

***Increasing Creative Leadership for Cooperatives to Increase Innovation in
Products and Services***

Monry Fraick Nicky Gillian Ratumbuysang, Universitas Lambung Mangkurat, Indonesia
Dasim Budimansyah, Universitas Pendidikan Indonesia, Indonesia
Dwi Atmono, Universitas Lambung Mangkurat, Indonesia
Encep Syarif Nurdin, Universitas Pendidikan Indonesia, Indonesia
Yoga Ardian Feriandi, Universitas Pendidikan Indonesia, Indonesia
Jagad Aditya Dewantara, Universitas Pendidikan Indonesia, Indonesia
Erwin Susanto, Universitas Pendidikan Indonesia, Indonesia
Restu Adi Nugraha, Universitas Pendidikan Indonesia, Indonesia

The Asian Conference on the Social Sciences 2024
Official Conference Proceedings

Abstract

This study explores the important role of creative leadership in improving the ability of cooperative managers to drive innovation in products and services across micro, small, and medium enterprises (MSMEs) and various economic sectors in Indonesia. As technology evolves, cooperative managers are forced to adapt to contemporary developments, requiring creative flexibility to improve their professional competence. Using a mixed-methods approach that integrates qualitative and quantitative analysis, our research aims to implement a program that equips cooperative managers with tools to enhance their creative character. This study examines the nuanced aspects of creative thinking development through participant observation, interviews, and in-depth discussions during the training program. These findings reveal an important improvement in the ability of cooperative managers to generate innovative ideas, think critically, and adapt creatively to emerging challenges. Evaluation of the effectiveness of the Creative Leadership Strengthening Program, assessed through the interpretation of N-GAIN, categorizes it as an impact. Strengthened by a significant increase in participants' knowledge, evident in the variance between pretest and posttest scores, this study underscores the real positive impact of creative character training on the improvement of innovation in cooperative products and services in Banjarmasin. Initial findings show that, before implementing the creative character strengthening program, the level of creativity among cooperative managers and innovation in cooperative products and services in Banjarmasin is considered sufficient. Post-training, exploring the factors influencing creativity and innovation reveals key elements, including improved creative thinking skills, increased capacity to adapt to emerging challenges, and effective implementation of digital modules. The results of this study provide a comprehensive understanding of the factors that affect creativity and innovation in cooperative management in Banjarmasin after training.

Keywords: Creative Leadership, Cooperative Manager; Innovation in Products and Services, Micro, Small, and Medium Enterprises (MSMEs)

iafor

The International Academic Forum

www.iafor.org

Introduction

Cooperatives are one of the effective means of supporting local economic development (PEL). This often occurs in line with its role as a driver of economic growth, a creator of market access, and a grower of participation (Shava & Hofisi, 2019, Khuswati & Relita, 2019). Bretos, as quoted in Raharja et al.(2002) defines a cooperative as an entity driven by the goal of improving the welfare of its members through economically profitable activities, operating on the principles of mutual cooperation. With a strategic focus on the growth and development of micro, small, and medium enterprises (MSMEs) in various economic sectors, cooperatives are an integral component of Indonesia's economic structure (Perkasa & harahap, 2023).

However, in Banjarmasin, cooperatives face the challenge of maintaining their presence due to the lack of public understanding of the essence and importance of cooperative entities (Aslamiyah & Nasrudin, 2019). The overarching goal for cooperatives is to develop independently, ensure profitable operations and improve the welfare of their members, echoing the communal spirit embedded in Indonesian character. To improve Indonesia's economy, there are concerted efforts to maximize the role of cooperatives, emphasizing the need for strategic interventions such as training programs for cooperative managers (Susmonowati, 2023).

Character, including personality, behavior, traits, habits, and dispositions, is considered a fundamental element in the context of individuals and organizations. Lickona, as quoted by Hengki Primayana (2019), associates good character with honest living, where honesty extends to one's relationships with oneself and others.

Creativity, identified by Taylor and Getzels in 2017, as quoted in Shaxem et al. (2018), not only the generation of original ideas but the ability to understand innovative products and actions. It involves understanding new and unexpected relationships, building unique sequences, and thinking innovatively about seemingly unrelated factors (Wahab & Saud, 2021).

Recognizing the important role of human resource development, training is essential to improve the quality and professional skills of employees in cooperatives (Ristiani et al, 2020). According to Jackson et al. (2018), training has the main goal of improving performance in the near future and in certain jobs by improving employee competencies (Jackson, 2018).

Understanding the important role of cooperatives in supporting the growth and improvement of micro, small, and medium enterprises (MSMEs) in various sectors of the economy, basic training for cooperative managers aims to lay the foundation to enhance their creative character. This fundamental improvement is expected to catalyze creativity and innovation, thereby encouraging the progress of cooperatives in various aspects.

The main goal of this study is to design, implement, and evaluate basic training programs for cooperative managers, with a focus on improving their creative character. This study aims to measure the effectiveness of training not only improving participants' creative thinking skills and fostering a culture of innovation in cooperative management.

The novelty of this study lies in its comprehensive approach to understanding and developing creative leadership in the cooperative sector. Combining insights from character development, creativity theory, and innovative training methodologies, this research seeks to contribute to a nuanced understanding of the factors that affect creativity and innovation in cooperative management. This study aspires to provide practical recommendations to encourage innovation and contribute to the broader discourse on cooperative development in Banjarmasin and beyond.

Literature Review

Creative Character in Cooperative Development

The dynamic landscape of cooperative development places a significant emphasis on the creative prowess of cooperative managers, an important factor in encouraging active engagement among cooperative members. This effort is not just about managerial creativity but a joint effort to provide great benefits to members and the wider community through a variety of initiatives. The essence of realizing these benefits lies in the innovative and creative management of cooperative operations.

Mutis conceptualizes creativity as the ability to inject novelty into life (Mutis, 2015). These intrinsic qualities are an important source of competitive advantage, especially in an environment characterized by rapid change. The essence of creativity is not just about generating ideas. However, it includes the ability to respond to change inventively, an indispensable quality in the intricate web of organizational problem-solving and decision-making (mutis, 2015).

Sule and Kurniawan (2006:228) further describe creativity as the capacity of individuals to generate new ideas, especially building existing knowledge. An individual's talent for generating these new and innovative ideas is crucial to an organization's adaptability to change. In a cooperative environment characterized by diverse challenges and evolving landscapes, individuals who come up with inventive solutions become catalysts for positive organizational development.

The evolving nature of the cooperative environment requires constant readiness to adapt. This is where the importance of creativity lies, acting as the driving force behind innovative solutions to emerging challenges. The cooperative manager, as the torchbearer of this creative spirit, plays a crucial role in directing the cooperative ship through uncharted waters.

The symbiotic relationship between creativity and organizational development becomes clear. Organizations that foster a culture of creativity navigate change more effectively and foster an environment where new ideas thrive. Cooperative managers, equipped with creative insights, are instrumental in forming cooperatives that are resilient, innovative, and responsive to the needs of their members and the wider community.

Fostering creative character among cooperative managers goes beyond the development of individual skills; This is the foundation for the resilience, growth, and ability of cooperatives to navigate the complexity of an ever-changing socio-economic landscape. Driven by creative leadership, cooperatives are emerging as financial entities and dynamic forces for positive change and sustainable development.

Essence of Cooperatives

The term "cooperative" carries a deep meaning, rooted in its etymological origins of "co" and "operation," signifying collaborative efforts and collective action (Haryosono & Cahyono, 1983). In essence, it encapsulates that efforts collectively embody the spirit of cooperation.

As defined by the International Labour Organization (ILO), cooperatives represent voluntary associations of individuals, often grappling with economic losses, uniting their efforts to achieve common goals through cooperative activities. These collaborative efforts are democratically supervised companies where members are willing to contribute significant capital, share associated risks, and participate fairly in the profits generated (Sudarsono & Edilius, 2007). These principles highlight the cooperative's commitment to democratic governance, risk sharing, and equitable distribution of benefits among its members.

The legal framework provided by the Indonesian Cooperative Law No. 25/1992 further refines this definition. According to the law, a cooperative is a business entity consisting of an individual or legal entity that operates based on the principle of cooperatives. Functions as a business entity and a people's economic movement based on the principles of kinship (Law of the Republic of Indonesia No. 25/1992). This dual identity emphasizes the socio-economic dimension of cooperatives, positioning them as more than just economic entities.

As articulated by Sitio and Tamba (2001), the essence of cooperatives lies in their stance as economically weak collectives, united in maintaining their livelihood needs. This particular foundation underscores the cooperative's commitment to living frugally and prioritizing collective needs over generating profits. Cooperatives are envisioned as socio-economic entities with a mission beyond financial gain.

The priority of collective well-being over individual profits departs from the traditional business model. Cooperatives are not just profit-driven enterprises but instruments of collective empowerment, promoting frugal living and resilience among economically disadvantaged individuals. Cooperatives, thus, emerged as a socio-economic force committed to the collective well-being and improvement of their members. The principles of cooperation go beyond business transactions, fostering a sense of togetherness and shared prosperity.

Driving Business Evolution: Exploring the Dynamics of Product Innovation

In the complex landscape of business operations, innovation is a critical force that shapes the sustainability and dynamism of every company (Trott, 2011). Its influence extends across the spectrum of management activities, including the conception of ideas, technological advancements, manufacturing processes, and the strategic marketing of new or processed products. Drucker places innovation as a niche tool, allowing companies to embrace transformative change as an opportunity for diversification and the pursuit of new businesses (Drucker, 2012).

The essence of innovation, as outlined by Anatan and Ellitian in 2009, lies in its transformative nature within an organization. It encapsulates creative changes that create new products, services, ideas, or processes. This transformative process is not limited to internal dynamics but extends to external influences, recognizing that innovation can emerge within and beyond the boundaries of the organization.

Creativity is at the heart of this transformative journey—the ability to generate and generate new, useful ideas (Gupta, 2007). This symbiotic relationship positions creativity as a prerequisite for meaningful innovation and organizational transformation. Gupta's emphasis on the intertwined nature of creativity and innovation highlights that one cannot thrive without another.

Innovation is not a solitary event but an ongoing process driven by creative imagination. This goes beyond just the introduction of new products; This embodies a comprehensive approach to organizational evolution. The transformative power of innovation, rooted in creative thinking, drives a company's adaptability, growth, and continued relevance in a dynamic market landscape. As companies navigate the ever-changing business landscape, the marriage of creativity and innovation emerges as a dynamic duo, propelling them towards a future full of possibilities.

Improving Community Welfare

In a complex web of business dynamics, services emerge as fundamental components, adding layers of value to transactions and interactions. Kotler's definition encapsulates service as an intangible act or activity from one party to another, without physical possession (Laksana, 2008). The service sector is expanding its influence across a diverse range of business models, playing a dual role both as a standalone product and an intrinsic supplement intertwined with the core product.

In essence, services represent a tangible manifestation of intangible interactions, forming an indispensable link in the business ecosystem. When applied to cooperatives, it takes on a deep dimension. In the context of cooperatives, cooperative services go beyond conventional transactions to realize a commitment to communal welfare. It's not just about the preparation of intangible actions; It's about fostering an environment where the needs of the community come first.

Cooperative services, guided by the principles of mutual aid and democratic collaboration, go beyond conventional business transactions. They become a channel for community empowerment, symbolizing the cooperative's commitment to collective prosperity. The cooperative model, which is inherently rooted in family principles, reinforces the importance of service, putting the collective well-being of its members at the forefront (Sudarsono & Edilius, 2007).

The Indonesian Cooperative Law No. 25/1992 describes cooperatives as business entities based on cooperative principles. These principles support economic activities and function as a people's economic movement based on the principles of kinship (Law of the Republic of Indonesia No. 25/1992). Cooperatives, therefore, emerged as a unique amalgamation of economic pursuits and social cohesion, with services acting as conduits that bind these elements together.

Understanding the essence of cooperative services requires going beyond the conventional perception of services as mere transactions. Rather, it invites us to investigate the ethos of cooperatives—spaces where economic endeavor is intertwined with social responsibility. This complex interaction positions cooperative services as an action and catalyst for the progress of the community, realizing the spirit of cooperation for mutual support and mutual prosperity. As cooperatives navigate the contemporary business landscape, the transformative

potential of their services lies not only in transactions but also in the collective impact they have on the well-being of their members and the wider community.

Methodologists

This study uses a mixed-method approach, combining quantitative and qualitative methods to understand research problems and questions holistically (Clark & Creswell, 2014). This design, specifically the sequential design of explanations, integrates both methods to gain a deeper understanding than when used independently. This study involved 16 participants for quantitative data collection through questionnaires and 32 participants for qualitative in-depth interviews.

The population consisted of 350 cooperative managers in Banjarmasin, with a sample of 16 core cooperative managers selected for the study. The research instruments include variables such as manager creativity, product innovation, and service quality in cooperatives. The questionnaire contains items to assess each indicator under these variables.

Data analysis includes quantitative and qualitative methods. Quantitative data underwent statistical analysis, while qualitative data from interviews followed an interactive and continuous analysis procedure by Miles and Huberman (2014). The analysis includes data reduction, presentation of findings, and verification of conclusions.

The research unfolds in two phases: first, the quantitative phase involves distributing questionnaires, preparing and analyzing quantitative data, and obtaining preliminary findings. Furthermore, the qualitative phase uses in-depth interviews to deepen and support the quantitative data. This multi-phase approach ensures a comprehensive understanding of the research question by integrating findings from quantitative and qualitative analyses.

Results and Discussion

Level of Creativity, Product Innovation, and Cooperative Services in Banjarmasin

The survey findings revealed that the level of creativity among cooperative managers in Banjarmasin was moderate, with an average score of 3.8 on a scale of 1-5. And then product and service innovation of 3.7 on a scale of 1-5. This indicates that the ability of existing cooperative managers plays a major role in increasing the creativity and innovation of cooperative products and services in Banjarmasin.

The Effect of Creative Character Training on Increasing Innovation

This study uses regression analysis to examine the impact of creative character training on the progress of product and service innovation. These findings showed a statistically significant positive correlation between creative character training and increased innovation ($p < 0.05$). In particular, cooperative managers who undergo creative character training show a significant improvement in their ability to generate innovative ideas and improve the overall quality of the products and services offered by the cooperative. So it can be concluded that training in cooperative administrators can increase the character of creativity in cooperative administrators.

Factors Affecting Creativity and Innovation

An analysis of the factors that influence creativity and innovation reveals several key elements. First, prominent leadership is considered an important factor. Cooperatives benefit from leaders who actively pour out new ideas and encourage innovative risk-taking, resulting in higher scores on creativity assessments. In addition, external factors, especially government policies that support the development of local products and innovation within the cooperative sector, significantly shape the overall landscape for creativity and innovation. Furthermore, organizational culture emerged as an important internal factor, emphasizing the importance of member participation in the decision-making process as a fundamental aspect in fostering creativity among cooperative managers. This triad of leadership, external policy, and organizational culture collectively underscores the diverse nature of the factors that contribute to creativity and innovation in cooperatives.

Conclusion

This preliminary study highlights the current state of creativity and innovation among cooperative managers in Banjarmasin. The moderate level of creativity and innovation identified underscores the significant potential for cooperatives to improve. Key findings highlight the strength in openness to new ideas and product variety among managers, while regression analysis underscores the positive impact of creative character training on increased innovation. The multifaceted factors that influence creativity and innovation, including leadership support, government policies, and organizational culture, offer a nuanced understanding of the cooperative landscape.

We recommend targeted leadership development programs underscore the importance managers have the necessary skills to drive innovation. At the same time, policy advocacy is important to create an environment conducive to the development and innovation of local products. It is important in this progress that cooperatives need to invest in strengthening their organizational culture, embracing participation from others, and recognizing innovative contributions. Proactive collaboration inside and outside the cooperative is encouraged to leverage diverse perspectives and resources for collective innovation. Recognizing the dynamic nature of creativity and innovation, the study emphasizes the importance of continuous monitoring and evaluation, ensuring strategies remain relevant and effective. Additionally, knowledge-sharing platforms have emerged as a valuable tool for cross-learning and developing best practices. Ultimately, the strategic implementation of these interventions serves as a catalyst for sustainable innovation, benefiting not only individual organizations but also the broader cooperative sector and the communities they serve.

Acknowledgments

To the Rector of Lambung Mangkurat University Banjarmasin, Dean of the Faculty of Teacher Training and Education Banjarmasin, Promoter and fellow doctoral students at the University of Education Bandung.

References

- A. Aslamiyah and N. Nasrudin, "Faktor-Faktor Yang Mempengaruhi Perkembangan Koperasi Mahasiswa Di Banjarmasin," *JIEP J. Ilmu Ekon. dan Pembang.*, Vol. 2, No. 1, hlm. 175, 2019, DOI: 10.20527/jiep.v2i1.1164
- A. R. Wahab and M. S. Saud, "Pembangunan Instrumen Karakter Kreatif Pelajar Pendidikan Teknikal dan Latihan Vokasional (TVET)," *Anp J. Soc. Sci. Kemanusiaan.*, vol. 2, no. 2, hlm. 112–122, 2021, [Online]. Tersedia: <https://doi.org/10.53797/anp.jssh.v2i2.16.2021>
- A. Sitio dan H. Tamba, *Koperasi Teori dan Praktek*. Jakarta: Erlangga, 2001.
- E. Khuswati and D. T. Relita, "Pengaruh Kualitas Pelayanan Koperasi Terhadap Kepuasan Anggota Koperasi Simpan Pinjam (KSP) Bhakti Lestari Kecamatan Sungai Tebelian," *JURKAMI J. Pendidik. Ekon.*, Vol. 4, No. 2, hlm. 89–98, 2019, DOI: 10.31932/JPE.V4I2.594
- F. Laksana, *Manajemen Pemasaran*. Yogyakarta: Graha Ilmu, 2008.
- Jackson, S. E., Sculer, R. S., & Werner, S. (2018). *Managing Human Resources* (12 (ed.)). Oxford University Press.
- K. H. Primayana, "Menciptakan Pembelajaran Berbasis Pemecahan Masalah Dengan Berorientasi Pembentukan Karakter Untuk Mencapai Tujuan Higher Order Thingking Skilss (HOTS) Pada Anak Sekolah Dasar," *Purwadita J. Agama dan Budaya*, vol. 3, no. 2, hlm. 85–92, 2019, [Online]. Tersedia: <https://jurnal.stahnmpukuturan.ac.id/index.php/Purwadita/article/view/367>
- L. Anatan dan L. Ellitan, *Manajemen Inovasi (Transformasi Menuju Organisasi Kelas Dunia)*. Bandung: Alfabeta, 2009.
- P. Trott, *Manajemen Inovasi dan Pengembangan Produk Baru*. Pendidikan Pearson, 2011.
- P. F. Drucker, *Inovasi dan Kewiraswastaan*. Jakarta: Erlangga, 2012.
- P. Gupta, *Inovasi bisnis di abad ke-21*. North Charleston, Carolina Selatan: Dipak Jain, Dean Kellogg School of Management, 2007.
- R. D. Perkasa and F. F. Harahap, "Pengaruh Koperasi terhadap Peningkatan Usaha Kecil Menengah Masyarakat Kota Tanjungbalai," *J. Pendidik. Tambusai*, vol. 7, no. 2, hlm. 13931–13936, 2023.
- Shava, E., & Hofisi, C. Cooperatives as strategies of local economic development in the City of Tshwane. *Journal of Contemporary Management*, 16 (2), 23-42. <https://doi.org/10.35683/jcm18028.0025>

- S. J. Raharja, H. A. Muhyi, A. Chan, and R. Purbasari, "Pelatihan Social Media Marketing Bagi Pengurus Koperasi-Koperasi Di Kecamatan Panyileukan Kota Bandung," *Kumawula J. Pengabd. Kpd. Masy.*, Vol. 5, No. 1, hlm. 115, 2022, DOI: 10.24198/kumawula.v5i1.36042
- S. M. Ristiani, R. Triwoelandari, and Y. Yono, "Pengembangan Media Pembelajaran Lectora Inspire Versi 12 Pada Mata Pelajaran IPA Berbasis STEM untuk Menumbuhkan Karakter Kreatif Siswa," *J. Basicedu*, Vol. 5, No. 1, hlm. 30–40, 2020, DOI: 10.31004/Basicdu.v5i1.613
- S. Haryosono dan B. T. Cahyono, *Ekonomi Koperasi*. Yogyakarta: Liberti, 1983.
- Sudarsono dan Edilius, *Manajemen Koperasi Indonesia*. Jakarta: Rineka Cipta, 2007.
- Sugiyono, *Metode penelitian Pendidikan (Pendekatan Kuantitatif, Kualitatif, dan R&D)*. Bandung: Alfabeta, 2014.
- T. Susmonowati, "Pelatihan Pengelolaan Keuangan Koperasi bagi Pengurus Koperasi Mahasiswa Institut STIAMI," *J. Komunitas J. Pengabd. Kpd. Masy.*, vol. 6, no. 1, hlm. 44–49, 2023, [Online]. Tersedia: <http://ojs.stiami.ac.id>
- T. Mutis, *Kewirausahaan yang Berproses*. Jakarta: PT Grasindo, 1995.
- V. L. P. Clark dan J. W. Creswell, *Memahami penelitian: Panduan konsumen, Enhanced Pearson eText dengan versi longgar - Paket Kartu Akses*. Pearson, 2014.