

Influence of Cultural Factors on Age of Cooperative Societies in Imo State.

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Abstract

This study investigated influence of cultural factors on age of cooperative societies in Imo State. The specific objective of the study is to assess various cultural factors as they affect the age of cooperative societies in Imo State. The research study adopted the descriptive survey design. The target population of this study included the management committee of all the cooperative societies in Imo State totaling about 14,000 societies. A multistage sampling technique was adopted in the selection of location and cooperative societies. In stage one, five local government areas each were randomly selected from the three senatorial zones (15 L.G.As). Secondly, within the local government areas, ten cooperative societies each were purposively selected (150 cooperative societies). The third stage entailed judgmental selection of Presidents, Secretaries and Treasurers of the selected cooperatives and this gives a total of 450 respondents. The data collected for the research questions were analyzed using descriptive statistical tools such as table, percentage, mean, standard deviation and multiple regressions. Findings of the study revealed that age of cooperative business is significantly influenced by cultural factors (F-ratio= 660.266 Sig @ 0.000). Of all items depicting cultural factors, kinship system, age grade practices and religious groups were particularly found to have very high influence on age of cooperative societies. It was recommended that Cooperative societies should uphold the cultural norms of their location of business and engage in activities that promote concern for their host community to avoid effects of restiveness which has the capacity of closing down cooperative shops.

Keywords: Culture, Cultural factors, Cooperative Society.

Introduction

Culture is generally seen as a way of life of a people, however most scholars differ on their views of what culture encompasses. Avruch (1998) while citing Schwartz (1992) defines culture as consisting of the derivatives of experience, more or less organized, learned or created by the individuals of a population, including those images or encodements and their interpretations

(meanings) transmitted from past generations, from contemporaries, or formed by individuals themselves. Avruch (1998) also cited Tyler (1870) revealed that culture is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society.

According to Spencer-Oatey (2012) to understand the culture of a particular group or organization it is desirable to distinguish three fundamental levels at which culture manifests itself: (a) observable artifacts, (b) values, and (c) basic underlying assumptions. To analyze why members behave the way they do, we often look for the values that govern behaviour.

To really understand a culture and to ascertain more completely the group's values and over behaviour, it is imperative to delve into the underlying assumptions, which are typically unconscious but which actually determine how group members perceive, think and feel. Such assumptions are themselves learned responses that originated as espoused values. But, as a value leads to a behavior, and as that behaviour begins to solve the problem which prompted it in the first place, the value gradually is transformed into an underlying assumption about how things really are.

Cooperative organisations are unique in that they have values and basic underlying assumptions guiding it operation, yet on the other hand, the culture of the people in whose midst the cooperative society is have their set of cultural values and basic underlying assumptions too. This variation in values and basic underlying assumptions sometimes are at variance and can lead to short or long life span of the cooperative society.

Consequently, this study sought to explore the various cultural factors affecting the age of cooperative societies in Imo State.

Research questions

1. What is the influence of cultural factors on age of cooperative?

Hypothesis

H₀: Age of cooperative is not significantly influenced by cultural factors in the study area.

H₁: Age of cooperative is significantly influenced by cultural factors

Conceptual Reviews

USAID (2016) defines cooperative society as a member-owned-and governed business whose primary function is to provide goods and/or services, frequently financed by member loans and equity, to its member owners, leveraging the combined buying, selling, and servicing power of its members to achieve economic betterment through either the distribution or reinvestment of profits, or the increasing value of its members' equity based upon its members' usage.

Otite and Ogionwu (1994), on the other hand observes a cooperative is a group made up of individuals whose inter-related tasks and specialties enable total aggregate of their resources to enable them to achieve set goals; perform complementary and reciprocal functions, and satisfy complementary needs.

While International Cooperative Alliance (ICA) statement on Cooperative Identity (ICA, 1995) describes a cooperative as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise”.

Age of Cooperative: Age is the length of time during which a being or thing has existed. We defined firm age as the number of years of incorporation of the company; even though some believe that listing age, should define the age of the company (Shumway, 2001). According to him, listing age is more economical since listing is a defining moment in the company' life. But Shumway's argument is debunked from the perspective of the company as a legal personality (Loderer and Waelchi, 2011).

Indeed, Gitzmann (2008) and Pickering (2011) note that as a legal person, a company is born through incorporation and therefore, it starts aging from the date of incorporation. Cooperative like any other firm has its birth date on its date of registration by the Director of Cooperatives. By registering a co-operative, one is creating a legal entity with certain powers to act on its own and certain responsibilities. Before registering a co-operative, take note of the important record-keeping that need to be done by a co-operative.

Certainly, age has influence on performance of cooperative business and its sustainability. Over time, cooperatives like many other firms discover what they are good at and learn to be more

efficient. They specialize and find ways to standardize, coordinate, and speed up their production processes, as well as to reduce costs and improve quality. In spite of this, Loderer and Waelchi, (2011) warn that old age may make knowledge, abilities, and skills obsolete and induce organizational decay in firms. Thus, it is generally unclear whether aging helps cooperative to prosper or whether it dooms them.

Cultural Factors

The culture of a society is the accepted way of doing things in that particular society (Brocchi, 2008; Rahimi, Mousa, Azad, Syedaliakbar, 2014). It is the way in which people live, their customs, traditions, methods of cultivation and so on. The culture of a society is learned by each individual member of that society. Children are not born with this knowledge; they learn by seeing how older children and adults behave. As they grow up, older members of their family or kinship group teach them about the customs and traditions of the group and the society. Later still, they may be initiated more fully into the society at ceremonies where they are taught traditional habits and customs, and their expected role. Experience also gives a business firm a better understanding of the behavioural pattern of the community and may teach the business adaptative strategies. The structure of a society is the way it is organized into families, tribes, communities and other groupings or divisions. A person's attitudes, and people's expectations of that person, are influenced by the groups to which he or she belongs

The cooperative movements represent large, diverse alternatives to the dominant private-ownership model and the cooperative ideal has resurfaced many times during the history of modern industrial development. The worker-based movements of the 19th and 20th centuries stemmed from the displacement of previously independent workers into wage-labour, together with the low pay and insecurity of such labour. At the same time, farm-based movements were created to offset the power of large private enterprises to monopolize profits by gaining control of critical parts of supply chains such as the railroad and credit institutions. In some cases, local nationalism, religious cohesion, and successful worker-based struggles against fascist forces also provided a supportive environment. The over-riding driver was for a community to work cooperatively together to gain some control over their living conditions and well being. In many cases, if not all, the different strategies of labour unions, working class and nationalist political

movements, and cooperative movements etc. were symbiotic and inter-twined forms of protective and mutual-aid organizations. As Fairbairn notes “The Rochdale Pioneers did not rise spontaneously from need, but were organized consciously by thinkers, activists, and leaders who functioned within a network of ideas and institutions. The same can probably be said of all successful co-operatives in all times and places: they arise from need—when some activists, institutions, or agencies consciously promote and organize them.” Develtere also proposes that “co-operatives cannot be analyzed as distinct social movements. It is their relationship with other social movements which to a great extent accounts for the diversity and scale of cooperative activity” (Roger, 2013)

Cooperatives being people oriented understands that culture is not an accidental collection of customs and habits but has been evolved by the people to help them in their conduct of life. Each aspect of the culture of a society has a definite purpose and function and is, therefore, to be respected and regarded by every stakeholder of the operating society. This is important to remember when planning extension programme like cooperative sensitization and mobilization. Changes in one aspect of culture may have an effect on some aspects of business environment. If changes in one aspect of culture are introduced, and these are likely to have an unacceptable effect on businesses, then the business may have little chance of success.

Social divisions within a society can be based on several different factors, including age, sex, religion, residence, kinship and common economic interest. A number of cultural factors are hereunder reviewed:

1. Age grade practices

People of the same age usually have similar interests and attitudes. Young people tend to have different values, attitudes and aims in life from those of older people. In many societies, elderly people are treated with great respect, and their advice is listened to carefully. A cooperative extension agent needs to learn the particular aims, expectations and restrictions of different age groups in the society in which he works, to enable him relate appropriately and dispense his business aim successfully. Conversely, age grade system can help in sustaining cooperative practices by the height of regard they have for their socio-cultural values. If a cooperative is

formed by a particular age grade there is unalloyed commitment by the member patrons. To a large extent Parrish (2009) observed that the prevalent age grade practice in a community can significantly affect the sustainability and continuity of cooperative businesses.

2. Sex/Gender Notations

Traditionally, in rural areas, specific tasks are done either by men or women. Usually women are responsible for household jobs, such as cooking, collecting water and firewood or looking after children. However, in many countries, women also do a lot of farm work. In a number of African countries, over 60 percent of all agricultural work is usually done by women. Often, women have their own fields in which they grow food crops, while the men are responsible for commercial cash crops such as tobacco or oil-palm. This has in most literatures led to the dominance of cooperative societies by the female folk. Their commitment is expected to positively influence the cooperative businesses but the overbearing position of the men/husbands interferes so much in their business involvements. This is because Obasi (2001) observed that women especially of the married type are usually more committed in cooperative activities than young ladies and men. The cultural notation of the fact the women should not do productive works interferes with their zeal and commitment. Men on the other hand get involved in cooperative businesses but the African man may not be resilient in group action in times of business turbulence.

Elsewhere, men and women work the same fields, but carry out different tasks. In Botswana, for example, ploughing and all work connected with cattle are traditionally a man's job, while weeding, bird-scaring and threshing are done by the women. Agricultural extension often concentrates on men, with male extension agents visiting male farmers. But any change in the way people farm will also affect the women, and thus may well fail unless extension agents involve women in their programme.

3. Religious Beliefs

Members of religious groups have common beliefs and attitudes, and these may influence their willingness to work closely with people of other religions. Religious differences can create tensions in a rural community thereby affecting a cooperative: the extension agent should be aware of these. Some religions impose patterns of behaviour which may affect extension. Certain

times of day, particular days of the week or seasons of the year may be devoted to religious ceremonies, which mean that farmers are not available for farm work or for extension activities. Cooperative businesses in this scenario needs to develop a level of resilience to enable them weather every storm. The cultural and religious beliefs of the people will also inform the enterprise areas the cooperative can venture. The liberty to all types of business with multiple product lines may not be feasible. The implication is that such businesses are already restricted. Many rural societies look upon new methods with indifference and sometimes with suspicion. This debars them from making real economic progress hence, unsustainable businesses.

4. Kinship System

The strongest groupings are often those based on relationships of birth and marriage within and between families. The smallest of these groupings is the family, which consists of a man and woman and children. In some societies, such families are independent and make their own decisions about where to live, where to farm and what crops to grow. These families will, however, usually have certain duties toward close relatives that they will be expected to fulfill, and these could restrict their freedom of action. For cooperatives this implies that groups without family members may suffer member commitment and loyalty and if member commitment and loyalty to the cooperative business is tampered the result is already known. The possibility of achieving that group objective will no longer be realistic thereby, influencing the cooperatives negatively.

In other societies, larger kinship groups may live together, own land in common or even take joint decisions about farming. When this happens the individual farmer may have little freedom of decision. An extension agent would need to find out who are the leaders and decision-makers of such groups, and work closely with them.

5. Extended family Lifestyle

Extended family is a multiplicity of primary familial relationship, usually determined by kinship, where everybody is a father, mother, brother, sister or child, which functions to meet the emotional, financial, physical and social of members (Parrish, 2009). Family businesses are one of the dominant entrepreneurial forces in today's global economy but their poor survival rate is a continuing source of concern all over the world. They are culture specific and researchers need to consider the way in which culture may be impacting positively or negatively on them as firm's culture has a relatively weak influence on an individual's core culture beliefs and values. The extended family phenomenon is also reported to be a barrier to entrepreneurship development. The "Care Syndrome" (Esen, 1973 as cited by Obayan, 1995), which is a feature of Nigerian extended family, is a burden on entrepreneurship as suggested by the result. The expectations of this family system from its members are found to be incompatible with entrepreneurship ideal based on pure economic principle of rationality. The "care syndrome" among family members encourages the tendency towards dependency. Rather than for every family member to engage in productive activity, one notices a trend where the less successful members look up to the most successful member of the group for sustenance. Family dynamics will affect decisions/actions, and those decisions/actions will assuredly be different from business which is not influenced by either family ownership or family management (Chua, et al, 1999).

6. Existence of Indigenous Cooperatives

The term "Indigenous cooperative" is difficult to define. It could be locationally defined or by the crop of membership. This is the case because a cooperative can be located in and owned by an Indigenous community, or owned by Indigenous individuals within a non-Indigenous community, or have a primarily indigenous membership but be managed by non-Indigenous individuals. Hammond, Ketilson and MacPherson (2001) completed an in-depth review of Indigenous cooperatives in Canada in the early 2000s, including 13 case studies, and included formally incorporated cooperatives that were located in predominantly Indigenous Communities, if the membership base was predominantly indigenous, or if the cooperative was owned and/or controlled by Indigenous people. Indigenous cooperatives can as well be formally incorporated cooperatives where the majority of members are Indigenous. It is also as an organization that is formally incorporated as a cooperative with mostly indigenous membership. Chances are high

that indigenous cooperatives work to protect their business and inter family relationships. To this effect it could be affirmed that indigenous cooperatives have the capacity to do well within their cultural context.

Methodology

The research is hinged on descriptive survey design. The flexibility of survey means that a variety of data collection instruments - observation, interviews, and questionnaires can be used.

The target population of this study included the management committee of all the cooperative societies in Imo State totaling about 14,000 societies. A multistage sampling technique was adopted in the selection of location and cooperative businesses. In stage one, five local government areas each were randomly selected from the three senatorial zones (15 L.G.As). Secondly, within the local government areas, ten cooperative societies each were purposively selected (150 cooperative societies). The third stage entailed judgmental selection of Presidents, Secretaries and Treasurers of the selected cooperatives and this gives a total of 450 respondents.

The data collected for the research questions were analyzed using descriptive statistical tools such as table, percentage, mean, standard deviation and ranking. Five -point likert scale was also employed to assess the perceptions of respondents on relevant issues of investigation, with the following keys: strongly agree (5), agree (4), undecided (3) disagree (2) and strongly disagree (1). For the hypothesis, multiple regression models was employed.

Model Specifications

$$AG = (X_{1d} X_{2d} X_{3d} X_{4d} X_{5d} X_{6d})$$

where;

AG = Age of cooperative business (years of cooperative existence)

X_{1d} = Kinship System (mean score of responses).

X_{2d} = Age Grade Practices (mean score of responses).

X_{3d} = Existence of Indigenous Coops (mean score of responses).

X_{4d} = Extended Family Lifestyle (mean score of responses).

X_{5d} = Religious Groups (mean score of responses).

X_{6d} = Sex/Gender Notations (mean score of responses).

The explicit specification of the model is stated thus;

$$AG = \alpha + \beta_1 X_{1d} + \beta_2 X_{2d} + \beta_3 X_{3d} + \beta_4 X_{4d} + \beta_5 X_{5d} + \beta_6 X_{6d} + e$$

**Table 1: Age of Cooperative
Age Distribution of the Cooperatives, 2016.**

Range (Years)	Frequency	%	Cumulative %
<5	10	2.2	2.2
5-9	73	16.2	18.4
10-14	148	32.9	51.3
15-19	142	31.6	82.9
>19	77	17.1	100
Total	450	100	

Source: Field Data, 2017

Table 1 above shows the age profile of the cooperatives. 2.2% have existed for less than five years, 16.2% have been in business between 5 to 9 years; 32.9% between 10 to 14 years; 31.6% between 15 to 19 years while; 17.1% have existed for more than 19 years in business. The implication is that majority of the cooperatives have existed for more than 10 -19 years.

Table 2: Respondents' Perceptions on the Influence of Cultural Factors on Cooperative Sustainability

	N	SUM	Mean	Standard Deviation	Decision
Kinship system	450	2042	4.5378(2 nd)	1.28019	Accept

Age grade practices	450	2175	4.8333(1st)	.67817	Accept
Existence of indigenous coop	450	599	1.3311 (5th)	.81695	Reject
Extended family lifestyle	450	518	1.1511 (6th)	.57746	Reject
Religious groups	450	1685	3.7444(3 rd)	1.51283	Accept
Sex/Gender Notations	450	636	1.4107(4th)	.49067	Reject
Valid N (listwise)	450				

Source: Field Data, 2017.

Table 2 above shows the responses of respondents on the cultural factors that influence age of cooperative businesses. Out of six variables of interest, 3 posted positive results while 3 were negative. The mean sets of 4.8333, 4.7356 and 3.7444 were ranked 1st to 4th respectively; while 1.4107, 1.3311 and 1.1511 were ranked 4th to 6th respectively.

Discussion of result: To determine the influence of cultural factors on age of cooperatives. The implication of the results above (1st to 4th) is that these factors: age grade practices, kinship system, and religious practices respectively influence the age and continuity of cooperative businesses. Conversely, the mean sets of 1.4107, 1.3311 and 1.1511 (sex/gender notations, existence of indigenous cooperatives and extended family lifestyle) were ranked 4th to 6th respectively, and do not significantly influence the age of cooperative businesses. To remove every roadblock to the continuity of cooperative businesses (sustainability), attention should be given to age grade practices, kinship system, and religious practices.

Test of hypothesis

H₀: Age of Cooperative businesses is not significantly influenced by Cultural factors in the study area.

H₁: Age of Cooperative businesses is significantly influenced by Cultural factors in the study area.

Table 3: Regression Output: Influence of Cultural factors on Cooperative Age.

Variables	coefficients	std. error	t. stat	Sig (Prob)
Kinship system	.141	.024	5.929	.000
Age grade practices	.595	.023	26.007	.000
Existence of Ind. coops	-.050	.032	-1.543	.123
Extended family lifestyle	.042	.043	.978	.329
Religious groups	.100	.018	5.635	.000
Sex/Gender notations	.042	.052	.811	.418
R	.948			
R ²	.899			
Adj. R ²	.898			
F. ratio	660.266	Sig @ 0.000		

Dependent: **Cooperative Age**

Source: Computed from field survey, 2017.

The test reveals the correlation coefficient (R) of 0.948 signifying a strong positive relation between the dependent and the independent variables. This means that 94.8% strength of relationship exists between them.

The overall regression fit as measured by the coefficient of multiple determinations (R²) was 89.9% and measures the goodness of fit at a very high percentage. It means that 89.9% variation in the dependent variable was accounted for the variations in the independent variables.

The overall significance of the regression is reflected in the value of F-statistic 660.266 Sig @ 0.000 which is low enough to reject the null hypothesis strengthens the suitability of the data to the regression line.

Discussion of test hypothesis: At various levels of probability, kinship system, age grade practices and religious groups are statistically significant as indicated by their low probability values of 0.000, 0.000 and 0.000, respectively; while existence of indigenous cooperatives, extended family life style and nuclear settlement practices are statistically insignificant by their P-values of 0.123, 0.329 and 0.418.

To the general prediction of the F-test, $P < 0.05$; this therefore rejects the null hypothesis and accepts the alternate that: “cultural factors influence the age of cooperative business”. This outcome is consistent with the findings of Nkhoma and Conforte (2011), Poulton, Kydd and Doward (2006), and Pathak and Kumar (2005) whose observation is that while some degree of market failure is required to justify cooperative formation, complex cultures present major challenge for cooperatives without required managerial expertise, and innovation.

Summary of Findings

The findings of this study are summarized thus; age of cooperative business is significantly influenced by cultural factors (F-ratio= 660.266 Sig @ 0.000). Of all items depicting cultural factors, kinship system, age grade practices and religious groups were particularly found to have very high influence on age of cooperative business. This then implies that cultural practices in the area do not harm or hurt the cooperative institution, but rather encourage and promote it.

Recommendations

Cooperative societies should uphold the cultural norms of their location of business and engage in activities that promote concern for their host community to avoid effects of restiveness which has the capacity of closing down cooperative shops.

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