equation Modeling (SEM), which was processed with the Linear Structural Relationship (LISREL) statistical program. The results showed that service quality had a significant effect on increasing the participation of co-operative members.

**Keywords:** co-operative, member participation, service quality

### A. INTRODUCTION

A co-operative is an organization established with the primary objective of supporting its members' economic interests through joint ventures. Co-operatives have unique characteristics compared to other forms of business entities. The co-operative has the principle of identity where co-operative members' position is also as owner and customer (Ropke, 2000). The customer is an essential factor that must be considered because the customer makes the business run and makes a profit. Therefore, efforts to create and retain customers must be the top priority in the company to become loyal customers. In a co-operative organization, customers are the members themselves.

One way to create, maintain, and improve relationships with members is to consistently provide better service quality and even provide superior service to competitors (Salim, 2005). The quality of service offered to members is a valuable asset for the co-operative to achieve a competitive advantage to create welfare values for its members.

Service quality assets can be expressed as tangible assets in the form of form/place / physical environment or other pleasant facilities and intangible assets, namely the behavior or motivation of the management that can satisfy members (Salim, 2005). This behavior consists of interest or concern, being friendly and polite in serving members, being affectionate, encouraging, and caring, and the behavior of administrators who earn the trust of co-operative members.

It is necessary to pay attention to service strategies in the organization. The approach to developing a service strategy is to change the external system by improving relationships with customers. There are several cases in the field of competition, rather than just paying attention to creating internal efficiency, such as reducing costs or reducing the number of employees (Jasfar, 2005). This statement is also supported by

Brown (1992), which states that service cannot be measured objectively like a product. It is social interaction, highly subjective, and more dependent on values, emotions, and attitudes.

In measuring consumer perceptions and expectations, it can be simplified into five service dimensions proposed by Zeithaml, Parasuraman & Berry (1990), namely: 1) tangibles, 2) reliability, 3) responsiveness, 4) assurance, and 5) empathy. Based on these dimensions, organizations often consider tangibles to be the most important than reliability (Herbig, 2005). Another important determinant of technical service quality is the organizational management process, especially in a bank (Kumar, Smart, Maddern, & Maull, 2008).

Banwet & Datta (2002) found the different quality services results to students at central computer institutions. From the research results, it is known that the service performance perceived by consumers, in general, is lower than user expectations.

Kandampully (1998) adds a new dimension to service quality and relationship management. The organization carries out the right relationship and loyalty between the company and customers is an emotional relationship and establishes long-term reciprocal bonds with customers.

In co-operatives, the ultimate goal of service quality is important. Co-operatives are built and developed by their members, so that member participation is essential. Member participation can be in equity participation, participation in business activities, and decision making (Hendar & Kusnadi, 2005). Therefore, member participation is the main element in spurring actions and maintaining a co-operative unifying bond.

Primary Employee Co-operative (Primkopkar) Manunggal is one of the co-operatives in the City of Salatiga. Based on the preliminary observations, the researcher found that the quality of service was poor, among others, seen from the available facilities, unfriendly service, and lack of attention from management to members. It was thought to be the cause of low member participation because service quality is not by members' expectations. The purpose of this study is to find out more deeply about the quality of service at Primkopkar Manunggal and its effect on member participation in co-operatives.

## **B. LITERATURE REVIEW**

### **1. Quality of Service**

Quality control is the overall characteristics and properties of a product or ability that affects its ability to meet stated or implied needs (Kotler, 2012). Zeithaml et al. (1990) define service quality as the difference between customer expectations/desires and perceptions. Meanwhile, Herbig (2005) states that service quality is how a service is performed and how customers perceive the service performed compared to expectations.

Mosahab, Mahamad, & Ramayah (2010) state that service quality is a determinant of satisfaction and loyalty. They said a positive relationship between the five dimensions of service quality with pride and loyalty, where the guarantee dimension is the highest and the lowest is the tangibles dimension. SW Brown, Gummesson, & Edvardsson (1991) added another 1 (one) dimension: recovery. This is necessary to find and collect bad products or services that have been provided to customers, which have caused dissatisfaction. Therefore a clear strategy is needed to eliminate bad things and make customers happy.

In measuring the perception of service quality in this study, there are five dimensions of service quality proposed by Zeithaml, et al. (1990). The first is Tangibles, which is the physical environment of service providers such as facilities, buildings, equipment, employees, and communication means. This dimension is often used to measure a company's service quality because this aspect is most clearly captured or seen and relates directly to customers. Second is the reliability or ability of service providers to deliver promised services reliably and accurately. In other words, reliability means the extent to which the service provider can provide what has been promised to customers. Thus this dimension is very influential in shaping customer trust in the company. The third is responsiveness, namely the desire of staff to help customers and responsibly provide services. This dimension emphasizes service providers' attitude who are prompt and precise in handling customer requests, questions, complaints, and problems. The fourth is Assurance, which is knowledge and courtesy of staff and abilities that convey confidence and are free from doubt. The fifth is Empathy, which is the company's attention to customers and understands of customer needs. This dimension emphasizes service providers' ability to treat consumers as special individuals, for example, with good communication. This dimension is often referred to as SERVQUAL. Using the SERVQUAL instrument can help a public organization identify which areas or parts are essential and be immediately improved in providing services to the community (Ramseook-Munhurrun, 2010).

## **2. Participation of Co-operative Members**

Member participation is essential in a co-operative and this cannot happen automatically. Indriani, et, al (2009) stated that member participation is a synergy catalyst, which influences the competence of managers, supervisors, and administrators on co-operative business performance). Several co-operatives have a low level of member participation but can provide satisfying benefits for their members (Ropke, 2000). However, without members' participation, it can lead to decreased efficiency and effectiveness of members in achieving co-operative performance.

Hanel (2005) divides the dimensions of participation of co-operative members based on the principle of identity into 2 (two) namely: 1) as owners, namely members who contribute to the formation and growth of co-operative companies in the form of financial contributions (participation or participation in shares, the formation of reserves, savings ) as part of goal setting, decision making and in the process of monitoring the life of the co-operative; and 2) as customers/users, namely members who take advantage of the various potentials provided by the co-operative company in supporting their interests.

Furthermore, Ropke (2000) defines member participation as a process in which a group of people (members) finds and implements cooperative ideas. Participation in the organization can be realized if the co-operative company's services are "in accordance" with the interests and needs of its members. Because the needs of its members and environmental challenges (especially competitive forces) are constantly changing, co-operatives' services must be constantly adjusted. To realize continuous service adjustment to members' needs, members must be able (have the ability/competence) and willing (have the motivation) to influence and control management. Then the co-operative leader must create conditions that can encourage and increase the trust of co-operative members and maintain relationships between co-operative members to

increase the participation of co-operative members (Barraud-Didier, Henninger, & Akremi, 2012).

### 3. Relationship Quality of Service with Participation of Co-operative Members

To measure consumer perceptions of the services provided, Zeithaml et al. (1990) used five dimensions of service quality, namely: 1) tangible, 2) reliability, 3) responsiveness, 4) assurance, and 5) empathy. Organizations that can carry out these five dimensions will make consumers feel that they are getting good or expected service. For the organization to continue to provide services according to its members' needs, members must be able, competent, and have the motivation to influence and control management. If the co-operative can provide better service than its competitors, the participation of members in the co-operative will increase. Increasing member participation will be useful information in improving co-operative services itself.

Based on this description, two concepts form a significant relationship pattern, namely the concept of service quality and the concept of co-operative participation. To get a clearer understanding of the framework it can simply be seen in the following Figure:

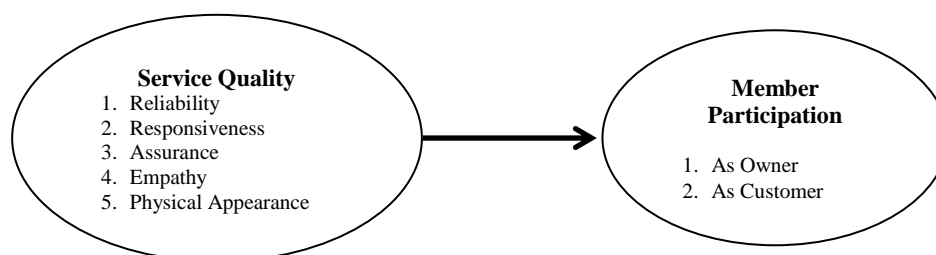


Figure 1: Research Concept Framework

Based on the above framework the research hypothesis in this study is that service quality significantly affects member participation in Primkopkar Manunggal Salatiga City with indicators of service quality measurement including reliability, responsiveness, assurance, empathy, and the physical environment.

### C. RESEARCH METHOD

This research is explanatory, a type of research that aims to identify, explain, and analyze more deeply the causes and effects of two or more phenomena. This study examined the effect of service quality as an exogenous variable on member participation, which is an endogenous variable. The research approach is quantitative. In this study, the unit of analysis or research subject was Primkopkar Manunggal members. The population in this study were all members of Primkopkar Manunggal as many as 3,457 people. The sample in this study was 98 people who have obtained through the Taro Yamane or Slovin formula. The sampling technique uses random sampling. The data used are primary, namely the results of interviews with respondents using questionnaires. Furthermore, this study's data analysis tool is Structural Equation Modeling (SEM) with LISREL 8.80 as a tool, which is a statistical technique used to test a series of relationships between several variables formed from the observed factor or variable (Wijayanto, 2008).

## D. RESULTS AND DISCUSSION

### 1. Validity and Reliability Test

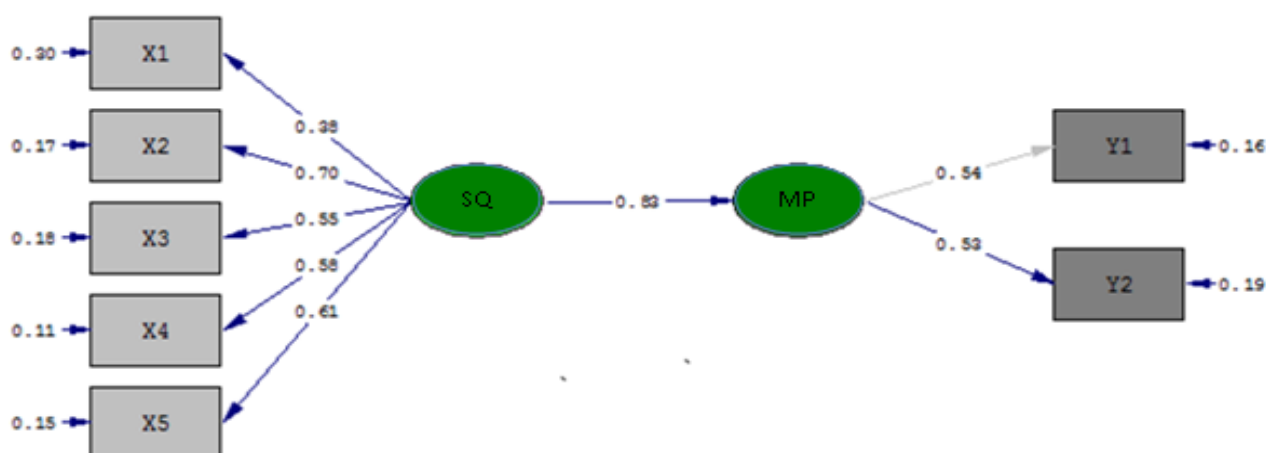
To determine the research instrument's validity, the researcher conducted a pre-test which was done before doing the actual research by taking a sample of 30 respondents. Validity and reliability testing are carried out to assess the data's accuracy and consistency that has been collected. The validity and reliability measurement used the Statistical Product and Service Solution (SPSS) program version 15.00. In calculating validity, the correlation value should be compared statistically with the correlation table's critical figure -r value. The research results obtained 0.361 which means that the variable is significant at the 5% level.

Based on the validity test, it was found that the twenty statement indicators for the service quality variable had an item coefficient of more than 0.361, namely the value between 0.421 - 0.778. It meant all indicators were declared valid and could be used for further calculation processes. The member participation variable statement had an item coefficient of more than 0.361, which was between 0.372 - 0.723. It meant that all items were declared valid and can be used for the next calculation process.

Furthermore, reliability testing is carried out using the Cronbach Alpha analysis technique, which can be reliable if the Cronbach Alpha value is above 0.6 (Sandjaja & Heriyanto, 2006). In this study, the calculations carried out obtained a coefficient of 0.905, which means that the reliability of the questionnaire for service quality variables is stated in the high-reliability category. For the member participation variable, it is stated in the high-reliability category with a coefficient of 0.769.

### 2. Structural Model Results

From the incoming primary data, it is then processed using the LISREL statistical analysis tool to determine the structural model path diagram and the results appear as follows:



**Figure 2: Model of Service Quality to Member Participation**

The structural model in Figure 2 has an estimated parameter of 0.83. Thus it can be seen that the exogenous variable, namely service quality, has an effect of 0.83 on the endogenous variable, namely member participation. Or in other words, the variable of

service quality has a very strong influence (Riduwan & Kuncoro, 2008). For a total sample of 98, if the t value generated by LISREL is greater than the t table value at the 5% level, namely 1.987, the relationship between variables is significant. The t value is  $7.23 > 1.987$  which indicates that the parameter value is statistically significant. Then in structural equations, it is necessary to look at the Goodness of Fit Statistics (GOF), which can test the suitability of the entire model (the whole model fit). The results of the suitability test for the entire model are described in Table 1.

Table 1: Overall Model Test Results

No	GOF Measurement	Target Level Match	Estimation	Compatibility Level
1	Chi-Square P	Small Value $p > 0.05$	$\chi^2 = 20.90$ ( $p = 0.075$ )	Good
2	NCP Interval	Small Value Narrow Interval	7.90 (0.0 – 24.48)	Good
3	RMSEA p (close fit)	$RMSEA \leq 0.08$	0.079	Good
4	ECVI	Small Value and closer to <i>ECVI saturated</i>	$M^* = 0.52$ $S^* = 0.58$ $I^* = 7.25$	Good
5	AIC	Small Value and closer to <i>AIC saturated</i>	$M^* = 50.90$ $S^* = 56.00$ $I^* = 703.37$	Good
6	CAIC	Small Value and closer to <i>CAIC saturated</i>	$M^* = 104.67$ $S^* = 156.38$ $I^* = 728.46$	Good
7	NFI	$NFI \geq 0.90$	0.97	Good
8	CFI	$CFI \geq 0.90$	0.99	Good
9	IFI	$IFI \geq 0.90$	0.99	Good
10	RFI	$RFI \geq 0.90$	0.95	Good
11	RMR	Standardized RMR $\leq 0.05$	0.038	Good
12	GFI	$GFI \geq 0.90$	0.94	Good

From Table 1, it can be seen that the overall GOF score shows conformity. The chi-Square statistic has a value of 20.90 with a p-value of 0.075 where  $p > 0.05$ , so it can be interpreted that the hypothesis is accepted. Apart from that, the GFI result is 0.94 which means this model is suitable. The model is also considered acceptable because it has a reasonable error estimate that can be seen from the RMSEA value of 0.079. The ECVI (Expected Cross Validation Index) value obtained by the model value is 0.52 lower than the ECVI obtained in the saturated model of 0.58 and the independence model of 7.25 which shows the fit model. It was seen through the CFI (Comparative Fit Index) value, which shows the feasibility test of the proposed model with the basic model having a good fit value. From the overall results above, it can be concluded that the suitability of the overall model is good.

### 3. Quality of Service Primkopkar Manunggal in the City of Salatiga

To serve its members, the Members Service Division of Primkopkar Manunggal City of Salatiga strives to improve and provide better service quality to its members. From the results of statistical analysis, Primkopkar Manunggal service quality level is in the medium category. This can be seen from the complaints of co-operative members regarding service guarantees, the physical environment, and the responsiveness of co-operative administrators' services that still disappoint. From the research results, it

appears that each dimension of service quality at Primkopkar Manunggal shows different results.

First, on the dimension of empathy, it appears that members perceive "good". This means that Primkopkar Manunggal members have the perception that Primkopkar Manunggal managers are easy to contact if needed, Primkopkar Manunggal locations are easily accessible to members and co-operatives, in this case, Primkopkar Manunggal can meet the needs of every member of the co-operative. From the measurement results of the model, it can be seen that the dimension of empathy has t-value of  $10.50 > 1.987$  which indicates that the parameter value is significant. When viewed from the R2 value, the coefficient of determination is 0.75, which means that the dimension contributes to empathy for the variable service quality by 75%.

Second, from the service dimension, it appears that members perceive "good". This means that co-operative members have the assumption that co-operative management is correct in recording co-operative members' finances, co-operative managers can complete services to members as promised, and co-operative administrators can provide information according to members' needs. From the results of the measurement model, it can be seen that the reliability dimension has t-value of  $5.92 > 1.987$  which indicates that the parameter value is significant. When viewed from the R2 value, the coefficient of determination obtained is 0.33, which means that the contribution of the reliability dimension to the service quality variable is 33%. And this is the smallest number of the other four dimensions.

Third, on the responsiveness dimension, it appears that members perceive "being". This means that Primkopkar Manunggal members have the perception that the co-operative management is ready to serve co-operative members. However, co-operative members experience disappointment with the services provided by co-operative managers, especially for savings and loan businesses where there are only two counters for service activities and even then for different types of services. Besides, there is also the attitude of co-operative members that seems to differentiate between co-operative members who come when they need services. From the results of the measurement model, it can be seen that the responsiveness dimension has a value of  $10.45 > 1.987$  which indicates that the parameter value is significant. When viewed from the R2 value, the coefficient of determination is 0.75, which means that the contribution of the responsiveness dimension to the service quality variable is 75%. And this is the largest number when compared to other dimensions.

Fourth, in the physical environment dimension, it appears that the members perceive "being". This means that co-operative members have the assumption that in general, the arrangement of co-operative service areas does not provide comfort for co-operative members who need services. Co-operative Performance Reports are not always accepted by co-operative members and the co-operative's equipment is inadequate. Meanwhile, the brochure owned by the co-operative is sufficient for co-operative members to understand the types of services provided by the co-operative. From the results of the measurement model, it can be seen that the dimensions of the physical environment have a t-value of  $10.06 > 1.987$  which indicates that the parameter value is significant. When viewed from the R2 value, the coefficient of determination is 0.71, which means that the contribution of the physical environment's dimensions to the service quality variable is 71%.

Fifth, the guarantee dimension has the worst perception compared to other dimensions, which is in the "bad" category. This means that respondents are

disappointed with the guarantee of services provided by co-operative managers and administrators, especially in the honesty of co-operative managers in managing finances. From the results of field research, information was obtained that co-operative members felt the distribution of SHU was not transparent, where co-operative members were given a SHU number which did not match the amount according to the explanation from the co-operative management. that part of the SHU has been deposited back to the co-operative but without prior notification. From the measurement model results, it can be seen that the assurance dimension has a value (t-value) of  $10.06 > 1.987$  which indicates that the parameter value is significant. When viewed from the R<sup>2</sup> value, the coefficient of determination obtained is 0.62, which means that the guarantee dimension's contribution to the service quality variable is 62%.

#### **4. Participation of Manunggal Primkopkar Members in the City of Salatiga**

Participation plays an essential role in a co-operative and this does not happen automatically. Member participation can be realized if the co-operative services are by the interests and needs of its members (Ropke, 2000). From the results of data processing, it appears that the participation of Primkopkar Manunggal members falls into the "medium" category. This means that the participation of co-operative members can still be increased.

The study results indicate that the results of the assessment of each item of statement regarding member participation in Primkopkar Manunggal show different results. Statements regarding co-operative members' role as co-operative owners, decision-making and supervisory functions of co-operative businesses, respondents' responses fall into the "low" category. This happens because in all Annual Member Meetings not all co-operative members follow because based on the draft RAT rules there is a rule that "a member representative is mandated with a ratio of 1 (one) member representing 24 (twenty-four) members".

Meanwhile, the contribution of co-operative members in paying mandatory savings every month, paying voluntary savings, and the contribution of co-operative members in saving funds held as savings in co-operatives are included in the "high" category. This can be seen from co-operative members' attitude who pay attention to their obligations as owners by paying mandatory deposits every month and saving their funds in Primkopkar Manunggal for co-operative development. For the contribution of co-operative members to voluntary savings, there was an increase because Primkopkar Manunggal held a lottery based on the amount of savings owned by co-operative members to attract co-operative members to save their funds in the co-operative. From the results of the measurement model, it can be seen that the t value is  $4.11 > 1.987$ , which indicates that the parameter value is significant. When viewed from the R<sup>2</sup> value, the coefficient of determination obtained is 0.65, which can be interpreted as the dimension as the owner of the contribution to the member participation variable by 65%.

Participation of members as customers is included in the "high" category, based on the results of the study, it appears that co-operative members have contributed as customers by borrowing funds provided by the co-operative, fulfilling the obligation to return the loan money according to predetermined conditions, namely having met deadlines and have contributed both in the distribution business and the cash shop business; however, they do not agree with their role as co-operative customers in participating in buying secondary necessities provided by the co-operative. From the



measurement model results, it can be seen that the t value is  $7.07 > 1.987$ , which indicates that the parameter value is significant. If seen from the R<sup>2</sup> value, the coefficient of determination is 0.60 which can be interpreted as the customer contributing 60% to the member participation variable.

### **5. The Effect of Service Quality on Member Participation**

Based on the structural model, it showed that t-value of the effect of service quality (exogenous latent variable) on member participation (endogenous latent variable) was more significant than the t-table at  $\alpha = 5\%$  ( $7.23 > 1.987$ ). This shows that service quality has a significant effect on member participation. The coefficient of determination is 0.69 or 69%, meaning that changes in the level of service quality have a strong influence on changes in the level of participation of members in Primkopkar Manunggal. Thus it can be said that if Primkopkar Manunggal can realize a very high level of service quality, the participation rate of Primkopkar Manunggal members as owners and as customers will also increase.

This is following the opinion of Ropke (2000) which states that if a co-operative can provide services following the needs of its members who are bigger than its competitors, the level of participation of members in the co-operative will increase. Upgrade. Salim (2005) also argues that adding that good quality service to members is a valuable asset for co-operatives to achieve competitive advantage to create welfare values for members.

In this context, the level of service quality can encourage the participation of co-operative members. The elements that support the realization of good service include reliability, responsiveness, assurance, empathy, and a physical environment that supports service activities. The dimensions that have the greatest contribution in increasing participation were empathy for service, service responsiveness, physical environment, service assurance, and service reliability at Primkopkar Manunggal.

The greatest level of participation of the Primkopkar Manunggal Co-operative members was determined by their empathy and service responsiveness. An attitude of empathy and good responsiveness in service will give a good impression and reality to members so that members can take advantage of the service and keep coming back. An empathy attitude was formed from the ease with which members can contact and meet with co-operative administrators and administrators if needed, the location of the co-operative which was easily accessible, and the ability of the co-operative to meet the needs of each member of the co-operative. Thus operational service decisions made by co-operative managers must be following the real needs of members. The incompatibility between the two can weaken and even eliminate members' motivation to participate, both in their position as owner and as a customer (Arifin, 2005).

From the results of descriptive statistical analysis for the dimension of empathy, it was found that empathy for the services provided by Primkopkar Manunggal was in a good category but not ideal. Suppose the concern for each member of Primkopkar Manunggal in the City of Salatiga can be further increased. In that case, it will impact the participation of Primkopkar Manunggal members, which will also increase. Based on the time to be members, respondents with a membership of more than 16 years expressed empathy for the services provided by Primkopkar Manunggal in Salatiga category. Meanwhile, respondents who have been members for 11-15 years expressed their empathy for the services provided by Primkopkar Manunggal, including in the

medium category. Thus it can be said that the empathy of Primkopkar Manunggal can be felt more by members who have been members of the co-operative for a long time.

From the respondents' age characteristics, it can be seen that respondents who are  $\geq 41$  years old express empathy for the services provided by Primkopkar Manunggal are in a good category. Meanwhile, respondents aged 31-40 years expressed their empathy for the services provided, including in the moderate category. It can be concluded that the longer a member of the co-operative is and the older the members are, the higher the empathy obtained from the services provided by Primkopkar Manunggal. With empathy that is increasingly felt, it will further increase the contribution of co-operative members in utilizing existing service businesses and contribute to Primkopkar Manunggal.

Apart from empathy, responsiveness is also an element that determines the level of participation of members of the Primkopkar Manunggal Co-operative. Responsiveness is formed by the willingness and desire of Primkopkar Manunggal administrators to help and provide immediate and responsive services which consist of: the readiness of co-operative administrators to assist members, efforts of co-operative administrators not to be slow in providing services, and the efforts of co-operative administrators to assist each member without distinction. differentiate between existing co-operative members.

Based on the results of descriptive statistical analysis, members of the Primkopkar Manunggal Co-operative stated that Primkopkar Manunggal managers or employees' responsiveness is in the medium category. The results of interviews with co-operative members stated that the waiting time for receiving services from co-operative management was too long and co-operative members also felt that they were differentiated in service delivery. With the lack of responsiveness of co-operative administrators in providing services, members feel less attention as co-operative owners.

One of the factors causing the poor quality of a service according to Tjiptono (2008) is treating all customers the same way. The truth is that customers are unique human beings because they have feelings and emotions. Often some customers want or even demand services that are personal and different from other customers. Primkopkar Manunggal management does not pay attention to this matter, who must realize that a different service attitude is needed among each member of the co-operative, according to their feelings and emotions.

Koperasi Primkopkar Manunggal members' participation rate is then determined by the physical environment of Koperasi Primkopkar Manunggal. A good physical environment can make members feel comfortable so that members are willing to continue to use existing services again. The physical environment can be realized with everything visible to the co-operative members, such as the means, equipment, and means of communication at Primkopkar Manunggal. In this study, the physical environment is manifested in the form of structuring the Primkopkar Manunggal service areas for members, supporting equipment for Primkopkar Manunggal operational activities, availability of members' co-operative performance reports, and brochures on the types of services provided. Based on the opinions of members, Primkopkar Manunggal has services that are in the medium category, meaning that the physical environment provided by Primkopkar Manunggal is not optimal.

The indications are the arrangement of co-operative service areas that are uncomfortable for members, the unavailability of Co-operative Performance Reports for all members, and the co-operative equipment does not support co-operative operational

activities. It had to be a concern to co-operative managers and administrators because one of the differentiation strategies applied in service businesses is "making the intangible tangible". After all, the nature of the service is generally invisible. There is no real possibility for consumers to remember after consuming a service (Fitzsimmons & Fitzsimmons, 2008).

Based on their education, it is known that co-operative members who graduated from SLTP and SLTA stated that the physical environment of Primkopkar Manunggal was in the medium category. Meanwhile, for co-operative members who have graduated from elementary school or not, the physical environment of Primkopkar Manunggal Salatiga is in a good category. This showed that a person's education affects their need for comfort in a place and equipment, as well as the availability of supporting materials for co-operative services such as Co-operative Performance Reports and good brochures. With the improvement in terms of the physical environment, it will ultimately be able to increase member participation in utilizing the services provided by Primkopkar Manunggal.

Another factor that determines the participation of Primkopkar Manunggal co-operative members is service guarantees. With the guarantee of good service, it will increase the level of trust of members in co-operatives. Members will increasingly take advantage of existing services and try to develop co-operatives. Service guarantees in this research can be realized through honesty in managing finances, skills possessed by co-operative managers, the knowledge possessed by co-operative managers, courtesy of co-operative administrators, encouragement by co-operative managers and administrators to utilize services owned by co-operatives, and financial security. With the realization of the matters above, it is hoped that it can increase member participation. In reality, the members' perceptions of Primkopkar Manunggal service guarantees are in the medium category.

Based on the Primkopkar Manunggal Manager's information, it was explained that the form of encouragement provided by Primkopkar Manunggal the prices were relatively cheaper than general prices. Based on information from co-operative members, Primkopkar Manunggal members are disappointed with the existing financial management due to its management's lack of transparency. So that members think financial management is dishonest at Primkopkar Manunggal. Primkopkar Manunggal has to build and increase trust by selecting managers and administrators with managerial ability skills, honest and trustworthiness; apply clear and transparent bookkeeping, and increasing members' interest (Hendar & Kusnadi, 2005). The increasing trust of members in the Primkopkar Manunggal Co-operative management will further encourage co-operative members to participate in every effort.

Reliability is the last factor of the service quality dimension with a "good" score in this study. However, this is one of the dimensions of service quality that least affects the participation rate of Primkopkar Manunggal members. The participation level of Primkopkar Manunggal co-operative members can not be determined from 1) the accuracy of the co-operative management in recording member finances, 2) the ability of co-operative administrators to complete services as promised, and 3) the ability of co-operative administrators to provide information according to the needs of their members.

When viewed from the perception of co-operative members, Primkopkar Manunggal services' reliability is good. Still, based on the measurement model results, some dimensions can least influence the participation of Primkopkar Manunggal

members. The survey results in general (Herbig, 2005) and relevant research (Donowuryanto, 2002). Reliability is the most influential.

The Members of the Primkopkar Manunggal Salatiga Co-operative think that the internal process of Primkopkar Manunggal is not decisive to participate. They thought that the most important thing is meeting their needs by utilizing the services. Empathy, responsiveness, and being respected as a member will increase the contribution of co-operative members.

## E. CONCLUSION

From the research above, it can be concluded that the service quality of Primkopkar Manunggal, according to the perception of members, is in the medium category. In general, service reliability, service responsiveness, empathy, physical appearance, and service guarantees are not optimal. The dimensions of empathy and reliability are the most prominent, followed by the dimensions of responsiveness, physical appearance, and service assurance.

From each of the items studied, it appears that the participation of Primkopkar Manunggal members, according to members' opinions, is in the medium category. Member participation as the owner is included in the medium category, and member participation as customers is in the high class.

Service quality also contributes to member participation. Service quality, especially in empathy and responsiveness, has a high effect, followed by physical appearance and the size of certainty, while reliability is the lowest.

Based on the above conclusions, it is suggested to provide training on how to serve the members empathetically and responsive. Primkopkar Manunggal administrators also need to pay attention to co-operatives in terms of their physical appearance because it also affects cooperative members' participation. Finally, it is essential to foster better relations between Primkopkar Manunggal administrators and co-operative members, especially in planning and decision-making. ,

In general, empathy and responsiveness consist of 1) the ease with which members can contact and meet co-operative administrators and administrators if needed, 2) the location of the co-operative which is easily accessible, 3) the ability of the co-operative to meet the needs of each member of the co-operative, the readiness of the co-operative.

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