

Impact Of Management Theory On Motivation In Selected Consumers Co-Operative Society

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Abstract: *Management theories are a collection of ideas that recommend general rules on how to manage an organization or business. Management theories are the recommended management strategies that enable us to better understand and approach management. Management theories are classified into three: classical management theory, behavioral management theory, and modern management theory. A consumer co-operative is a retail business which is owned by the consumers themselves. This paper discusses the impact of management theory on consumer cooperative. The study revealed that management theory plays vital roles on consumer cooperative societies and motivation has impact on consumer cooperative societies. The study recommend that consumer cooperative societies should improve on their application of motivation towards members. Management theory impacts the motivation of members of a consumer cooperative either positively or negatively as expressed in the motivation and reward.*

Keywords: management theory, motivation and Consumer cooperative societies

INTRODUCTION

Over the years, several scholars and business professionals have studied and developed business strategies and theories based on their motivation. The business world of today thrives more on some tested and adopted laid down business management rules. Several scholars has postulated some management theories used by various cooperatives today. Management theories are a collection of ideas that recommend general rules on how to manage an organization or business. Management theories address how supervisors implement strategies to accomplish organizational goals and how they motivate employees to perform at their highest ability. Management theories are the recommended management strategies that enable us to better understand and approach management. Many management frameworks and guidelines were developed during the last four decades. It has help in molding the behavior and successes of many organization.

Motivation is a driving factor for actions, willingness, and goals. These needs, wants or desires may be acquired through influence of culture, society, lifestyle, or may be generally innate. An individual's motivation may be inspired by outside forces. (Ryan and Deci, 2000). Murphy, Benckendorff, and Moscardo, (2007) motivation is a process that needs to encourage a person to perform a series of activities that lead to the achievement of certain goals. Motivation is defined by (Sharma, 2009) as the willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual needs. three key elements in further definitions are provided as an effort, the organization's goals and needs. Given the Stanford (Heller Baird & Parasnis, 2011), motivation is a condition that drives man toward specific goals. Meanwhile, (Baird & Parasnis, 2011) defines motivation is a stimulant desire and willingness to work one's locomotion. While (Stello, 2014) defines motivation as an integral part of the relationship / industrial in the framework of the process of formation, development and human resource director in a company.

According to (Grant, 2012) states that motivation is a term used in organizational behavior to portray the forces within the individual, which describe the extent, direction, and persistence of effort expended on the job. While the opinion of (Webb, Bruton, Tihanyi, & Ireland, 2013) argues work motivation is defined as a condition affecting arousal, direction, and maintenance of behaviors relevant to the work setting. Based on the description above theory, so in this study work motivation is defined as an employee's willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual needs, Motivation is measured by three-dimensional work, namely:

1. Dimensions existence measured by indicator: a. by salary requirements b. in accordance incentive need c. Suitability of allowances needs d. the certainty of continuity of work
2. Dimensions relatedness measured by indicators: a. Relations with member b. Relationships with colleagues c. Relations with the board
3. Dimensions growth indicators: a. Recognition of the work b. the award is given for the work c. the opportunity to develop skills in the job

A consumer co-operative is a retail business which is owned by the consumers themselves. Their basic objective is to eliminate middlemen. The consumers join together and manage the business and the profit thus earned is retained among themselves in the proportion of their contribution. The society purchases in bulk and avails the discounts and sells in small lots to the members. Some of the co-operative stores are run on a large scale basis while others are small in size and nature Wikipedia, (2021).

Statement of the Problems

The impact of management theory on organization cannot be overemphasized as it is the bases for running a progressive organization especially a consumer cooperative. The need for consumer cooperative in Nigeria cannot be overemphasized. Consumer cooperative stores are much needed in a country where majority of the citizens are workers, civil servants, and so do not produce what they consume. Most of the people produce substantial fraction of what they consume. They depend less on the open market for their basic food items. Consumer cooperatives are best needed in the urban areas where majority of the people make purchases for their basic needs and that of their families. But in a situation where the conditions are the other way round then all hands must be on deck to evolve a system by which the consumers will get these goods at reasonable price, with the required quantity and possible reduction in the activities of the market intermediaries. This problem is made worse by the traders and middlemen who buy up the available foodstuffs and stock them to be sold at very high prices during the period of scarcity. The study aimed at examining the impact of management theories on motivation of consumer cooperative societies.

Objective of the study

The broad objective of the study was to examine the impact of management theory on motivation in selected consumer cooperative societies, other objectives are;

1. To find out the roles of management theory on consumer cooperative societies.
2. To ascertain the impact of motivation on consumer cooperative societies

Research Questions

1. What are the roles of management theory on consumer cooperative societies
2. What are the impact of motivation on consumer cooperative societies

Research Hypotheses

- H₀₁: Management theory play significant a roles on consumer Cooperative societies
- H₀₂: Motivation has impact on consumer cooperative societies

CONCEPTUAL FRAMEWORK

Management Theory

Management theories are the set of general rules that guide the managers to manage an organization. Management theories (also known as "Transactional theories") focus on the role of supervision, organization, and group performance. Theories are an explanation to assist employees to effectively relate to the business goals and implement effective means to achieve the same. Early management theories base leadership on a system of reward and punishment. Managerial theories are often used in business; when employees are successful, they are rewarded; when they fail, they are reprimanded or punished.

Types of Management Theories

Management theories can be classified into three types.

Classical Management Theory

Classical management theory is based on the belief that workers only have physical and economic needs and prescribes specialization of labor. Classical theories recommend centralized leadership and decision-making and focus on profit maximization. Three streams of classical management theory are - Bureaucracy (Weber), Administrative Theory (Fayol), and Scientific Management (Taylor).

Behavioral Management Theory

The behavioral management theory is focused on the human aspects of work. They are also often referred to as the human relations movement. These theories aspire to gain a better understanding of human behavior at work to improve productivity. It focuses on behavioral aspects like motivation, conflict, expectations, and group dynamics.

Modern Management Theory

Modern management theory emphasizes the use of systematic mathematical techniques to analyze and understand the inter-relationship of management and workers in all aspects. Three streams of modern management theories are - Quantitative Approach, System Approach, and Contingency Approach.

Forces Influencing Management Theories

The following three forces had a major influence on the concept and evolution of management theories.

Social Forces: Social forces are the norms and values that characterize a culture. Early social forces allowed workers to be treated poorly. However, more recent social forces have provided for more acceptable working conditions for the workforce. Social forces have greatly influenced the management thought in the areas of motivation and leadership.

Economic Forces: Economic factors have influenced the way businesses developed and designed their organizational structures, workforce, etc. Examples of these economic forces are Ideas like a market economy, public enterprise, and private ownership of property, economic freedom, competitive markets, and globalization.

Political Forces: Political forces such as governmental regulations play a significant role in how organizations choose to manage themselves. Government actions and political realities often influence the success and failure of a business and most of the time political factors that affect a business are often completely out of the company's control. Political forces have influenced management theory in the areas of environmental analysis, planning, control, and organizational design and employee rights.

Consumers' Co-Operative

A consumers' co-operative is an enterprise owned by consumers and managed democratically which aims at fulfilling the needs and aspirations of their members (Tecnofunc,2020). They operate within the market system, independently of the state, as a form of mutual aid, oriented toward service rather than pecuniary profit. Consumers' cooperatives often take the form of retail outlets owned and operated by their consumers, such as food co-ops. However, there are many types of consumers' cooperatives, operating in areas such as health care, insurance, housing, utilities and personal finance (including credit unions).

In some countries, consumers' cooperatives are known as cooperative retail societies or retail co-ops, though they should not be confused with retailers' cooperatives, whose members are retailers rather than consumers. Consumers' cooperatives may, in turn, form cooperative federations. These may come in the form of cooperative wholesale societies, through which consumers' cooperatives collectively purchase goods at wholesale prices and, in some cases, own factories. Alternatively, they may be members of cooperative unions.

Consumer cooperatives rose to prominence during the industrial revolution as part of the labour movement. As employment moved to industrial areas and job sectors declined, workers began organizing and controlling businesses for themselves. Workers cooperative were originally sparked by "critical reaction to industrial capitalism and the excesses of the industrial revolution." The formation of some workers cooperatives were designed to "cope with the evils of unbridled capitalism and the insecurities of wage labor". The first documented consumer cooperative was founded in 1769, in a barely furnished cottage in Fenwick, East Ayrshire, when local weavers manhandled a sack of oatmeal into John Walker's whitewashed front room and began selling the contents at a discount, forming the Fenwick Weavers' Society.

Governance and operation of consumer cooperatives

Consumer cooperatives utilize the cooperative principle of democratic member control, or one member/one vote. Most consumer cooperatives have a board of directors elected by and from the membership. The board is usually responsible for hiring management and ensuring that the cooperative meets its goals, both financial and otherwise. Democratic functions, such as petitioning or recall of board members, may be codified in the bylaws or organizing document of the cooperative. Most consumer cooperatives hold regular membership meetings (often once a year). As mutually owned businesses, each member of a society has a shareholding equal to the sum they paid in when they joined.

Large consumers' co-ops are run much like any other business and require workers, managers, clerks, products, and customers to keep the doors open and the business running. In smaller businesses the consumer/owners are often workers as well. Consumers' cooperatives can differ greatly in startup and also in how the co-op is run but to be true to the consumers' cooperative form of business the enterprise should follow the Rochdale Principles.

Finance and approach to capital accumulation

The customers or consumers of the goods and/or services the cooperative provides are often also the individuals who have provided the capital required to launch or purchase that enterprise. The major difference between consumers' cooperatives and other forms of business is that the purpose of a consumers' cooperative association is to provide quality goods and services at the lowest cost to the

consumer/owners rather than to sell goods and services at the highest price above cost that the consumer is willing to pay. In practice consumers' cooperatives price goods and services at competitive market rates. Where a for-profit enterprise will treat the difference between cost (including labor etc.) and selling price as financial gain for investors, the consumer owned enterprise may retain this to accumulate capital in common ownership, distribute it to meet the consumer's social objectives, or refund this sum to the consumer/owner as an over-payment. (Accumulated capital may be held as reserves, or invested in growth as working capital or the purchase of capital assets such as plant and buildings.) While some claim that surplus payment returns to consumer/owner patrons should be taxed the same as dividends paid to corporate stock holders, others argue that consumer cooperatives do not return a profit by traditional definition, and similar tax standards do not apply.

The impact of management theory on the motivation of wholesale cooperative society

The consumer cooperative is impacted by the choice of management theory employed by the members. Although the organization is run as a democratic outfit, the set of rules that governs the organization either motivate peoples participation or otherwise. Most cooperatives principles are based on the Rochdale principle. The Rochdale Principles are a set of ideals for the operation of cooperatives. They were first set out in 1844 by the Rochdale Society of Equitable Pioneers in Rochdale, England and have formed the basis for the principles on which co-operatives around the world continue to operate.

Motivations and rewards

Given the voluntary nature of co-operatives, members need reasons to participate. Each person's motivations will be unique and will vary from one co-operative to another, but they will often be a combination of the following:

- Financial – Some co-operatives are able to provide members with financial benefits.
- Quality of life – Serving the community through a co-operative because doing service makes one's own life better is perhaps the most significant motivation for volunteering. Included here would be the benefits people get from being with other people, staying active, and above all having a sense of the value of ourselves in society that may not be as clear in other areas of life.
- Giving back – Many people have in some way benefited from the work of a co-operative and volunteer to give back.
- Altruism – Some volunteer for the benefit of others.
- A sense of duty – Some see participation in community as a responsibility that comes with citizenship. In this case, they may not describe themselves as volunteers.
- Career experience – Volunteering offers experiences that can add to career prospects.

Voluntary and open membership

The first of the Rochdale Principles states that co-operative societies must have an open and voluntary membership. According to the ICA's Statement on the Co-operative Identity, "Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination."

Anti-discrimination

To discriminate socially is to make a distinction between people on the basis of class or category. Examples of social discrimination include racial, religious, sexual, sexualorientation, disability, and ethnic discrimination. To fulfil the first Rochdale Principle, a Co-operative society should not prevent anyone willing to participate from doing so on any of these grounds. However, this does not prohibit the co-operative from setting reasonable and relevant ground rules for membership, such as residing in a specific geographic area or paying a membership fee to join, so long as all persons meeting such criteria are able to participate if they so choose.

Democratic member control

The second of the Rochdale Principles states that co-operative societies must have democratic member control. According to the ICA's Statement on the Co-operative Identity, "Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner."

Member economic participation

Member economic participation is one of the defining features of co-operative societies, and constitutes the third Rochdale Principle in the ICA's Statement on the Co-operative Identity. According to the ICA, co-operatives are enterprises in which "Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative;

and supporting other activities approved by the membership.” This principle, in turn, can be broken down into a number of constituent parts.

Democratic control

The first part of this principle states that “Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative.” This enshrines democratic control over the co-operative, and how its capital is used.

Limitations on member compensation and appropriate use of surpluses

The second part of the principle deals with how members are compensated for funds invested in a Co-operative, and how surpluses should be used. Unlike for-profit corporations, co-operatives are a form of social enterprise. Given this, there are at least three purposes for which surplus funds can be used, or distributed, by a Co-operative.

- Members usually receive limited compensation, if any, on capital subscribed as a condition of membership.
- Developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible;” in other words, the surplus can be reinvested in the co-operative.
- Benefiting members in proportion to their transactions with the co-operative;” for example, an operative may decide to pay dividends based on purchases
- Supporting other activities approved by the membership.”

Autonomy and independence

The fourth of the Rochdale Principles states that co-operative societies must be autonomous and independent. According to the ICA's Statement on the Co-operative Identity, “Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.”

Education, training, and information

The fifth of the Rochdale Principles states that co-operative societies must provide education and training to their members and the public. According to the ICA's Statement on the Co-operative Identity, “Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.”

Cooperation among cooperatives

The sixth of the Rochdale Principles states that co-operatives cooperate with each other. According to the ICA's Statement on the Co-operative Identity, “Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.”

Concern for community

The seventh of the Rochdale Principles states that co-operative societies must have concern for their communities. According to the ICA's Statement on the Co-operative Identity, “Co-operatives work for the sustainable development of their communities through policies approved by their members.”

Methodology

The method used is the explanatory survey. Descriptive data collection is done on 295 people from consumer cooperative societies in Enugu State, the sampling technique using proportional random sampling. Data were sourced using several sources, both secondary data and primary data, such as data unite consumer cooperative to every question in the questionnaire, which revealed any questions about management theory and motivation, validity and reliability using a sample of 30 people outside of respondents , on the one question, which consists of 2 questions of variable management theory and motivation. Simple table and percentage the reason for choosing this method is due to its ability to measure the construct indirectly through indicators and simultaneously analyze.

Data Presentation

This session is designed to present, analyze and interpret the data collected via questionnaires.

The table below shows Management theories plays a vital roles on motivation of consumer cooperative societies

S/N.	Item	SA	A	U	D	SD	Total	Mean

1	Supervisors implement strategies	55	40	-	-	-	435	4.57
2	Accomplish organizational goal	70	25	-	-	-	450	4.73
3	Motivate employee to perform	45	20	10	15	5	370	3.89
4	Better understand approach	60	20	10	-	-	425	4.47

Source: Field Work, 2021

The table above on the impact of motivation on consumer cooperative societies supervisors implement strategies have mean score of 4.73, accomplish organization goals have mean score of 4.57, Motivate employee to perform have mean score of 4.47, while better understanding have mean score of 3.89. This indicates that Management theories play a vital roles on motivation of consumer cooperative societies

The table below shows the impact of motivation on consumer cooperative societies

Items	SA	A	UD	D	SD	Total	Mean
Financial benefit to the members	20	35	30	5	5	345	3.63
Build individual and groups confidence	15	20	40	15	5	310	3.26
Help to create a positive attitude	19	21	35	5	15	309	3.25
Quality of life	5	20	50	10	10	285	3.00
encourage innovation	10	15	45	5	15	260	2.74

Source: Field Work, 2021

From the table on the impact of motivation on consumer cooperative societies Financial benefit to the members had mean score of 3.63, building individual and group confidence had mean score of 3.26, help to create a positive attitude had mean score of 3.25 while Quality of life had mean score of 2.74. This indicates that impact of motivation on consumer cooperative societies

Test of Hypothesis

The two hypotheses were tested using Z-test. This was done to ascertain to test significance of different in mean between the two population mean when the sample size is large. The two hypotheses were test at 5% level of significance;

$$Z = \frac{\bar{x} - \mu}{\frac{\theta}{\sqrt{n}}}$$

where x = sample mean

μ= population mean

θ = standard deviation

n = sample size

Hypothesis One

H₀1: Management theory play significant a roles on consumer Cooperative societies

$$\text{Mean of population (u)} = \frac{15 \times 95 \times 5}{5} = 1425$$

$$\text{Mean of sample } (x) = \frac{\sum_n x = 2120}{5} = 424$$

$$\text{standard Deviation } (\mu) = \frac{\sum_n x = \frac{(424-95)^2}{5}}{5} = \frac{108241}{5} = 147.13$$

$$Z = \frac{x-u}{\frac{SD}{\sqrt{n}}} = \frac{1425-424}{\frac{147.13}{\sqrt{4}}} = \frac{1001}{73.57} = 13.61$$

Decision Rule: Accept null hypothesis if the calculated value is less than the table value (1.96<13.61), the null hypothesis is rejected and accept the alternative hypothesis (H₁) which stated that Management theory play significant a roles on consumer Cooperative societies

Discussion

The study revealed that management theory plays a vital roles on consumer cooperative societies and motivation has impact on consumer cooperative societies.

Conclusion

The principles guiding the establishment of consumer cooperatives dictate the management theory to be employed by any consumer cooperative. Management theory dictates the behavior of cooperative members in building the cooperative. Management theories are the recommended management strategies that enable us to better understand and approach management. Management theory impacts the motivation of members of a consumer cooperative either positively or negatively as expressed in the motivation and reward. The study recommend that consumer cooperative societies should improve on their application of motivation towards members.

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