Factors Influencing Members' Economic Satisfaction In Cooperatives: The Case Of Oromia Coffee Farmer Cooperative Union In Oromia Regional State Of Ethiopia

ABDULAZIZ ABDELLA ALI [1]
Ph. D. student at Andhra University's Department of Commerce and Management Studies in Andhra Pradesh, India.

Dr. C.V. KANNAJI RAO[2]
Professor at Andhra University's Department of Commerce and Management Studies in Andhra Pradesh, India.

Dr. JALADI RAVI[3]
Professor at Andhra University's Department of Commerce and Management Studies in Andhra Pradesh, India.

Abstract

The primary goal of this study is to identify the factors that influence members' economic satisfaction within their cooperatives. The study used trust, information sharing, opportunistic behavior, and member participation as that of independent variables and members' economic satisfaction as the dependent variable. Further, the study used members' participation as an interaction effect that curbs cooperatives' opportunistic acts. Data for this study were collected using an interview schedule administered to a sample of 350 individual farmer members of primary cooperatives in the study area and analyzed using descriptive and inferential statistics such as mean, standard deviation, correlation, and multiple regression using SPSS Version 26 to answer the research questions. Findings of this study showed that opportunistic behavior in cooperatives makes the cooperative members to loss trust in their cooperatives and decrease participation and satisfaction among sampled members. The result of regression revealed that cooperatives trust and information sharing has a positive and significant association with members' satisfaction while opportunistic behavior of cooperatives has a negative influence on members' satisfaction. The negative relationship between cooperative opportunistic behavior and member satisfaction, on the other hand, is curbed by a high level of member participation. To reduce the negative effect of cooperative opportunism, primary cooperatives, and the union should encourage high levels of trust and information sharing, as well as increase, the participation of members in cooperative affairs.

1. Introduction

Coffee is a valuable commodity that is grown in almost all non-arid tropical countries, and it is the world's second most traded commodity after petroleum. Over 50 countries produce significant amounts of coffee; for many of these countries, coffee exports are critical for their country's foreign exchange earnings and balance of payments (Cherkos and Yetsedaw, 2018). Another distinguishing feature is that almost all coffee is grown in developing countries. However, the majority of consumption occurs in developed countries, of which the United States and Brazil are ranked first and second in terms of having large coffee consumers. Coffee is an important development enabler for generating financial returns in developing economies. Because coffee production and harvesting require a lot of labor, it provides a significant amount of rural employment opportunities for both men and women (Berhe etal, 2013).

There are 25 countries that produce coffee in Africa, with Uganda, Tanzania, Ethiopia, Kenya, Côte d'Ivoire, Rwanda, the Democratic Republic of the Congo, Cameroon, Burundi, and Guinea being the top producers. Ethiopia is Africa's largest coffee producer and exporter, followed by the Ivory Coast and Uganda in terms of annual production, and ranks fifth globally after Brazil, Vietnam, Colombia, and Indonesia, accounting for approximately 5% of the world's total coffee production (Tefera etal., 2016). According to ten years of Ethiopian coffee and tea Authority (ECTA) export performance data, coffee is the most important cash crop in terms of revenue generated from foreign markets; it is the leading crop, accounting for 35% of the country's total export revenues, and it allows the country to earn 1.4 billion dollars in 2022. This signifies that as this product is very important for the national economy and small-scale coffee producers who produce coffee as a cash crop for generating income. Ethiopia has an estimated 5.27 million small-scale coffee grower households with many dependents that produce 95% of total country coffee production on less than two hectare of coffee farm owned individually (Gemechu and Struthers, 2007).

Although, coffee has great contribution to the Ethiopian national economy since it covers 10% of the government total revenue. However, coffee growers in Ethiopia are unable to reap the benefits of their product because the middlemen exploit the majority of their profits. As study conducted by Woraka and Alemu etal., (2008) shows coffee growers in Ethiopia receiving between 30% and 45% of its product export price at free-on board (FOB) price while other competitor countries like Brazil,

Colombia, India and Kenya coffee growers are receiving above 80% of their coffee export price at FOB. Besides this, when the coffee price in the international market decreases the coffee producers in Ethiopia faces difficulty to buy consumed good, buy clothes, sending their children to school and getting medication, etc (Oxfam, 2002). These and other problems for coffee producers affected farmers' interest to exert their effort in the production of coffee instead they started to find other cash crops like khat (Catha edulis), Fruit and Vegetables, etc (ibid). Additionally, the impressive problem that coffee producers in Ethiopia faces are not only caused by the international market but also a lack of local market accesses that make better improvement to their income.

In addition to the above problem free market economy also become challenge for coffee growers in Ethiopia since a lot of private traders entered the business with their opportunistic behavior, now a day more than 974 private coffee exporter exists in the Ethiopian coffee business so this type of situation put small scale coffee farmers at a disadvantage who have limited bargaining power, capacity, and skills when compared to well-experienced traders (ECTA, 2022). To compete with a liberalized country coffee marketing system, this marginalized group of people has selected to work collectively through cooperative associations to gain access to their strong bargaining power, and ability to pool their resources. The Ethiopian government took the initiative to establish Coffee Farmers Cooperative Unions by issuing various proclamations, including Proclamation No. 147/1998 and Proclamation No. 985/2016, in order to assist disadvantaged coffee producers who lacked business knowledge and logistic services to compete with commercial buyers in the coffee marketing business. Based on the issued proclamations the first union established in Ethiopia was the Oromia Coffee Producers Cooperatives Union (OCFCU), which was established on June 1999 to overcome the coffee marketing problem of coffee producer cooperatives in Oromia regional state by small-scale primary cooperatives which lack the ability to stand with commercial buyers before this cooperative union is in acted (Tigist, 2006). Today, OCFCU represents above 405 primary coffee cooperative societies and over 400,000 small-scale coffee farmer members. OCFCU collects and exports approximately 26,000 tons of premium organic Arabica coffee beans each year, 95% of which are washed (ECTA, 2022).

Taking the aforesaid progress and performance of OCFCU into account, this study evaluated whether farmer members of coffee cooperatives under OCFCU are satisfied with the services provided by their cooperatives. Economic satisfaction of members is a key factor in cooperative business

performance and guarantees future business success since in the cooperatives form of business members are the owner, controllers, users, and beneficiaries in its formation so cooperatives business is owned and run by their members. In the cooperatives association, there are no cooperative members that do business against other members according to the seven basic principles on which cooperatives are established. The economic satisfaction of cooperative members is determined by various factors in a cooperative business as a study conducted by (Chao, 2014) suggests that cooperatives' trust, opportunistic behavior, and information sharing are among those factors that are used to measure the performance of a cooperatives business. Satisfaction influences members' desire to remain, cooperative members, as well as their supplier-buyer relationship, both of which are required for the cooperative to survive as an effective organization (Hernández-Espallardo etal., 2013). According to Kodama (2009), the role of cooperatives in promoting business is not only focused on profit, but also on the needs of their members. The success of cooperative businesses will be largely dependent on the satisfaction of its members with the caliber of services provided by their cooperatives. As a result, the likelihood of the cooperative's business succeeding depends heavily on how satisfied its members are with it. Therefore, member satisfaction is regarded as a crucial indicator of a cooperative's ability to succeed in business.

Based on the above facts, knowing what factors determine cooperatives members' economic satisfaction with their cooperative is needed in order to identify the areas that need improvement for a cooperative business to succeed. The objective of this study is to address the above-mentioned gaps by analyzing the factors of members' economic satisfaction with their first-level cooperative societies in the Oromia Coffee Producers Cooperatives Union (OCFCU) in Ethiopia's Oromia regional state. This study was conducted using the theoretical frameworks of agency theory, relational contracting theory, and transaction cost analysis, and it addressed the following research questions:

- What factors influence cooperative members' economic satisfaction?
- How does members' participation regulate the effect of cooperative opportunistic behavior on members' economic satisfaction?

2. THEORETICAL AND EMPIRICAL REVIEW OF THE STUDY

Agency theory is one of the theories that give the clear relationship that exist between trading partners. In the case of this study the suppliers are coffee producers (individual member farmers who have established the cooperatives jointly and have ownership rights of the cooperatives) and buyers

(primary cooperatives who supply on chain to the union). A relationship between two parties falls on strong trust and good information sharing which brings a better performance that resulting into members' economic satisfaction.

2.1.1 Agency Theory

In this study, agency theory is used to demonstrate the principal-agent relationship that exists in cooperatives as a type of business, as well as a theoretical foundation for variables of members' participation in cooperatives issues. Regarding this, several studies confirmed that as there is agency theory applicable among members and cooperatives in the form principal (supplier) and Agents (cooperatives). Study applied this theory in consideration of its contribution in studying buyer supplier relationships. When a person or organization (the agent) accepts a delegation to act on behalf of another (the principal) and does so, there is a presumption that an agency relationship exists (Tate etal., 2010). According to agency theory, it is becoming more difficult for principals to determine whether an agent is acting in accordance with expectations because of goal conflicts and information imbalance between them and the agents (Gari and Andinet, 2017).

Principal-agent problems in a cooperatives has a possibility to bring dissatisfaction to the cooperative members (Ortmann and King, 2007). One of the reason justified for failures of cooperatives is lack of actively participating their members in formulation of policy and their decision making process (Ibid). If members' have participation in monitoring, controlling and decision making activities the possibility of managers and other employees to act opportunistically will be reduced. Cooperatives allow members to take part in a variety of ways, including investing money, working for a living, transacting, and managing the cooperative, among others (Shao, 2014). Members may participate in cooperatives in various ways which categorized as capital participation, economic participation, transaction participation and management participations, etc (Shao, 2014). In this study, member participation is measured by their participation in cooperative business, general assembly meetings, and voting for board of directors' (BOD) positions.

Information sharing among cooperatives supply chain actors have critical contributions in creating trust and satisfaction for cooperative members. Information sharing is act of exchange of information between partners that engaged in trading either as buyers or sellers. If the information is not properly designed and communicated, it may lead to dissatisfaction in a business relationship. Information

sharing improves trust by resolving disagreements and miscommunications between partners and homogenizing their perceptions and expectations; as a result, buyer credibility increases supplier satisfaction (Etgar, 1979 as cited in Andinet and Gari).

Information asymmetry, which is manifestly present in the relationship between a cooperative member and their entity, is what causes the agency problem of opportunism to exist (Hernández-Espallardo etal. 2013). According to Barraud-Didier et al. (2012) proposed that if cooperatives communicate with their members more and share information with them, the members likelihood of participation in the cooperatives will be enhanced. This study put forth and supported the idea that information sharing will lessen information asymmetry and strengthen the bond between the principal (the members) and agent (the cooperative), leading the members to a higher level of economic satisfaction with their cooperative.

2.1.2 Relational Contracting Theory

Relational Contracting Theory (RCT) was formulated to study inter-organizational links that emerged for business relationships that existed for a long period of time. Having a long period of business relationship with the accumulation of engagement will lead to establishing inter-organization relationship forms, trust, and shared values that are used to protect the partnership from potential exploitation by trading parties for their own gain (as cited in Gari and Andinet, 2017).

Similarly, if trust is present, it is essential for the benefit of cooperative's members. To foster this trust, cooperative investment resources are primarily focused on fostering confidence between members and cooperative management (Hansen, Morrow, and Batista, 2002). Farmers frequently communicate with cooperative management and other members in order to achieve their financial objectives as cooperative members. Trust consequently influences cooperative members' perceptions of satisfaction in a favorable way (Narain and Singh, 2012). It is anticipated that members who have faith in their cooperatives will believe that those decisions will help them to accomplish their goals. Members will become more assured and contented with their cooperatives as a result of this.

2.1.3 Transaction Cost Theory

The primary underpinning of Transaction Cost theory is the concept of opportunism and good governance (Rindfleisch etal, 2010). When people tend to act logically but are occasionally constrained by physical or linguistic hurdles to anticipate all obstacles, it is said that their capacity to

process information, generate ideas, and solve complicated issues is bounded. This is referred to as bounded rationality. Opportunism is any action or pattern of behavior in a partnership that is intended to maximize one's economic self-interest at the expense of the other partners. According to an economist point of view, opportunism arises inside the cooperatives in the form of cooperative members' opportunistic behavior towards one another. Cooperative members act opportunistically when they mislead or confuse for personal advantage in order to benefit themselves at the expense of the cooperative as a whole (Andinet and Gari, 2017).

Cooperative membership is primarily motivated by members' desire to achieve their financial goals. Using the bargaining power of cooperatives, one of their economic goals is to increase the price they charge for their goods and to obtain high-quality services at a reasonable price. It is acknowledged that a key indicator of a cooperative's commercial success is the satisfaction of its members. Success in cooperative business will be based on members who are satisfied with the level of services provided. Opportunistic behavior undermines the general functioning of cooperatives and members' satisfaction with the services provided. As a result, one of the key variables of investigation in this study is opportunistic behavior among cooperative members throughout their transaction.

2.2 Conceptual Framework of the Study

Based on Review of the theoretical and empirical review the dependent variable of this study is members' economic satisfaction. Whereas the independent variables identified and used from the above listed supply chain theories, those variables are trust, information sharing, opportunistic behaviors and their participation levels in cooperatives business. Members' participation, distance members have from cooperatives and dividends are also used as mediator variables in the study. Based on this the study has developed the following framework.

Figure 2.1: Conceptual Framework of the Study

Independent variables

Dependent variables

Trust

Information Sharing

Opportunistic behavior

Members Participation

Amount of dividends received

Distance to cooperatives market

Members Economic Satisfaction
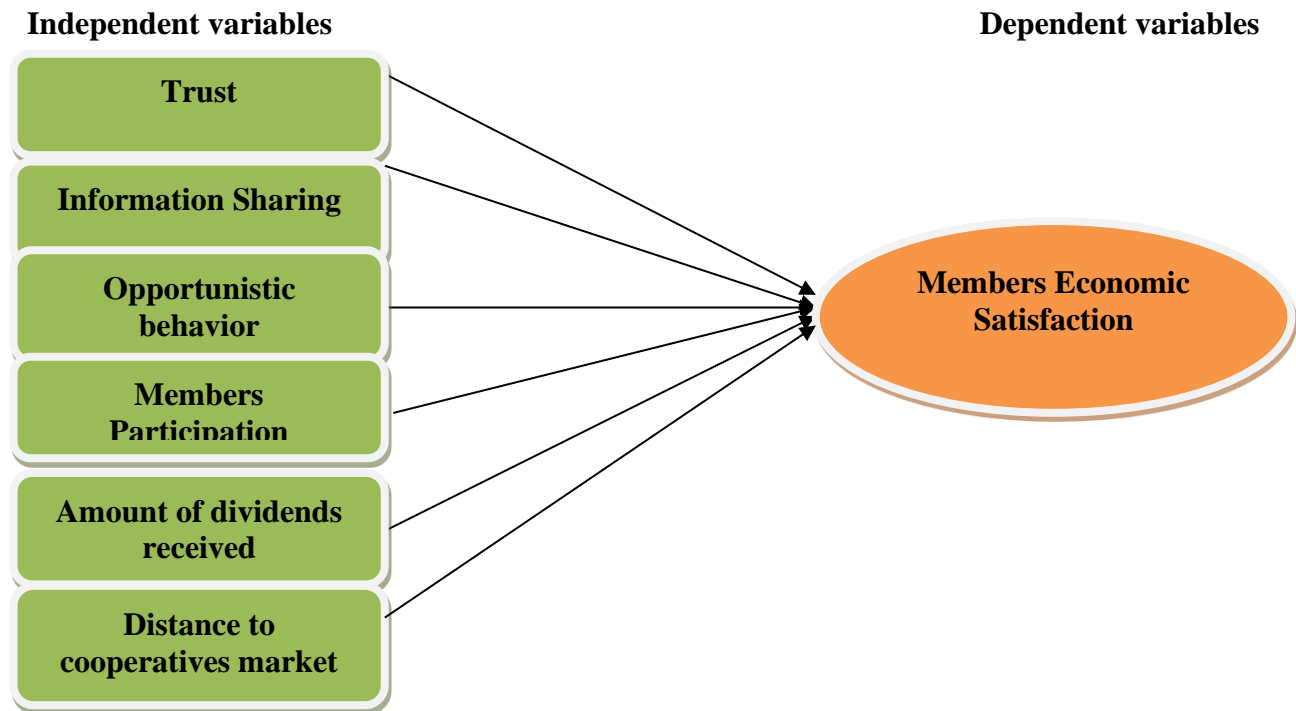
Source: Researchers' own design based on theories (2023).

3. MATERIAL AND METHODS

3.1 Research Design and approach

According to its primary objectives, this study mainly emphasizes on description of data pertaining to the factors that influence economic satisfaction of members' with their cooperatives. Descriptive research design is the types of research that is utilized most effectively for this kind of study to completely address the research questions. The study used a cross-sectional survey design were data collected at one time from individual members of cooperatives that grow coffee. In order to address the study research questions, the study used both quantitative and qualitative (mixed) research strategies.

3.2 Types and Sources of Data

To meet the stated objective of study, both quantitative and qualitative data were collected from primary as well as secondary sources of data. Data from primary sources were collected through scheduled interviews, personal interviews, and focus group discussions (FGD) from primary

cooperatives individual members who produce coffee, cooperatives and union management bodies, unions and government officials who undertake the activity of facilitating cooperatives at local to regional as well as federal levels. While the secondary sources like books, internet and published articles was used. And also secondary source of data utilized to assess different theory of supply chain for constructing conceptual frame work of the study and questionnaires design.

3.3 Sample and Sampling Procedures

The participants in this study were main coffee cooperative members who belonged to the Oromia Coffee Farmer Cooperatives Union (OCFCU), which is located in the Bedeno district of Ethiopia's in Oromia Regional State. This study selected Bedeno district purposefully since the district is well known by producing large amount of specialty Harar coffee supplied to the union through their members primary coffee cooperatives. In this district there are twenty six primary cooperatives that established in forty two Kebeles (localities/sub-districts) of the district and affiliated to Oromia Coffee Farmers cooperatives union, out of this study selected four primary cooperatives by purposive sampling since these selected cooperatives are the first four primary cooperatives participated in establishment of the union. These selected four primary cooperatives have their own individual members of coffee producers who located in four kebeles i.e Ililli Darartu, Burka-Bedeso, Goba-haro, and Furda. Then Yamane's (1967) simplified formula was used to calculate sample size. As a result, the sample size required to represent the population at 95% the level of confidence with 5% degree of variability and level of precision was used to determine the Sample size as follows;

$n = \frac{N}{1+N(e)^2}$; (Yamane, 1967). Where, n = the sample size

<div align="center">

N = the total population

e = margin of error = 0.05.

</div>

N= 3,049 (Source, office of cooperative at district)

n = $\underline{2981}$ = 352.67974 ≈ 353
**   1+ 2981(0.05)²**

Only 350 out of 353 completed and returned questionnaires, yielding a 99.15% response rate. Thus, sample size used for this study is 350 which proportionately drawn from four kebeles of those selected primary coffee cooperative, then individual members interviewed are selected by simple random sampling technique.

Table1; Sample from four primary cooperatives in their coffee producing kebeles selected as study areas

No.	Name of sample kebeles in district	Total members	Sample size n=nh/Nh*n
1.	Ililli Darartu	1261	145
2.	Burka-Bedeso	804	100
3.	Furda	592	68
4.	Goba-Haro	324	37
	Total	2,981	350

Source: Compiled from Bedeno district cooperatives data, 2022.

3.4 Data gathering tools and instrumentation

Questionnaires were employed in this study's survey methodology to gather data from cooperative members.The two formats of the data collection questionnaire were created based on the study variables. The first sections of the surveys are open-ended and ask about the general traits and influencing factors of the chosen primary cooperative members' economic satisfaction. The study independent and dependent variables are measured using a Likert scale that ranges from strongly disagrees to strongly agree. The questionnaire was then translated into the Afan Oromo language in order to make each item more understandable, and four trained enumerators who speak a related language disseminated it to the respondents. In addition to this, Personnel interview and Focus group Discussions are also conducted with officials of the four-primary cooperative societies; so that relevant issues and questions are raised, to supplement and triangulate the information obtained through questionnaire.

3.5 Method of Data Analysis

The acquired data was thoroughly processed and entered into SPSS version 26 for analysis. To determine the impact of the independent variable on the dependent variable, hierarchical multiple regression analysis, descriptive analysis, and Pearson correlation were employed in the study. The dependent variable's associations with independent factors and the relationships between the independent variables were examined using correlation analysis. Simultaneously hierarchical regression analyses have been performed.

3.5.1 Econometrics Model Specification

The effect of a number of independent variables on the dependent variable was examined using the hierarchical regression analysis method, as well as the interaction effects, which measure the influence of various sets of variables (independent variables) on the dependent variable sequentially

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measured relative importance based on the value it contributes to the dependent variable prediction. In this research, a hierarchical multiple regression models are used sequentially to analyze the data because there is a single dependent variable, more than two independent factors, and one interaction variable effects. The model used for analysis was specified as:

MESAT= β_0 + β_1TRUST + β_2INFOSH + β_3OPPORBR + β_4MPART + β_5DISTCO + β_6DIVREV + β_7 PART x OPPOR + ε …………………equation one

Where: MESAT=Members' Satisfaction

TRUST=Trust

OPPORBR=Cooperatives opportunistic Behavior

INFOSH= Information Sharing

MPART=Members' Participation

 DISTCO= Distance to cooperative markets

DIVREV= amount of Dividend receive

β_0= Constant β_1, β_2, β_3, β_4...= Coefficient of Regression

ε = Error Term

4. Discussion and Results

This section offers data collection results and interpretations. In analyzing data, the study employed descriptive and inferential statistics to evaluate the influence of independent factors on the dependent variable. The theories in number two not only define the models used in determining the outcomes for this study, but they also used in interpreting the obtained results throughout the investigation.

4.1 Descriptive statistics on factors determine the cooperatives member economic satisfaction

The variables in the study were described using descriptive statistics. As shown below, descriptive statistics provide the mean, standard deviation, minimum and maximum score of all variables utilized in this study.

Table 4. 1: Statistical distribution on cooperatives members' economic satisfaction influencing factors

Factors that influence MESAT	N	Minimum	Maximum	Mean	Std. Deviation
Economic satisfaction	350	1	5	3.31	1.261
Cooperative Trust	350	1	5	2.80	1.338
Information sharing	350	1	5	3.53	1.224
Distance to Cooperatives	350	10	180	58.96	45.455
Opportunistic Behavior	350	0	1	3.97	1.023
Amount of Dividend received	350	1	5	3.42	1.114
Members Participation	350	0	5	2.59	1.547
Amount of dividend in figure	350	0	5000	427.64	510.59
Valid N (listwise)	350				

Source: Survey Data Result, 2022

Coffee cooperatives established in coffee growers' areas for resolving the coffee marketing problem of growers so in the process of doing it there is a need of having truthful believe among the members in order to make the growers' fully participate in the cooperatives business. Regarding this, the above table revealed the cooperative members trust on their cooperatives, they rated with overall average mean of 2.80 and SD of 1.338 which shows somewhat agreement of the cooperatives member but not clearly tends to agree or disagree it is nearest to neutral. Trust between cooperatives and cooperative members are, therefore, an important source of satisfaction for the members of cooperatives. Trust is, thus, a key component of the relationship between cooperatives and their members, which in turn gives cooperative members a sense of satisfaction. Because of this, in order for members of cooperatives to benefit economically from their

participation, the connection between cooperatives and the members must be founded on the highest level of trust.

In the overall score of average analysis the highest value is opportunistic behavior of cooperative which value at 3.97 with the standard deviation of 1.023 among sampled members response. There is opportunistic behavior in selected cooperative which makes the cooperative members to lose confidence in their cooperatives and resulting into their less participation, lack trust and brings dissatisfaction among sampled members. Similarly, study the conducted by Andinet and Gari (2017) stated as opportunistic behavior creates risk of reduction in members' economic satisfaction as a result the members may no longer trust their cooperatives. Another variable that in contrary to this is members' participation in the cooperatives business has the lowest value with the average mean of 2.59 and SD of 1.547 between members of cooperatives selected. This indicates that as majority of cooperative members are disagreed or strongly disagreed to participate in cooperatives issues and business because of their opportunistic behavior and their cooperatives services weakness. In measuring the members' economic satisfaction in membership to cooperatives study find out the members somewhat agreed level of score with mean of 3.31 and SD of 1.261 among the sample unit of analysis.

The sample members travel to arrive at where their coffee cooperatives located was 58.96 walking minutes with the standard deviation of 45.455 minutes among respondents. The fact that the farmer members had to travel such a distance to the cooperative market shows that the cooperatives' marketing efforts in the area had not been successful.

The sample farmer members received divided on average 427 birrs with a standard deviation of 510 among the sample unit, this much variation is happen because the cooperatives pay dividends on the basis of the amount of coffee sample members marketed through their routes. In dividend distribution farmer members have strong complain on the cooperatives especially for distribution of dividends for non-member farmers who marketed their coffee through cooperatives, this sort of act breaches cooperatives principle which states that the benefits generated from cooperatives should be allotted for the members of cooperatives in their usage, capital and participation levels.

4.2 The relationship between determinants of cooperative and their members' satisfaction

The correlation coefficient, which is a numerical expression of the association between two variables, displays the magnitude and direction of a relationship between two variables. Values for the correlation coefficient fall between -1.0 and 1.0. When there is a complete positive correlation, the correlation coefficient is 1. According to Brooks (2008), the degree of linear relationship between two variables is measured by their correlation. It has been widely utilized to examine the interactions between independent and dependent variables as well as their relationships (Buvik and Andersen, 2015). Multiple regression analysis requires a correlation evaluation of the variables since it checks whether the variables are related to one another. The degree of linear relationship between two variables is measured by their correlation, as stated in Brooks (2008).

Correlations[a]		MESAT	Coop Trust	INFOSH	OPPOBR	DISTCO	DIREV	PART X OPPOR	MPART
MESAT	Pearson Correlation	1.000	.438**	.337**	-.357**	-.393**	.295**	.182**	.133*
	Sig. (2-tailed)	.	.000	.000	.000	.000	.000	.001	.013
	Df	0	347	347	347	347	347	347	347
Coop Trust	Pearson Correlation	.438**	1.000	.494**	-.261**	-.313**	.395**	.002	.082
	Sig. (2-tailed)	.000	.	.000	.000	.000	.000	.577	.127
	Df	347	0	347	347	347	347	347	347
INFOSH	Pearson Correlation	.337**	.494**	1.000	-.220**	-.158**	.359**	-.174**	-.013
	Sig. (2-tailed)	.000	.000	.	.000	.003	.000	.001	.804
	Df	347	347	0	347	347	347	347	347
OPPOBR	Pearson Correlation	-.357**	-.261**	-.220**	1.000	.166**	-.194**	-.053	-.035
	Sig. (2-tailed)	.000	.000	.000	.	.002	.000	.326	.514
	Df	347	347	347	0	347	347	347	347
DISTCO	Pearson Correlation	-.393**	-.313**	-.158**	.166**	1.000	-.165**	-.148	-.308**
	Sig. (2-tailed)	.000	.000	.003	.002	.	.002	.006	.000
	Df	347	347	347	347	0	347	347	347
DIREV	Pearson Correlation	.295**	.395**	.359**	-.194**	-.165**	1.000	-.078	-.021
	Sig. (2-tailed)	.000	.000	.000	.000	.002	.	.148	.696
	Df	347	347	347	347	347	0	347	347
PART X OPPOR	Pearson Correlation	.182**	.002	-.174**	-.053	-.148**	-.078	1.000	.137*
	Sig. (2-tailed)	.001	.577	.001	.326	.006	.148	.	.010
	Df	347	347	347	347	347	347	0	347
MPART	Pearson Correlation	.133*	.082	-.013	-.035	-.308**	-.021	.137*	1.000
	Sig. (2-tailed)	.013	.127	.804	.514	.000	.696	.010	.
	Df	347	347	347	347	347	347	347	0

** Correlation is significant at the 2-tailed level of 0.01   Source: *Output of SPSS Version 26*, 2022.
 * Correlation is significant at the 2-tailed level of 0.05.

The correlation table depicted above shows the existence of a positive relationship between members' satisfaction and cooperatives' level of trust. The Pearson correlation matrix results also revealed positive relationships between cooperative information sharing and members' satisfaction, members' involvement in cooperative issues and their satisfactions, and using members' participation as a way to curb cooperatives' opportunistic behavior, as well as positive

relationships between these variables and members' satisfaction. The distribution of dividends by cooperatives and the economic satisfaction of their members have a positive and significant relationship. Further study finds out that there is a negative association between distance they have from cooperatives and members economic satisfaction. Additionally, the study found a strong negative relationship between cooperatives' opportunistic behavior and their members' economic satisfaction in the study focus region because opportunistic behavior causes members to lose confidence in their cooperatives and also limit their full participation.

Therefore, this study confirmed that there is a strong association between those variables identified theoretical to determine the members' economic satisfaction in cooperative association so improvements on those variables in positive way will improve members' economic satisfaction on cooperatives business and increases their participation in cooperatives issue by owning the sense of ownerships. Otherwise it is nothing the existences of cooperatives add for coffee growers if they are not satisfied by the services their cooperatives offer them. To this end, one can conclude that the correlation between all of the independent variables and the dependent variable is found to be positive and negative, implying that improving any or all of the independent variables results in improved economic satisfaction among cooperative members.

4.3 Multiple Regression Result Analysis

Hierarchical multiple regression models were employed in this study to ascertain the effects of independent variables on the dependent variable. According to the study made by Andinet and Gari (2017), a hierarchical regression model is used to examine the effects of many predictor variables in succession, with each predictor's relative importance being determined by the value it contributes to the prediction of criteria. Then tolerance and variance inflation factor (VIF) values were used to evaluate the normality and multicollinearity test before using the model to test the variable's significance and analyze the regression outcomes. The result suggests that a stronger correlation between the independent variables does not significantly alter the regression model.

When the entire model's goodness fit evaluation was evaluated, the second model was shown to explain moderately the variance in economic satisfaction of cooperative members' by the variables that are treated independent. The study then employed a hierarchical multiple regression model in the same order as the first regression model to regress the key factors and control

variables on the economic satisfaction of cooperative members. The second model included interaction variables that were employed to lower the cooperative opportunism with the main and control variables. The difference in adjusted R^2 between the two models with interaction factors enhanced the model's overall predictive ability by 4.6%. As a result, the second model well predicts the interaction variable effect of member participation and cooperative opportunism on economic satisfaction of the cooperative members. To this end, the following table summarizes the overall measurements:

Table 4.2: Hierarchical Regression Analysis results

Coefficients [a]								
Summary of Model	Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	2.315	.422		5.484	.000		-
	CoopTrust	.190	.053	.201	3.564	.000	.640	1.564
R square=0.302	INFOSH	.055	.055	.053	1.003	.316	.717	1.395
	OPPORBR	-.789	.121	-.306	-6.542	.000	.931	1.074
Adjusted R ^{2} =..289	MPART	.138	.109	.060	1.260	.209	.904	1.106
	DISTCO	-.004	.001	-.148	-2.966	.003	.817	1.223
F(6, 343) =24.697^a	DIREV	.136	.057	.120	2.392	.017	.806	1.241
2	(Constant) (β_0)	1.983	.414	-	4.788	.000		
Rsquare= 0.348	CoopTrust (β_1)	.176	.052	.187	3.412	.001*	.638	1.568
	INFOSH (β_2)	.116	.055	.113	2.125	.034**	.680	1.471
Adjusted R^2 = 0.334	OPPORBR (β_3)	-.710	.118	-.275	-6.023	.000*	.914	1.095
	MPART (β_4)	.086	.106	.037	.806	.421	.895	1.117
Change in R ^{2} =.046	DISTCO (β_5)	-.004	.001	-.135	-2.786	.006*	.815	1.227
	DIREV (β_6)	.144	.055	.127	2.614	.009*	.805	1.242
F(7, 342)=26.033^a	PARTXOPPOR (β_7)	.590	.120	.224	4.907	.000*	.913	1.096

Dependent variable: Members' Economic Satisfaction (MESAT)   *Source: Output of SPSS Version 26*

N.B. * and ** Signs denote significance levels at 1% and 5%, consecutively.

The regression equation below was built using the coefficients of the above mentioned regression; **MESAT= 1.983 + 0.176 CoopTrust + 0.116INFOSH- 0.710OPPORBR+ 0.086MPART - 0.004DISTCO + 0.144DIREV + 0.590OPPOR&PART + ε**

…………………equation (4.1)

This regression interprets the study variables in relation to the assessment of cooperative members' economic satisfaction with their membership to cooperatives. The B-values provide information on the relationships between all independent factors and members' economic satisfaction. If the value is positive, we can infer that the predictor and the outcome have a positive association, while a negative coefficient indicates the opposite.

The unstandardized coefficient indicates the degree of importance of cooperative variable determinant factors towards their members' economic satisfaction; accordingly, the variables can be ranked in the following manners based on their contribution, namely participation and opportunism, cooperative trust, dividend received, information sharing, participation, distance to cooperative, and opportunistic behavior of cooperatives are 0.590, 0.176 ,0.144, 0.116, 0.086,-0.004 and -0.710 respectively. For these data, all the five predictors participation and opportunism, cooperative trust, information sharing, dividend received, and participation, have positive B-values of, 0.590, 0.176 ,0.144, 0.116, and 0.086 respectively which indicates a positive relationship, one percent change in each variable brings an increase in members economic satisfaction.

The relationship between participation and member satisfaction is weak, with a significance level of 0. 421, higher than a 5% confidence interval, but there is also a negative relationship between members' distance from primary cooperatives and their opportunistic behavior, which is represented by B values of (-0.004), and (-0.710) respectively. This shows one percent change in primary cooperatives' opportunistic behavior brings a 71% decreases in their members' economic satisfaction, when members located one kilometer away from primary cooperatives situated area members do not get cooperatives services so the members' economic satisfaction found to be decreased by 0.4%. When cooperative members live a long distance from the area where their primary cooperatives are located, their level of participation in cooperative issues is limited and they lose the ability to control their primary cooperatives' opportunism behavior. This type of problem reduces members' economic satisfaction.

The table depicted above was used to know which of the independent variables included in the model contributed to the prediction of the dependents variable by considering the standardized Beta Coefficients. Accordingly, the beta coefficient of all independent variable except opportunistic behavior and distance to cooperatives are positive and significant at P< 0.05.

There is a positive correlation between cooperatives' trustworthiness and their members' economic satisfaction, according to the results of the hierarchical multiple regression analysis illustrated in the aforementioned table 4.2. The value of this variable's standardized coefficients is (B= 0. 187), and as the p-value for its effect on members' economic satisfaction is 0.001, which is less than 0.01

the effect on members' economic satisfaction is deemed to be significant. This demonstrates how trust in cooperatives is positively and significantly related to cooperatives members' economic satisfaction. To this end, one could conclude that the greater the members' trust in their cooperatives, the greater economic satisfaction they derive from their cooperatives memberships.

The result of this study confirmed the empirical studies of previous researchers which stated that information sharing has a positive association with the economic satisfaction of cooperative members (Holmbeck, 2002 and Andinet and Gari, 2017). From these studies and the current study, we could conclude that the result of this study proved that information sharing has a positive association with the economic satisfaction of cooperative members, with a standardized beta value of (B=0.113) and a significant effect, as indicated by the p-value of 0.034, which is less than the 0.05 significance level. The regression coefficient of information sharing implies that an existence of information sharing practice by primary cooperatives increases members' economic satisfaction by 11.3% and vice versa. This is because members can run their businesses with full information obtained from their trusted cooperatives, if they exist. On the basis of this result, it is possible to conclude that the primary cooperatives' sharing of information with their members contributes to the economic satisfaction of the members.

Moreover, the study looked into how cooperative members' economic satisfaction is affected by cooperatives opportunistic act. According to the hierarchical multiple regression analysis's findings, there is an adverse relationship between cooperatives' opportunistic behavior and its members' economic satisfaction. Additionally, the value of this variable's standardized coefficients is   (B= -0. 275), and as the p-value for its effect on members' economic satisfaction is 0.000, which is less than 0.01 the effect on members' economic satisfaction is estimated to be highly significant. Therefore, the results of this study showed that as cooperative opportunistic behavior increases, their members' economic satisfaction decreases and vice versa.

Furthermore, this study examined the mediating role of member participat as an interaction variable in the adverse relationship between opportunistic behavior in cooperatives and memberseconomic satisfaction. The outcome of the regression result p-value is 0.000, which is less than the 0.01 significance level, and the standardized beta value is 0. 224, the role of high members' participation as interaction variable between cooperatives opportunism and members'

economic satisfaction is found to be positive and significant in balancing the difference. Therefore, members' participation in the primary cooperative's business mitigates the impact of opportunism on members' economic satisfaction. This result signifies that as members' participation in cooperatives affair is increased the possibility that their cooperatives become opportunistic is highly reduced or vice-averse. The research of various academics in the area are supported this finding like Holmbeck (2002) and Andinet and Gari (2017) are found that the use of the members' participation as interaction variable has significant effect in moderating the problem that the primary cooperatives opportunistic action brings to economic satisfaction their members'.

The distance to cooperatives and the amount of dividend received have p-values of 0.006 and 0.009, which is less than the 0.01 levels of significance, indicating that th is two variables has a significant influences on the cooperative members' economic satisfaction. And also the distance to cooperatives has a negative association with members' economic satisfaction, while amount of dividend received found to be positively associated. Generally, the above hypotheses testing result indicates that cooperative trust and information sharing has a positive association with members' satisfaction while opportunistic behavior of cooperatives has a negative influence on members' satisfaction. The study proposed the members' participation as an interaction variable that reduces the negative effect of cooperatives' opportunistic behavior on the members' satisfaction.

In general, the result discussed above indicate that cooperative trust and cooperatives' information sharing practices are found to be positively associated with cooperative members' economic satisfaction, whereas cooperatives' opportunistic behavior has a negative effect on members' satisfaction. The study proposed member participation as an interaction variable that mitigates the problem that the primary cooperatives opportunistic action brings to members.

5. Conclusion and Recommendation

Based on the study findings, the following conclusions are drawn, along with some key recommendations:

The study findings showed that one of the determinant influencing factors in cooperative members' economic satisfaction is built on the trust between cooperatives and their members. This outcome demonstrates that the cooperative organization is built on the partners' trust. Moreover, hierarchical

multiple regression models reveal that trust in cooperatives has a positive and statistically significant association with members' economic satisfaction. The greater the members' trust in their cooperatives, the more they get satisfied with their cooperative's membership. Thus, to enhance the members' trust, the cooperatives should work more on getting trustworthy in all their activities with their members. This can be done through the transaction they make with its members by using fair scaling (weighing) and offering competitive prices equal to the local market or better market price when buying their coffee products. Therefore, the connection between cooperatives and their members should be founded on absolute trust if members are required to derive economic satisfaction from their cooperative membership.

Accurate information flow between the partners with business exchange is required to create satisfaction in their buyer-supplier relationships. Regarding this, the information-sharing practice between members of primary cooperatives and the cooperatives themselves is a key factor contributing to the members' economic satisfaction. Moreover, the regression model also demonstrated a positive and statistically significant association between cooperatives' information sharing and their members' economic well-being. So, the more cooperatives share information, the more they contribute to the economic satisfaction of their members. As a result, the union and its affiliated primary cooperatives should play a pivotal role in gathering and disseminating regularly the up-to-date, timely, and accurate information on production, processing, price, and any change in the business of coffee that contributes to strengthening the relationship between themselves and their members.

The study also found that primary cooperatives' opportunistic behavior has a major impact on their commercial connection with its members. This implies that the cooperatives' opportunistic behavior lowers the economic satisfaction of the members. To address these issues, the union and its member cooperatives should obey the principles and objectives upon which they were founded. Based on this, cooperatives should create regular channels of information exchange with members to facilitate the sales transaction of the cooperatives, offer a competitive price for coffee the members supply, and appropriately share the surplus of the cooperatives timely to only members on their amount of coffee supply and participation level.

This study proposed the members' participation as an interaction variable to mitigate the negative

influence of cooperatives' opportunistic behavior on the members' satisfaction. The study findings revealed that the more members participate in cooperative activities, the less opportunistic their cooperatives act. The collective members' participation could be explained by attending the cooperatives' general meeting, voting for the cooperatives' leader and other critical decisions affecting their business, listening to cooperatives' audit reports, and speaking on misappropriation if suspected in the distribution of cooperative surplus. Both cooperatives and their members should encourage the members' participation in order to improve their commercial relationships. Therefore, this study advises that cooperative members should actively participate in their cooperatives' affairs in order to curb the opportunistic behavior of their cooperatives.

 Furthermore, the findings of this study suggest that OCFCU should maintain the same level of trustworthiness, create a robust way of information sharing, and encourage the participation of their membered primary cooperatives societies in their cooperatives union affairs as a way to lessen the cooperative union's opportunistic behavior in order to improve and streamline their business relationships with their partners. OCFCU management body should recognize that how trust, pertinent information sharing and minimizing the act of opportunism of the cooperatives union contributes to the satisfaction of their membered primary cooperative societies and their individual farmer members. Thus, OCFCU and their cooperatives should collaborate to improve members' satisfaction by enhancing trust and information sharing about all issues pertinent to their business relationships and minimize the problem of opportunism by enhancing members' participation in the operations of their business networks.

Lastly, but not least, the government policy maker and cooperative promoter at federal and regional levels can consider the result of this study to be incorporated in their policy that improve the business relationship among the partners in the cooperatives channel actors so that coffee producers can get access to market that benefits them by gaining the strong bargaining power over their products in the international and domestic market.

Inference for Future Research area

To better understand the results, a study might be conducted by choosing a different cooperative union in a different region of the country. Additionally, this study's findings are articulated from members' satisfaction view only but it did not show the findings from cooperatives and union

economic satisfaction which found in the business relationship to make bilateral satisfaction so further study may consider this to caming up with the concrete findings. Opportunistic behaviors viewed in this study from cooperatives opportunism when transaction takes place with their members. In opposite to this, the future study may consider opportunism act of cooperatives members who switch the cooperative channel and sells their coffee to the private traders which offer premium price at a time and also the problem of free riding that may occur between the members of the cooperatives which curbs business relationship satisfaction.

COMPETING INTERESTS

The author has no competing interests to declare.

Author's Affiliation

ABDULAZIZ ABDELLA ALI

Ph. D. student at Andhra University's Department of Commerce and Management Studies in Andhra Pradesh, India.

* Corresponding author's email address: abdu.abdella@gmail.com

Dr. C.V. KANNAJI RAO

Professor at Andhra University's Department of Commerce and Management Studies in Andhra Pradesh, India.

Dr. JALADI RAVI

Professor at Andhra University's Department of Commerce and Management Studies in Andhra Pradesh, India.

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