

# BUSINESS REVIEW

THE EFFECT OF LEADERSHIP CAPABILITY AND COLLECTIVE COMMITMENT WITH PERSONAL VALUE MEDIATION ON COOPERATIVE PERFORMANCE IN LAMONGAN DISTRICT

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#### **ABSTRACT**

**Purpose:** This study aimed to examine the effect of Leadership Capability on cooperative performance, test the impact of Collective Commitment on harmonious performance, test the effect of Leadership Capability on unified performance by mediating personal values, and test the result of Collective Commitment on cooperative performance with moderating personal values. This study learns about leadership capabilities, collective commitment, and personal values on joint performance.

**Design/Methodology/Approach:** The instrument test results with the validity test showed the data was declared valid. The reliability test results show that the sign of construct reliability meets, meaning that each indicator has consistency in measuring the latent variable. This research methodology is a descriptive quantitative research using descriptive analysis and inferential analysis with IBM Amos SEM (Structural Equation Modeling) analysis.

**Findings:** The results of the data analysis show that all indicators are declared valid, and the model evaluation process can be continued. The effects of CFA CL, CC, and PV still have Mark loading factors that have not been met, so the indicators are dropped and re-estimated. The results of the Second Order LC CFA show that the most significant Mark loading factor is found in the LC4 hand, which has the most considerable influence on LC, the CC2 indicator has the most critical effect on CC, the PV2 indicator has the most significant power on PV, the KK3 hand has the most significant impact on the KK. The criteria for the best value of the CL, CC, PV, and KK models have been met to continue. The construct reliability values of CL, CC, PV, and KK indicate that each indicator consistently measures latent variables.

**Research, Practical & Social Implications:** Aspects of organizational evaluation in evaluating the performance of cooperatives are the maintenance of annual member meetings by the provisions, development of business volume, number of members, and total remaining operating results.

**Originality/Value:** The results of the SEM evaluation with the univariate normality test showed an excellent critical skewness ratio value, and the kurtosis indicated by the univariate data was normally distributed. The results of the outlier evaluation show that Mark evennobis is farther away from the chi-square table, meaning that there is no multivariate outlier problem, and the data is feasible to use. The results of the AVE value show that the latent variable already has good convergent validity. The CMIN/DF, RMSEA, and TLI values are by the criteria, and the CFI is good. LC. The results of hypothesis testing affect KK; CC affects KK, and LC has an effect on KK with PV and CC. Mediation does not affect cooperation with PV mediation.

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### O EFEITO DA CAPACIDADE DE LIDERANÇA E DO COMPROMISSO COLETIVO COM A MEDIAÇÃO DE VALORES PESSOAIS NO DESEMPENHO COOPERATIVO NO DISTRITO DE LAMONGAN

#### **RESUMO**

**Objetivo:** Este estudo teve como objetivo examinar o efeito da Capacidade de Liderança no desempenho cooperativo, testar o impacto do Compromisso Coletivo no desempenho harmonioso, testar o efeito da Capacidade de Liderança no desempenho unificado através da mediação de valores pessoais, e testar o resultado do Compromisso Coletivo no desempenho cooperativo com valores pessoais moderadores. Este estudo aprende sobre capacidade de liderança, compromisso coletivo e valores pessoais sobre o desempenho conjunto.

**Projeto/Metodologia/Proteção:** Os resultados do teste de instrumentos com o teste de validade mostraram que os dados foram declarados válidos. Os resultados do teste de confiabilidade mostram que o sinal de confiabilidade da construção se encontra, significando que cada indicador tem consistência na medição da variável latente. Esta metodologia de pesquisa é uma pesquisa quantitativa descritiva usando análise descritiva e análise inferencial com análise SEM (Structural Equation Modeling) da IBM Amos.

**Descobertas:** Os resultados da análise de dados mostram que todos os indicadores são declarados válidos, e o processo de avaliação do modelo pode ser continuado. Os efeitos da CFA CL, CC e PV ainda têm fatores de carga de Mark que não foram cumpridos, portanto os indicadores são descartados e reestimados. Os resultados da Segunda Ordem LC CFA mostram que o fator de carregamento de Marca mais significativo é encontrado no ponteiro LC4, que tem a influência mais considerável sobre LC, o indicador CC2 tem o efeito mais crítico sobre CC, o indicador PV2 tem a potência mais significativa sobre PV, o ponteiro KK3 tem o impacto mais significativo sobre KK. Os critérios para o melhor valor dos modelos CL, CC, PV, e KK foram cumpridos para continuar. Os valores de confiabilidade de construção de CL, CC, PV e KK indicam que cada indicador mede consistentemente as variáveis latentes.

**Pesquisa, Implicações Práticas e Sociais:** Aspectos da avaliação organizacional na avaliação do desempenho das cooperativas são a manutenção das reuniões anuais de membros através das provisões, desenvolvimento do volume de negócios, número de membros e o total de resultados operacionais remanescentes.

**Originalidade/Valor:** Os resultados da avaliação SEM com o teste de normalidade univariada mostraram um excelente valor de skewness crítico, e a curtose indicada pelos dados univariados foi normalmente distribuída. Os resultados da avaliação outlier mostram que Mark evennobis está mais distante da tabela qui-quadrado, o que significa que não há nenhum problema outlier multivariado, e os dados são viáveis de usar. Os resultados do valor do AVE mostram que a variável latente já tem boa validade convergente. Os valores CMIN/DF, RMSEA e TLI são pelos critérios, e o CFI é bom. LC. Os resultados dos testes de hipóteses afetam KK; CC afeta KK, e LC tem um efeito sobre KK com PV e CC. A mediação não afeta a cooperação com a mediação PV.

Palavras-chave: Capacidade de Liderança, Compromisso Coletivo, Valor Pessoal, Desempenho Cooperativo.

### EL EFECTO DE LA CAPACIDAD DE LIDERAZGO Y EL COMPROMISO COLECTIVO CON LA MEDIACIÓN DEL VALOR PERSONAL SOBRE EL RENDIMIENTO DE LAS COOPERATIVAS EN EL DISTRITO DE LAMONGAN

**Propósito:** Este estudio tiene como objetivo examinar el efecto de la Capacidad de Liderazgo en el rendimiento cooperativo, probar el impacto del Compromiso Colectivo en el rendimiento armónico, probar el efecto de la Capacidad de Liderazgo en el rendimiento unificado mediando los valores personales, y probar el resultado del Compromiso Colectivo en el rendimiento cooperativo con valores personales moderadores. Este estudio aprende sobre las capacidades de liderazgo, el compromiso colectivo y los valores personales sobre el rendimiento conjunto.

**Diseño/Metodología/Enfoque:** Los resultados de la prueba del instrumento con la prueba de validez mostraron que los datos fueron declarados válidos. Los resultados de la prueba de fiabilidad muestran que el signo de la fiabilidad del constructo se cumple, lo que significa que cada indicador tiene consistencia en la medición de la variable latente. Esta metodología de investigación es una investigación cuantitativa descriptiva que utiliza el análisis descriptivo y el análisis inferencial con el análisis IBM Amos SEM (Structural Equation Modeling).

**Resultados:** Los resultados del análisis de datos muestran que todos los indicadores se declaran válidos, y se puede continuar con el proceso de evaluación del modelo. Los efectos del CFA CL, CC y PV siguen teniendo factores de carga de la marca que no se han cumplido, por lo que los indicadores se abandonan y se vuelven a estimar. Los resultados del CFA LC de segundo orden muestran que el factor de carga Mark más significativo se encuentra en la mano LC4, que tiene la influencia más considerable sobre LC, el indicador CC2 tiene el efecto más crítico sobre CC, el indicador PV2 tiene el poder más significativo sobre PV, la mano KK3 tiene el impacto más significativo sobre el KK. Los criterios para el mejor valor de los modelos CL, CC, PV y KK se han cumplido

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para continuar. Los valores de fiabilidad del constructo de CL, CC, PV y KK indican que cada indicador mide de forma consistente las variables latentes.

**Implicaciones prácticas, sociales y de investigación:** Los aspectos de la evaluación organizativa para valorar el rendimiento de las cooperativas son el mantenimiento de las reuniones anuales de los socios por parte de las disposiciones, el desarrollo del volumen de negocio, el número de socios y el total de los resultados operativos restantes.

**Originalidad/Valor:** Los resultados de la evaluación SEM con la prueba de normalidad univariante mostraron un excelente valor crítico de la relación de asimetría, y la curtosis indicada por los datos univariantes se distribuyó normalmente. Los resultados de la evaluación de los valores atípicos muestran que Mark evennobis está más alejado de la tabla de chi-cuadrado, lo que significa que no hay ningún problema de valores atípicos multivariados, y que los datos son factibles de utilizar. Los resultados del valor AVE muestran que la variable latente ya tiene una buena validez convergente. Los valores CMIN/DF, RMSEA y TLI están dentro de los criterios, y el CFI es bueno. LC. Los resultados de las pruebas de hipótesis afectan a KK; CC afecta a KK, y LC tiene un efecto sobre KK con PV y CC. La mediación no afecta a la cooperación con la mediación de PV.

Palabras clave: Capacidad de Liderazgo, Compromiso Colectivo, Valor Personal, Rendimiento Cooperativo.

#### INTRODUCTION

In realizing quality cooperatives, the government builds an accurate data system about cooperatives in Indonesia. So that both cooperatives and small and medium enterprises must be able to compete by increasing their competitiveness. This is done as an effort to achieve synergy and harmony between development planning (both long-term, medium-term and annual), so it is very necessary to increase Capability Leadership (leadership ability) that has a strong shared commitment. Cooperatives as economic, social and cultural entities continue to be politicized and intervened so as not to make the cooperatives develop, so that currently there are several cooperatives that do not carry out cooperative principles correctly. In addition, it is also caused by the human resources of cooperative managers who need a shift in view to further improve leadership abilities that are more innovative and able to control subordinates so that organizational goals are achieved.

Based on the online data system data, the number of active cooperatives that held annual member meetings in 2018 was 896 cooperatives. In 2019 there were 742 cooperatives, while in 2020 there were 598 active cooperatives that held annual member meetings. From the data above, it is illustrated that the performance of cooperatives in Lamongan Regency is not optimal. The proportion of cooperatives that hold annual member meetings for active cooperatives in Lamongan Regency in 2018-2020 is shown in the Figure 1.

Figure 1. Proportion of RAT Cooperatives to Active Cooperatives in 2018-2020 In Lamongan Regency

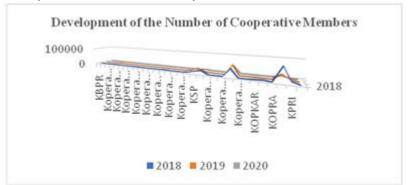


Source: data processed by the author 2021

As can be seen in graph 1, it shows that quantitatively the growth in the number of active cooperatives that have held annual member meetings shows low quality because the number of active cooperatives holding annual member meetings in 2018 is 86.8 percent, in 2019 the percentage is lower, which is 68.7 percent and in 2020 the number of active cooperatives has decreased by 54.2 percent. The decrease in the proportion of cooperatives that hold annual member meetings to active cooperatives can be said to be relatively large. This can be the focus of the government in supervising the development of cooperatives.

The importance of this research is that the performance of cooperatives is more optimal, in the sense that cooperatives in Lamongan Regency as a whole conduct annual member meetings in accordance with those set by the government. In an effort to optimize the performance of cooperatives, it can also be seen from how high the rate of development of the number of cooperative members is increasing, the development of business volumes is increasing every year, so that it can be used as a reference to measure the performance of cooperatives. In measuring the performance of cooperatives, the development of business volume is also used as an indicator. This is because the development of business volume has an impact on the active and inactive cooperatives (Tambunan, 2009). From the results of previous studies, it was found that the factor that most influenced the percentage of the number of inactive cooperatives in Indonesia was the volume of business (Andriani, 2014).

Figure 2. The Development of the Number of Cooperative Members in 2018-2020 in Lamongan Regency

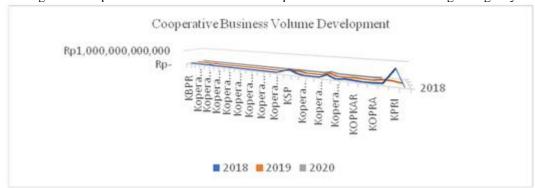


Source: data processed by the author 2021

Figure 2 shows the dynamics of the development of the number of cooperative members experiencing declining growth. In 2018 the number of cooperative members was 191,810 members, then in 2019 it began to experience a downward trend of 123,250. In 2020 the development of the number of cooperative members has decreased by 76,249. The decline in the development of the number of cooperative members shows that the interest of the community in joining cooperatives is getting lower. This means that cooperatives have not been able to present what has become its goal, namely to improve the welfare of members in particular and society in general.

The development of cooperative members can expand the volume of cooperative business because it can increase business capacity. In this study, a graph shows the development of cooperative business volume in Lamongan Regency in 2018-2020 as follows shows in the Figure 3:

Figure 3. Cooperative Business Volume Development in 2018-2020 In Lamongan Regency

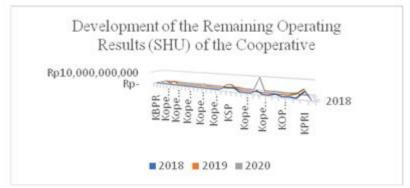


Source: data processed by the author 2021

In Figure 3, it shows the trend of the development of cooperative business volume from 2018 the volume of cooperative business in Lamongan Regency was Rp. 1,790,927,421,624, while in 2019 the volume of cooperative business began to show a declining number, which

was Rp. 535,223,618,426. In 2020 the volume of cooperative business has decreased by approximately 50% from 2019 which was Rp. 258,408,535,983. The decrease in the cooperative's business volume is related to the sale and receipt of goods and services at the cooperative (see Figure 4).

Development of the Remaining Profits of Cooperatives for 2018-2020 In Lamongan Regency



Source: data processed by the author 2021

Figure 4 shows the development of the cooperative's remaining operating income (SHU) which has fluctuated. In 2018 the development of Remaining Operating Results (SHU) reached Rp. 15,978,075,466, while in 2019 it decreased by Rp. Rp 12,951,521,185. In 2020 the level of remaining operating income (SHU) of cooperatives in Lamongan Regency experienced a decreasing trend of Rp 11,173,344,171. The decrease in this figure indicates that there is a decrease in profits or income experienced by cooperatives. According to Law no. 17 of 2012, the remaining operating income is a surplus of operating results or a deficit of operating results obtained from operating results or cooperative income in one financial year after deducting expenses for various operating expenses.

According to Bastian (in Hessel Nogi 2005:175) organizational performance is a description of the level of achievement of the implementation of tasks in an organization in realizing the goals, objectives, vision and mission of the organization. "Performance relates to the assessment of the quality of management and the quality of the implementation of the company's tasks or operations (Setiawan 1988:9). Assessment of performance is a very important thing because the assessment can be used as a measure of the success of an organization within a certain period of time. The assessment can be used as input for improvement or improvement of the performance of the organization concerned, in this case is the performance of cooperatives. Optimizing the performance of cooperatives can be shown by the changes made by organizational leaders with the implementation of annual member meetings continuously every period, increasing the development of the number of members,

business volume and remaining business results for the welfare of members. These changes will have an impact on the effectiveness of the organization.

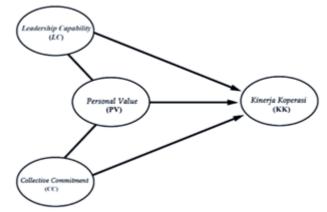
Increasing organizational effectiveness in the field of cooperatives requires Capacity Building, where organizational development is very important to optimize cooperative performance. According to Brown (2001:25) Capacity Building is defined as a process that can improve the ability of a person, an organization or a system to achieve the goals that have been set. According to Grindle (1997:23) suggests that Capacity Building is an effort aimed at developing a strategy to increase efficiency, effectiveness, and responsiveness of performance. The efficiency is in terms of the time and resources needed to achieve the outcome, efficiency in the form of the feasibility of the business carried out for the desired results and responsiveness in how to adjust between needs and abilities. To be able to achieve a competitive advantage, it is very necessary to build capacity at the institutional level.

According to Patrick (2004), suggests that the core development model in capacity building in its framework is Leadership Capability and Commitment. Leadership Capability is the ability of organizational leaders to inspire, prioritize, make decisions, provide direction to people involved in the organization. Based on the condition of cooperatives in Lamongan Regency, cooperative managers are required to shift their views as a leader, where there must be a change of view from a monotonous business view to an innovative and creative business view with high professionalism and integrity in order to adapt to environmental changes in the face of competition in the field of financial services, banking and other business entities. The thing that must be done is to emphasize its attention to improving leadership abilities, the attitude of the leader related to his work so that commitment is needed in the organization (Soeprapto, 2010: 26).

#### LITERATURE REVIEW

In making the conceptual framework of this research, the researcher refers to several concepts, namely management science theory and several scientific journal articles in the context of Capacity Building as well as other relevant sources. The following shows the conceptual framework of this research to clarify the relationship between variables:

Figure 5 Conceptual Framework of Variable Relationships



Data source: processed by the author 2020

#### **Hypothesis Development**

Referring to management science theory and several scientific journal articles in the context of Capacity Building as well as the results of several empirical studies in previous studies presented by several researchers who stated that Leadership Capability (LC), Collective Commitment (CC), Personal Value (PV) had a positive effect on organizational performance and also the findings of inconsistencies in the results of several studies and empirical studies put forward by previous researchers, the researchers developed this research hypothesis as follows:

#### H1: Effect of Leadership Capability (LC) on Cooperative Performance (KK)

The leader's role is to encourage administrators and members to do what the leader wants, because the leader's job is how to make others follow a series of actions to achieve goals. As a decision maker leadership brings new consequences that must be played by a leader. The main function of the leader is to help the organization being led to be more effective and efficient. Therefore, the role of a leader includes being a coach who can provide assistance to his organization to optimize organizational performance.

#### **H2: Effect of Collective Commitment (CC) on Cooperative Performance (KK)**

In organizations, it is very important to identify with the goals and expectations of the organization where they work and try to maintain membership in the organization to realize organizational goals. Organizations of cooperative business entities, cooperative management, are required to have an internal commitment that arises because of a sense of responsibility towards their organization.

## H3: Effect of Leadership Capability (LC) on Cooperative Performance (KK) with Personal Value (PV) mediation.

A leader needs to make a comprehensive plan for the organization and for himself as the person in charge of achieving organizational goals. Leadership is a personality that has influence (leadership as personality and its effects). Values are used as standards to determine whether a person has competence or not, the value in a person will become part of the system. Leadership Capability is related to Personal Value, referring to the definition of Personal Value which is a belief that functions as a standard that directs actions and how to make decisions. These values form the basis of a real leader's behavior through a consistent pattern of behavior and become an internal control for a person, as well as an intellectual and emotional component of a leader. If organizational leaders can motivate or direct themselves to make decisions correctly, the cooperative's performance will be more optimal.

### H4: Effect of Collective Commitment (CC) on Cooperative Performance (KK) with Personal Value (PV) mediation.

The relationship between commitment and personal value is that commitment is seen as important in an organization, because with a high commitment a leader will be professional and uphold the values that have been mutually agreed upon within the organization, the focus of which is on values and attitudes, that is owned by a leader, because without a high commitment possessed by the leader the organization will not be successful. Meanwhile, a distinctive personality is a personality which is something that explains individual traits that distinguish one person from another, as well as commitment. Someone who is highly committed will have different traits and behaviors from someone who is not committed.

#### **RESEARCH METHODS**

The research method is basically a scientific way to obtain data with a specific purpose and use. To achieve the required goals, relevant methods are needed to achieve the desired goals (Sugiyono, 2017). This research is designed to provide solutions and answer problems in problem formulation. This research is testing the hypothesis and then determining the time dimension of the research, determining the data collection used in the empirical model to test the hypothesis using a quantitative approach because this study explains the relationship between variables through hypothesis testing and quantitative positive. Then use the design of the research setting environment. Determining research analysis, research design, measuring variables, sampling methods and designing empirical models.

The population in this study were active cooperatives in Lamongan Regency which were recorded on the online date system (ODS) at the Department of Cooperatives and Small and Medium Enterprises (KUKM) of Lamongan Regency with a total of 1104 cooperatives. In the process of selecting the population based on criteria. There are 506 cooperatives that do not hold annual member meetings. If it is studied further with the consideration that an active cooperative that conducts annual member meetings regularly, it describes the cooperative as having carried out the obligations determined by the government and describes an administratively orderly cooperative so that reporting on the routine implementation of annual member meetings that shows whether the cooperative is active or not, healthy or unhealthy cooperatives, business development, development of the number of members and the development of cooperative SHU are publicly listed in the ODS to determine the condition of the development of cooperatives in each period. Before taking the research sample, the researcher determines in advance the criteria for the cooperative population used in this study, namely active cooperatives that hold annual member meetings. After being selected by the researcher, from these criteria, a number of 598 cooperatives were obtained which were spread in 11 cooperative groups. Considering that the sample of this study is quite large, the researcher uses the Slovin formula in calculating the sample because in sampling, the number must be representative so that the research results can be generalized. According to Husein Umar (2013: 78) explains that to determine the sample size of the population, the Slovin formula is used. This research technique uses probability sampling, which is a sampling technique that provides equal opportunities for each member of the population to be a sample. Sampling of the research population was carried out using a proportional random sampling technique. Furthermore, the selection of the names of cooperatives in the group will be chosen randomly by lottery. The method of drawing research samples is by writing the names of the sample cooperatives on a piece of paper, then the papers are put in a box and drawn (Sekaran and Bougie, 2010), because the research sample used is the performance of cooperatives, the respondents of this study were 240 the chairman of the cooperative which is distributed to each cooperative business entity in the amount of one questionnaire.

#### Validity test

The validity test is the degree of determination between the data that actually occurs in the object of research and the data reported by the researcher. Thus the data does not differ between the data reported by the researcher and the data that actually occurs in the object of research (Sugiyono, 2017). A significant test was carried out by comparing the sig. p < 0.05,

then the question items or indicators are declared valid or suitable for use in data collection. After the calculation is done, then it is compared with the significance value using a level of significance 5%, provided that the value of sig. p < 0.05 then the data is declared valid, otherwise if the value of sig. p > 0.05 then the data is declared invalid.

#### **Reliability Test**

According to Sugiyono, 2017, a data is said to be reliable if two or more researchers in the same object produce the same data, or the same researcher produces the same data at different times, or a group of data when split into two shows no different data. The reliability test used in the study used Cronbach's salpha with SPSS 20. As for the reliability testing criteria, if the results of the alpha coefficient > 0.6 then the questionnaire is reliable, otherwise if the results of the alpha coefficient < 0.6 then the questionnaire is not reliable.

#### **Data Analysis Techniques**

The data analysis technique in this study is to use SEM (Structural Equation Modeling), namely:

#### **Descriptive Statistical Analysis**

The analysis used to provide an empirical description or description of the data collected in the study (Ferdinand, 2006). Descriptive analysis in this study provides an empirical description or description related to the indicator value of each calculated variable, the minimum variable for each indicator, the maximum, and the average of each variable.

#### **Inferential Statistical Analysis**

Inferential analysis in this study uses an analysis of the path diagram approach for SEM (Structural Equation Modeling) IBM AMOS (Analysis of Moment Structures). The steps that must be taken according to (Ghozali, 2011) are as follows:

#### **Structural Model (Full Model)**

It is a multivariate analysis method that can be used to describe the simultaneous linear relationship between indicator variables and latent variables (Prihandini: 2011).

## Convert flowcharts into equations, both structural equations and measurement model equations.

$$PV = P1 LC + P2 CC + e1$$

$$KK = P3 LC + P4 CC + P5 PV + e2$$

Leadership Capability (LC) is measured by six indicators LC1, LC2, LC3, LC4, LC5, LC6 then the equation of the measurement model is::

LC1 = 
$$\beta$$
1 LC + e1, LC2 =  $\beta$ 2 LC + e2, LC3 =  $\beta$ 3 LC + e3, LC4 =  $\beta$ 4 LC + e4, LC=  $\beta$ 5 LC + e5, LC6 =  $\beta$ 6 LC + e6

Collective Commitment (CC) measured by five indicators CC1, CC2, CC3, CC4, CC5, CC6, CC7 then the equation of the measurement model is:

CC1 = 
$$\beta$$
1 CC + e1, CC2 =  $\beta$ 2 CC + e2, CC3 =  $\beta$ 3 CC + e3, CC4 =  $\beta$ 4 CC + e4, CC5 =  $\beta$ 5 CC + e5, CC6 =  $\beta$ 6 CC + e5, CC7 =  $\beta$ 7 CC + e5

*Personal Value (PV)* measured by eight indicators PV1, PV2, PV3, PV4, PV5, PV6, PV7, PV8 then the equation of the measurement model is:

$$PV1 = \beta 4PV + e1$$
,  $PV2 = \beta 4 PV + e2$ ,  $PV3 = \beta 4 PV + e3$ ,  $PV4 = \beta 4 PV + e4$ ,  $PV5 = \beta 4 PV + e5$ ,  $PV6 = \beta 4 PV + e6$ ,  $PV7 = \beta 4 PV + e7$ ,  $PV8 = \beta 4 PV + e8$ 

Cooperative performance (KK) is measured by four indicators, KK1, KK2, KK3, KK4, then the equation of the measurement model is:

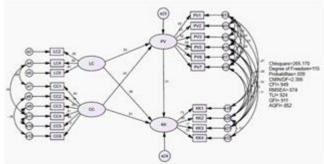
$$KK1 = \beta 1 KK + e1, KK2 = \beta 2 KK + e2, KK3 = \beta 3 KK + e3, KK4 = \beta 4 KK + e4$$

#### **DISCUSSION**

Goodness-of-fit-Model Test after Model Modification

Testing using the SEM model is carried out in stages. If the right model (fit) has not been obtained, then the original proposed model needs to be revised. The need for revision of the SEM model arises from the problems that arise from the analysis. The results of the study show the results of the SEM model that has been modified to form a good model. Analysis of the results of data processing at the full stage of the SEM model was carried out by conducting a suitability test and statistical test.

Figure 6- Structural Model Test with model modification



The results of the structural model test in Figure 5.10 show a chi-square of 265,170 and a degree of freedom of 115. While in table 5.33 it shows that the values of CMIN/DF, RMSEA and TLI are in accordance with the criteria and the CFI is good. Although the AGFI value is at a marginal value (good enough), according to Hair et al., (1998: 623), the AGFI value is close to the recommended value, so the model is still feasible to continue. This means that the model is fit and suitable for use. The results of the Goodness-of-fit test of the Modified Model can be shown as follows:

Table 1 Goodness-of-fit Test Results from Modified Model

GOF size	Critical value	Results	Model Fit to Data
Chi-square	Close to zero	265.170	Poor Fit
Probability Level	≥ 0.05	0.000	Poor Fit
CMIN/DF	< 2.00	2.306	Acceptable Fit
CFI	≥ 0.95	0.949	Good Fit
RMSEA	≤ 0.08	0.074	Good Fit
TLI	≥ 0.90	0.924	Good Fit
GFI	≥ 0.90	0.911	Good Fit
AGFI	≥ 0.90	0.852	Marginal Fit

Data source: processed by the author

The results in table 21 above show that the model used is acceptable. The TLI value of 0.924 indicates a good structural equation model. The RSMEA measurement index is in the expected range of 0.074. From several model feasibility tests, the model is said to be feasible if at least one of the model feasibility test methods is met (Hair et al., 1998 in Haryono et al., 2012). In an empirical study, a researcher is not required to meet all the goodness of fit criteria, but it depends on the judgment of each researcher.

The Chi-square price in this observe was 265,170. Joreskog and Sobron in Haryono (2012) stated that the Chi-square can not be used as the handiest measure of the overall suit of the model, one of the motives is due to the fact the chi-rectangular is touchy to pattern length. when the pattern length increases, the chi-square fee will even growth and result in model

rejection despite the fact that the cost of the difference among the sample covariance matrix and the version covariance matrix is minimum or small.

Chi rectangular is likewise closely related to the value of the diploma of freedom, if the diploma of freedom is more then it's going to have an effect on the value of Chi rectangular. The fee of the degree of freedom inside the examine is quite big, specifically 115 so that it influences the price of chi square. From the effects of the version output in table 5.33 for the model suitability check criteria, numerous standards are at marginal values. The marginal price is the condition of the suitability of the size model below the criteria for absolute match and incremental in shape, however it can still be continued in further analysis due to the fact it's far near the goodness of healthy standards (Seguro, 2008 in Fitriyana et al., 2013).

#### **Hypothesis Testing Analysis Results**

For the assessment of hypothesis 1 and hypothesis 2, the criteria for the significance of the Critical Ratio (CR) and P-Value values are used with the provision that if the Critical Ratio (CR) > 1.96 and P-Value < 0.05, then H1 and H2 are accepted, it means that Leadership Capability (LC) and Collective Commitment (CC) have a significant effect on Cooperative Performance (KK) and vice versa if the value of Critical Ratio (CR) < 1.96 and P-Value> 0.05 then the hypothesis is rejected, meaning Leadership Capability (LC) and Collective Commitment (CC) have no significant effect on Cooperative Performance (KK).

For the assessment of hypothesis 3 and hypothesis 4, the mediation test criteria (Sobel test), the mediation variable is tested with the criteria if z > 1.96 (absolute z value standard), then there is a mediating effect of the Personal Value (PV) variable between Leadership Capability (LC) ) on the Performance of Cooperatives (KK), then hypothesis 3 is accepted. Meanwhile, if z > 1.96 (standard absolute z value) then there is a mediating effect of Personal Value (PV) between Collective Commitment (CC) on cooperative performance (KK), then hypothesis 4 is accepted. Conversely, if z < 1.96 (standard absolute z value), then there is no mediating effect of the Personal Value (PV) variable between Leadership Capability (LC) on cooperative performance (KK), then hypothesis 3 is rejected, whereas if z < 1, 96 (standard absolute z value) then there is no mediating effect of Personal Value (PV) between Collective Commitment (CC) on Cooperative Performance (KK), so hypothesis 4 is rejected.

The goodness of healthy standards of the envisioned structural version can be met, then the following step is the analysis of the structural model dating (hypothesis testing) as proven in determine five.4 previously. the connection between constructs in the speculation is proven by the value of regression weights (Hair et al., 1998 in Haryono and Hastjarjo, 2010). To

investigate more truely the structural version in this examine, the results of the calculation of the regression weight and standardized regressionweight model of the structural equation are shown in table 2 as follows:

Table 2 Regression Weights Direct Effect

Hipotesis	Variable Relationship Latent	Estimate	S.E.	P-value
1	LC> PV	0.876	0.094	0.000**
2	LC> KK	0.601	0.164	0.000**
3	CC> PV	0.300	0.065	0.000**
4	CC> KK	0.308	0.085	0.000**
5	PV> KK	0.316	0.155	0.042**

Note: \*\* = Significant if p-value < alpha (5%)

### Based on the table above shows the hypothesis testing through the regression weight test, it can be explained the direct effect as follows:

#### The Effect of Leadership Capability on Cooperative Performance

The estimation results of the Capability Leadership variable parameter on the performance of cooperatives show significant results with a significance level (P-value) of 0.000 (smaller than 5%). While the influence coefficient value shows 0.601 (positive), meaning that the higher the Leadership Capability variable (leadership ability). ) the more optimal the performance of the Cooperative. Thus, hypothesis 1 which states that Leadership Capability has a significant effect on Cooperative Performance in Lamongan Regency. This implies that to optimize the performance of cooperatives, it can be done to improve leadership abilities better.

#### The Effect of Collective Commitment on Cooperative Performance

The estimation results of the Collective Commitment variable parameter on Cooperative Performance show significant results with a significance level (P-value) of 0.000 (less than 5%). While the coefficient of influence shows 0.308 (positive), meaning that the higher the Collective Commitment, the more optimal the performance of the Cooperative. Thus, hypothesis 2 which states that Collective Commitment has a significant effect on Cooperative Performance in Lamongan Regency. This implies that the higher the joint commitment of the chairman of the cooperative, the more optimal the performance of the cooperative.

The measurement results of standardized Indirect Effect-Estimates on LC, CC, PV and KK variables can be shown in the following table:

berikut:

Table 3 Standardized Indirect Effects – Estimates

	LC	CC
PV		
KK	0.256	0.074

Data source: processed by the author

The measurement results in table 3 show that the indirect effect of the Leadearship Capability variable on the Cooperative Performance variable is 0.256, while the indirect effect of the Collective Commitment variable on the Cooperative Performance variable is 0.074. While the value of standardized total effect \_estimate variables LC, CC, PV and KK are shown in table 24 as follows:

Table 4 Standardized Total Effect – Estimates LC, CC, PV dan KK

	LC	CC	PV	
PV	0.836	0.243		
KK	0.812	0.316	0.306	

Data source: processed by the author Table 21 shows that the Total Effect is the result of the sum of the direct and indirect effects of a variable. Based on the measurement results above, it shows that

### The Effect of Leadership Capability on Cooperative Performance by Mediation of Personal Value

Table 5 -Sobel Test Statistics calculation results

	Input:		Test statistic:	Std. Error:	p-value:
a	0.876	Sobel test:	1.99160901	0.13899114	0.04641397
Ь	0.316	Aroian test:	1.98075582	0.13975271	0.04761866
sa	0.094	Goodman test:	2.00264259	0.13822536	0.04521566
sb	0.155	Reset all	Calculate		

Table 5 explains the results of the Sobel test calculation regarding the effect of Leadership Capability on cooperative performance, with a sign value of 0.046 < 0.05. This shows that Leadership Capability will be able to optimize cooperative performance through Personal Value. In other words, the presence of high Leadership Capability who is able to communicate well, be able to control subordinates, be responsible will influence a leader to have high personal values who are able to direct and motivate themselves to be able to determine the correct and appropriate policies to manage cooperatives so that impact on more optimal cooperative performance.

### The Effect of Collective Commitment on Cooperative Performance by Mediation of Personal Value

Table 6 Sobel Test Statistics calculation results

	Input:		Test statistic:	Std. Error:	p-value:
а	0.300	Sobel test:	1.86487696	0.05083445	0.06219865
Ь	0.316	Aroian test:	1.82929545	0.05182323	0.06735536
sa	0.065	Goodman test:	1.90261894	0.04982606	0.05709029
s <sub>b</sub>	0.155	Reset all	Calculate		

Table 6 explains the results of the Sobel test calculation regarding the effect of Collective Commitment on cooperative performance, with a sign value of 0.062 > 0.05. It can be said that Collective Commitment in cooperatives so far has no significant effect on the performance of cooperatives in Lamongan Regency through personal value.

#### RESEARCH IMPLICATIONS

#### **Theory Implications**

The theoretical implications in this research are expected to be used as material for the development of human resource management science and organizational behavior regarding Capacity Building (capacity building) in an organization. especially those related to elements of organizational capacity for optimizing the performance of cooperatives in Lamongan Regency.

#### **Practical Implications**

The practical implication in this study is that the performance of cooperatives in Lamongan Regency can be optimized through Leadership Capability, Collective Commitment, but by using Personal Value, Leadership Capability mediation which has a higher impact on optimizing cooperative performance. Efforts that can optimize the performance of cooperatives, especially cooperatives in Lamongan district, the ability of the chairman of the cooperative must always be sharpened more competently every period. because the Leadership Capability aspect is an important aspect that needs to be considered by the chairman of the cooperative who is responsible for managing the cooperative in every activity which is also supported by Collective Commitment and Personal Value in optimizing cooperative performance. This means that practically, the results of this study can be used as input in the application of increasing leadership abilities, especially applied to cooperative business entities that should have reliable leaders who are able to manage cooperatives well, all parties who are stakeholders

in cooperatives have a shared commitment to business development. cooperatives with high personal values to achieve the expected cooperative performance.

#### LIMITATIONS OF THE RESEARCH.

The limitations in this study can be described as follows:

- 1. This study has not been able to fully explain the factors that can affect the performance of cooperatives in Lamongan Regency. there are many other variables that if able to contribute in optimizing the performance of cooperatives.
- 2. This study did not classify respondents from each cooperative. This study was not carried out by observing the overall chairman of the cooperative in Lamongan Regency but researchers limited it to using respondents only in cooperatives that were active and which held annual member meetings in Lamongan Regency as the object of research as many as 240 respondents, each 1 respondent in each cooperative.
- 3. This study uses indicators of cooperative performance that are different from previous research, which does not involve financial performance but uses a qualitative assessment point of view including regular RAT implementation, business volume development, number of members development and remaining business results development.

#### **CONCLUSION**

Based on the results of the analysis and discussion that have been put forward in the previous chapter, the conclusions in this study that can be given in connection with the results of the analysis are as follows:

- 1. The results of the analysis in this study indicate that Leadership Capability has a significant effect on cooperative performance. After testing the hypothesis, it was found that Leadership Capability has a significant influence on the performance of cooperatives in Lamongan Regency, meaning that Leadership Capability can have a real influence in optimizing cooperative performance. The chairman of the cooperative as the leader of the business entity must be responsible for the policies and decisions taken so that the cooperative's performance is more optimal, so that from the results of the analysis in this study the first hypothesis (H1) is accepted.
- 2. The results of the analysis in this study found that Collective Commitment has a significant effect on the performance of cooperatives in Lamongan Regency. means that Collective Commitment can have a real influence in optimizing the performance of

cooperatives. The chairman of the cooperative together with other management and cooperative members, is able to commit to doing together because without a strong commitment the performance of the cooperative will not be able to move forward more optimally, so that from the results of the analysis carried out in this study the second hypothesis testing (H2) was accepted.

- 3. The results of the analysis of the mediation test in this study regarding the influence of Leadership Capability on the performance of cooperatives by mediating personal values. After testing the hypothesis, it was found that Leadership Capability had a significant effect on cooperative performance with personal value mediation, so that in this study the third hypothesis (H3) was accepted.
- 4. The results of the analysis of the mediation test in this study indicate that Collective Commitment affects the performance of cooperatives with personal value mediation. After testing the hypothesis, it was found that the Collective Commitment did not have a significant effect on the performance of cooperatives with personal value mediation, so that in this study the fourth hypothesis (H4) was rejected.

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