

## Research Paper

# Investigating the Effective Factors on the Success of Village Governments' Cooperative Companies in Counties of Buin Miandasht, Fereydan and Fereydonshahr

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## ABSTRACT

Appropriate functioning of the cooperatives in developed countries significantly contributes to the development of rural areas. Village governments cooperative and appropriate given that the objectives had been achieved successes, but also problems are. The purpose of this study was to investigate factors affecting the success of village government cooperative at the county of Buin Miandasht, Fereiden, and Feridonshahr (3 co-ops) in the Isfahan province and compare views on the factors affecting the board of cooperative and members about success rate of effectiveness is one of the factors. The study consisted of all members and the cooperative elements of county Buin Miandasht, Fereiden and Feridonshahr (N=91) who were studied census. Library and field methods needed information is collected and analyzed have been using the software SPSS22. Reliability was assessed using Cronbach's alpha and the 0.861 respectively. Validity of the opinion of the board of management and the development of agricultural cooperatives and professors of Tehran University were studied. Agricultural development and management faculty members of Tehran University were studied. For comparison comments pillars of cooperative members and mann-whitney test was used to identify factors affecting the success of logistic regression was used. The results showed that in general, four factors (participation, management, motivation and organizational structure) affect the success of cooperatives studied but in the meantime the effects of participation and a greater influence on success than any other factor studied in village governments county cooperative.

### Keywords:

Village governments cooperative, Success, Counties Buin Miandasht and Fereiden and Feridonshahr

## Extended Abstract

### 1. Introduction

**D**ehyares cooperatives were established in different rural regions of Iran with the objective to generate more job opportunities and meet the social, economic and cultural needs of the people, thus aiding in the faster development

of the villages in those regions. Although village governments' cooperative companies have appropriate participatory objectives and management and achieved some crucial goals, they still have some problems too. They were established in villages to create more jobs and services in social, economic, and cultural fields. The formation of cooperative companies can help and boost the development of villages. This study aimed to analyze the effective factors on the success of cooperative companies of village governments in

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counties of Buin and Miandasht and Fereydan in Isfahan Province. The experience of developed countries shows that cooperatives are the most successful organizations which use the scattered sources, adjust and fix prices, and ultimately provide the welfare of producers and consumers. The aim of this study is to analyze the factors affecting the success of cooperative branches of village governors in the counties of Buin Miandasht, Fereiden, and Feridonshahr in the Isfahan province.

## 2. Methodology

The study population of this survey included all the members of cooperative companies of village governments in the county of Buin va Miandasht, Fereydan and Fereydonshahr in Isfahan province (N=91) which has been studied by census. The statistical population of this survey included all members of cooperative companies of village governments in counties of Buin va Miandasht, Fereydan, and Fereydonshahr in Isfahan Province (N=91), which were studied by census. The required information was collected by field and library studies and the obtained data were analyzed by SPSS version 22. The reliability of this questionnaire was determined by Cronbach  $\alpha$  and obtained as 0.81. The validity of the questionnaire was approved by the cooperative board members and professors of department of Management and Rural Development, Tehran University. For data analysis, the Mann-Whitney test was used to compare opinions and also logistic regression was used to predict the effective factors on success. The data thus obtained were analyzed by using SPSS (Statistical package for social sciences) software, version 22. The reliability of this questionnaire was analyzed by Cronbach's alpha which was 0.81 indicating good reliability. The validity of the questionnaire was analyzed by the opinion of the board of directors of cooperative companies and the professors of the management and the agricultural development group of the Tehran University. For comparing the different opinions of members of cooperatives Mann-Whitney test was performed. Logistic regression analysis was used for predicting the effective factors for the success.

## 3. Results

Average pillars of the knowledge and participation of the cooperative members, which is more than can be concluded that the pillars of this factor members, and the average organs and members of both the variable "cooperative partnership success village governments" above is the other variables and no significant difference in terms of Mann-Whitney test. Their origins can be concluded that this variable is the Mann-Whitney of other variables have on the success of the cooperative; The variables "collaboration of village governments funding for educational programs, cultural activities

and knowledge to inform members of the cooperative, a bank specialized in the protection of the Companies" were not significant. In the organizational structure of the pillars is the average members and average variable members, cooperative capital "is the average of the pillars above the other variables in the variable" given the dependence on a specific organization (the ministry of interior, ministry of cooperation) which is higher than other variables in the variables in the different views of the members and elements using Mann-Whitney at the level of 99% is significant. But in the variables "being cooperative in the county and the governor's building, uncertainty and lack of transparency of the rules and regulations of the cooperative sector, the quota of credits to cooperatives in the budget law, the quota of credits to cooperatives in the budget law" is not significant. And the Mann-Whitney test in terms of the pillars and the views of member states on the level of 95% is significant, but in the variables "being cooperative in the county and the governor's building, uncertainty and lack of transparency of the rules and regulations of the cooperative sector, the quota of credits to cooperatives in the budget laws, the quota of credits to cooperatives in the budget law" is not significant.

## 4. Discussion

Average opinion pillars with regard to participation factor and cooperative's knowledge is higher than that of each member, therefore, pillars have considered this factor important. Also, the average of pillars and members both were higher with regard to the variable of "village governments cooperate and participation in cooperative success" and according to Mann-Whitney test, there was no significant difference. Thus, this variable is the most important factor in cooperative success, and according to Mann-Whitney test, opinion of members and pillars had a significant difference. Variables of "village governments' cooperate and participation," "credibility for educational programs," "cultural activities for informing knowledge of members," "existence of a specialized bank for the protection of these companies" did not show any significant differences. With regard to the organizational structure, average opinion of pillars is higher than that of members and average opinion of members with regard to the variable of "primary capital of the cooperative" is higher than average values of other variables. Furthermore, the pillars opinion about the variable of "is identified and dependence on a specific organization (the Ministry of Interior, Ministry of Cooperation)" which is higher than other variables. Regarding these variables, different views of members and pillars have significant differences according to the Mann-Whitney test at the level of 99%. However, with regard to the variables of "being cooperative in the governor's building," "lack of transparency of the rules and regulations

of the cooperative sector," "the share of credits to cooperatives in the budget law," "the quota of credits to cooperatives in the budget law" no significant differences were observed. Also, the Mann-Whitney test was significant in terms of the pillars and the views of members at the level of 95%, but showed no significant differences with regard to the variables of "being cooperative in the county and the governor's building," "uncertainty and lack of transparency of the rules and regulations of the cooperative sector," and "the share of credits to cooperatives in the budget laws."

In general, the results of logistic regression show that 4 factors (participation and principles of cooperation, management, motivation factors, and organizational structure) were effective on the success, but the effect of "participation and principles of cooperation" was more than the other factors. Mann-Whitney test results showed that the difference between the views of the members and pillars in these factors had significant differences.

## 5. Conclusion

The creation and development of village governments' cooperative companies is a positive step in rural development. An important reason for the success of human participation activities, considering that the cooperative creates partnership, so it acceptable that one of the most important success factors is participation of members of the cooperative. If corporate bureaucracy increases, it negatively impacts other factors such as participation. Appropriate management of cooperatives is very important, because with a proper management it can also improve other factors, and creates a synergy. The next factor was organizational structure that has negative impact. The model showed that the effect of the union bureaucracy is increasing.