

Research Paper

Identifying and Prioritizing the Factors Affecting the Development of Cooperative Companies Using Mixed Methods in Sarab County

*Ghasem Zarei¹, Hamed Tarighat Mehrbani²

1. Associate Professor, Department of Business Management, Faculty of Humanities, University of Mohaghegh Ardabili, Ardabil, Iran.
2. M.c. Student, Department of Management, Faculty of Humanities, Sarab branch of Islamic Azad University, Sarab, Iran.



Citation: Zarei, Gh., & Tarighat Mehrbani, H. (2020). [Identifying and Prioritizing the Factors Affecting the Development of Cooperative Companies Using Mixed Methods in Sarab County (Persian)]. *Journal of Rural Research*, 11(1), 158-169, <http://dx.doi.org/10.22059/jrur.2019.286938.1390>

doi: <http://dx.doi.org/10.22059/jrur.2019.286938.1390>

Received: 07 Aug. 2019
Accepted: 14 Dec. 2019

ABSTRACT

Given the importance of the cooperative sector in the Iranian economy, from the perspective of its theoretical foundations and potential capabilities, the effective factors and ways of activating this capacity have become increasingly important. Co-operatives can be an appropriate lever for economic development that, along with government policies, are effective in improving the living and working conditions, production, and improvement of income and social status of the people. To achieve this goal, a mixed method research was used. Thus, in the first phase of the study, using unstructured and semi-structured interviews with managing directors and Board of Directors of cooperative companies in Sarab, Iran, as well as experts and using the qualitative grounded theory, the factors affecting the development of cooperative companies were identified. According to the results of grounded theory, management, organizational, economic, socio-cultural, legal, marketing, and educational factors are effective in the development of rural cooperatives. Co-operatives should, therefore, have the necessary planning in mind when selecting appropriate managers for co-operatives to enhance managerial factors. Based on the results, economic, legal, cultural-social, marketing and educational factors are in the next influential ones and rural cooperative planners should consider these factors in cooperatives and use these factors to develop rural cooperatives.

Key words:

Rural Cooperative,
Factors Affecting
Development,
Grounded Theory,
Mixed Method

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Extended Abstract

1. Introduction

Given the importance of the cooperative sector in the Iranian economy, from the perspective of its theoretical founda-

tions and potential capabilities, the effective factors and ways of activating this capacity have become increasingly important. Co-operatives can be an appropriate lever for economic development, which, along with government policies, are effective in improving the living and working conditions and production, and improving the income and social status of the people. Previous studies indicate that

* Corresponding Author:

Ghasem Zarei, PhD

Address: Department of Business Management, Faculty of Humanities, University of Mohaghegh Ardabili, Ardabil, Iran.

Tel: +98 (45) 33513851

E-mail: info@drz.ir

rural cooperatives in Iran are in poor conditions. Despite the scattered research on the success factors of cooperatives, no comprehensive, in-depth and qualitative study examining the factors affecting the development of rural cooperatives and accurately identifying these factors was found and it seems that theoretical foundations are insufficient in understanding the factors that influence the development of cooperatives. So the main objective of this research is to identify and prioritize the factors affecting the development of rural cooperatives.

2. Methodology

To achieve this goal, a mixed method research was used. Thus, in the first stage, using unstructured and semi-structured interviews with managing directors and the Board of Directors of cooperative companies in *Sarab* as well as experts and using the qualitative grounded theory, the factors affecting the development of cooperative companies were identified. Targeted sampling was used to select the samples in the qualitative stage and the interviews continued until theoretical saturation was achieved, with a sample number of 14 people. The results of interviews were reviewed again, a diversity of interviewees were selected, as well as by setting the interview questions without bias. The interviewer did not intervene in the conversation as much as possible reducing bias to a minimum. To increase reliability, detailed notes and coding by several individuals were also used.

In the second stage, a questionnaire was distributed among 76 managers and board members of rural cooperatives in *Sarab*, who were selected by random sampling method. Then, to prioritize the factors affecting the development and promotion of rural cooperatives, the hierarchical analysis method of AHP Fuzzy Chang was used. In the second step, experts' views were used to increase the validity and Cronbach's alpha coefficient was used to assess reliability of the questionnaire. The coefficient of all indices as well as the overall coefficient of the questionnaire (0.876) was higher than 0.7 and thus reliability of the questionnaire was confirmed.

3. Results

Based on the results of open coding in the Grounded Theory approach with respect to the 41 key words identified, 41 level 1 codes were identified and extracted. Subsequently, the selective coding stage was carried out. According to the results of grounded theory, managerial, organizational, economic, cultural-social, legal, marketing, and educational factors are effective in the development of rural cooperatives.

After the qualitative phase, a questionnaire containing the identified indices was distributed to the statistical sample and after gathering the data of paired factor comparisons questionnaire, Fuzzy AHP method was used to convert linguistic variables to fuzzy numbers. Afterwards, different calculations were performed on the data to finally prioritize the identified factors based on the fuzzy AHP method.

The prioritization of the influential factors in the development of cooperatives showed that organizational factors with a score of 0.235 had the highest importance and managerial, economic, legal, socio-cultural, marketing and educational factors were, respectively, in the next priorities.

4. Discussion

According to the results of the study, organizational factors have the greatest impact on the development of rural cooperatives. Given this impact, cooperative managers as well as influential policymakers are suggested to take the aforementioned organizational factors into account and start cooperative self-development. Based on the findings, managerial factors had the second influential factor in the development of rural cooperatives. Based on cooperative managers' work experience and skills, self-confidence and confidence in co-operative managers, co-operative creativity and innovation, enhancing co-operative managers' authority over member supervision, encouraging the development of entrepreneurial spirit, and enhancing co-operative creativity, strengthening the commitment and accountability of members, and creating incentives to increase cooperative participation by members play a vital role in the development of cooperatives.

5. Conclusion

Co-operatives should, therefore, have the necessary planning mindset when selecting appropriate managers for co-operatives to enhance managerial factors. Based on the results, economic, legal, cultural-social, marketing and educational factors are in the next rank, rural cooperative planners should consider these factors in cooperatives and use these factors to develop rural cooperatives.

Acknowledgments

This research did not receive any specific grant from funding agencies in the public, commercial, or not-for-profit sectors.

Conflict of Interest

The authors declared no conflicts of interest