CREATIVE CHARACTER DEVELOPMENT AND MANAGEMENT: INSIGHTS ON INNOVATION IMPROVEMENT IN COOPERATIVES

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Abstract
This study explores creative character development on cooperative managers and administrators and its role in fostering innovation within Pontianak cooperatives. Through a mixed methods approach, combining quantitative and qualitative techniques, data was gathered from 300 people serving in 18 cooperatives within Pontianak city. The findings revealed that internal factors, such as an individual's potential to be creative, as well as external factors from their organizations and the environment, influenced creativity development. Negative influences like conservatism were identified, while positive factors like motivation, intellect, and emotions facilitated creativity. Effectively managing these factors is vital for enhancing cooperative managers' and administrators' creativity, leading to improved management strategies and innovative solutions. This study could be of relevance to designers of training programs to foster innovation in cooperatives.

Keywords: Creativity development; character; cooperatives management.

INTRODUCTION
Creative character development, when instilled in early childhood, plays a pivotal role in shaping an individual's character throughout their life. This formative stage in human growth and development is the most opportune time to introduce and nurture creative values. The values inculcated during these early years are likely to leave a lasting impact on their character as they mature to become leaders.

In today's world, creativity stands out as a crucial trait in leadership. Leaders and managers with a strong creative character possess the ability to generate novel and innovative ideas, which they can then transform into well-thought-out and beneficial actions.

Fostering creative character development from an early age lays the foundation for a future generation of leaders who can adapt to challenges, think outside the box, and drive positive change in their areas of influence. Nurturing creativity in individuals empowers them to approach problem-solving with fresh perspectives, leading to innovative solutions for the better.

Cooperatives, like any other organizations, strive to achieve their visions, meet objectives, and attain goals. However, due to their unique setup as membership-based entities governed by democratic principles, their administrators and managers face distinctive challenges in conducting business. In order to compete effectively in the global market, cooperatives must continue to innovate their products and services. Unfortunately, they often encounter difficulties in producing innovative and high-quality offerings, hampering their ability to compete with other companies in an increasingly competitive market. One crucial factor influencing the innovation of products and services in cooperatives is the creative character of their management and administration.

While the financial performance of cooperatives in Indonesia shows positive trends, their capital structure has increasingly come to rely on outside capital, primarily in the form of debt. On the non-financial side, cooperatives in Indonesia have experienced declining development. The rise in inactive cooperatives, the growing trend of cooperatives not implementing RATs (Annual Member Meetings), decreasing membership, and limited financial and organizational readiness, which hampers labor absorption, all contribute to these challenges.¹

One of the internal obstacles hindering cooperatives from scaling up is the adherence to cooperative principles, as defined by Law no. 25 of 1992. These principles include voluntary and open membership, democratic management, and fair distribution of dividends in accordance with each member's business services. However, only a fraction of registered cooperatives in Indonesia, specifically 35,761 out of 213,000,
actually hold annual member meetings. Moreover, there are internal issues, such as investment fraud masquerading as cooperatives, lending to non-members, and deficiencies in administrative and business systems, including substandard financial reporting. Such problems have contributed to a negative perception of cooperatives, with as many as 32% holding unfavorable views.\(^2\)

The low level of cooperative membership in Indonesia, which stands at only around 8.31% of the population, indicates that cooperatives have not become the preferred choice for the public, as they fall significantly below the world average of approximately 16%. This lack of popularity is surprising considering that Indonesia boasts 123,000 verified members and 35,761 certified cooperative identification numbers (NIK).\(^3\)

Furthermore, the quality of human resources managing cooperatives needs improvement, particularly in organizations with lower-educated members and administrators. Instances of unprofessional management often surface in remote areas, where many cooperatives have faced bankruptcy due to inadequate business management systems, human resources, and financial oversight. Some cooperatives have even succumbed to corruption when dealing with government aid funds.

Human resources in Indonesian cooperatives particularly at administrative and managerial level are the main challenge they face. The individual characters and traits of cooperatives’ leadership is often short of essential attributes including management and financial skills, creativity and innovation, integrity and ethics, and adaptability to dynamic business and economic changes.

An essential aspect of driving innovation is possessing a strong creative character. Creativity involves generating novel and practical ideas. However, many cooperative administrators lack this quality, which can be attributed to factors such as a lack of understanding of the significance of creativity, limited training and guidance in developing creative skills, and the absence of an environment that fosters creativity. Consequently, cooperatives struggle to produce innovative products and services that meet market demands. This hampers their competitiveness and potentially jeopardizes their business sustainability.

The aforementioned characteristics significantly impact cooperative management performance and their ability to compete effectively in the market. It is crucial for cooperative administrators to continuously enhance their skills through relevant training, education, and experiential learning. Strengthening cooperative values and integrity in their actions is also vital. By doing so, cooperatives can overcome challenges and capitalize on business opportunities, leading to further benefits for their members and society.

Cooperative managers with a strong creative character possess the capacity to generate fresh and innovative ideas, contributing to the development of cooperative products and services and enhancing their competitiveness in the market. Consequently, this study aims to identify the factors influencing the creative character of cooperative administrators and propose strategies to strengthen this attribute, ultimately fostering greater product and service innovation within cooperatives.

Research Problem

Formula The problems in the research on Strengthening the Creative Character of Cooperative Management to Improve Product Innovation and Cooperative Services in Pontianak are as follows:

a. What is the level of creativity management, product innovation and cooperative services in Pontianak?
b. How does the creative character training affect the improvement of product innovation and cooperative services in Pontianak?
c. What are the factors that influence creativity administrators, product innovation and cooperative services in Pontianak after being carried out training?

Research purposes

The research objectives in the research on Strengthening the Creative Character of Cooperative Management to Improve Product Innovation and Cooperative Services in Pontianak are as follows:

a. Knowing the level of creativity of the management cooperatives, product innovation and cooperative services in Pontianak.
b. Knowing the factors that influence the creativity and innovation of cooperative products and services in Pontianak.
Benefits of research

The benefits of the research on Strengthening the Creative Character of Cooperative Management to Improve Product Innovation and Cooperative Services in Pontianak include:

a. Contributing to the development of cooperatives in West Kalimantan: This research can contribute to the development of cooperatives in West Kalimantan by identifying basic training needs needed by cooperative managers to increase creative character they.

b. Improving cooperative product and service innovation: By increasing the creativity of cooperative management, it is hoped that cooperatives can produce better product and service innovations, so that they can better meet the needs of members and the market.

c. Serve as a reference for developing basic training: This research can be used as a reference for basic training institutions to develop training programs that suit the needs of cooperative management.

d. Improving the quality of human resources: Basic training provided to cooperative managers can improve the quality of cooperative human resources and help build higher quality cooperatives.

e. Improving the welfare of cooperative members: With better product and service innovations, it is expected to improve the performance of cooperatives and in turn can improve the welfare of cooperative members.

Literature Review

Creative character

Creative character plays a crucial role in fostering member participation and promoting the development of cooperatives. To attract active members, cooperative administrators must offer value benefits that cater to both individual and societal needs across various domains. The realization of these benefits relies on the management's creativity in handling cooperative businesses.

Creativity encompasses the ability to introduce novelty into existence. In today's rapidly changing environment, creativity becomes a significant source of competitive advantage. To effectively respond to these changes, individuals must possess creative capabilities. According to KBBI, creativity is defined as the ability to create or bring something new into being. Sule and Kurniawan concur with this perspective, stating that creativity involves an individual's capacity to generate fresh ideas, particularly building upon existing knowledge. Within organizations, creativity plays a vital role in continuous adaptation to change, as transformative events often give rise to novel opportunities. Therefore, individuals capable of producing original concepts make invaluable contributions to the organization.

In the context of this study, creativity refers to an individual's ability to effectively solve problems, make organizational decisions, and implement innovative ideas within the cooperative. By harnessing this creative potential, cooperative managers can encourage greater member participation, drive strategic decision-making, and propel the cooperative towards growth and success.

Creativity serves as a catalyst for member engagement and cooperative development. By providing value benefits and utilizing creative problem-solving and decision-making abilities, cooperative administrators can ensure the cooperative's adaptability and relevance in a rapidly changing world. Emphasizing creativity within the organization empowers individuals to navigate challenges, seize opportunities, and contribute positively to the cooperatives' overall effectiveness and sustainability.

Creativity

The concept of creativity as a management aspect involves distinguishing between developing creativity and existing creativity. Developing creative capabilities can be likened to inherent competences, which are the skills an individual possesses but may not know about it. Developing creativity represents a possibility, empirically understood as the likelihood of "creativity" occurring. The concept entails understanding the relationships between a person's developing creativity and their creative practices and its outcomes. Additionally, it explores the links between a person's developing creativity and the imperatives for its development. These imperatives encompass the techniques, settings, and factors that predict the management of an individual's developing creativity and incentivize its expression.

Another aspect involves examining the relationships between an individual's developing creativity and their creative features. Since many people are unaware of their developing creativity, it is worth noting the
differences between developing creativity and actual creativity, and the topic of the creativity among administrators and managers of cooperatives in Pontianak and Indonesia as a whole.

The importance of creativity and innovation cuts across all sectors and integral to the management process, constituting a crucial dimension of understanding how to learn. Furthermore, they significantly impact the improvement of managers' professional skills. Managers with high levels of creativity contribute to workers' development by improving their competence and employability. However, when there is a significant gap in creativity levels between managers and subordinate staff, it can potentially hinder staff competence. Factors such as irrationality from either party, lack of constructivism, inadequate communicative competences by teachers, and a lack of feedback in the learning process can contribute to such issues.

The complexity of assessing creativity involves multiple dimensions that need careful consideration to understand one's true creative capability. To establish a comprehensive system of managing creativity, researchers have devised approaches that include assessing traits in personalities and characters of creative individuals, as well as measuring the outputs and accomplishments of their creativity. Key factors such as knowledge, thoughts, and personal motivations play essential roles in facilitating effective creative functioning within individuals and serve as the foundation on which the management of people's abilities in organizations.

Cooperatives

Cooperatives, etymologically derived from "co" meaning together and "operation" meaning work, essentially denote working together. Hence, any joint endeavor can be considered cooperative. According to the International Labor Organization (ILO) publication titled "Co-operative Administration and Management," cooperatives are associations of individuals, usually with limited financial means, who voluntarily unite to achieve common goals through democratic companies. Members sincerely contribute the required capital, share risks, and reap benefits fairly.

As per Law no. 17 of 2012 on Cooperatives, cooperatives are business entities whose members are individuals or cooperative legal entities, operating based on cooperative principles and serving as a people's economic movement rooted in kinship principles. Cooperatives were established as a coalition of the weak to secure life's necessities and achieve them at the lowest cost possible, prioritizing shared needs over profits. They function as associations where individuals or entities work together as a family to improve the physical welfare of their members.

In the context of cooperatives, two interrelated elements are evident: the economic aspect and the social character. Cooperatives strive to efficiently meet their members' economic needs as business entities while operating with a strong social focus. Profit is not their primary objective.

Product Innovation

The term innovation is always interpreted differently by some experts. According to Trott, innovation is the heart or activity center of every company because innovation plays an important role in the continuity of the company, as well as the management of all activities including the process of forming ideas, developing technology, manufacturing processes, and marketing new products or products that are developed.

According to Drucker, innovation is a specific tool for companies, where innovation can explore or take advantage of changes that occur as an opportunity to run a different business. It can be presented as a discipline, study, and practice. While Ellitian and Anatan, briefly said that Innovation can be interpreted as "changes made within the organization which include creativity in creating new products, services, ideas or processes, both existing within the organization and developing from outside the organization.

Innovation is born from a new idea. Meanwhile, the ability to produce and generate a useful new idea is known as creativity. Innovation without creativity cannot work, because innovation and creativity are an inseparable unit and are usually used interchangeably. Innovation is a combination of creativity and commercialization. Companies need a process, procedure, and structure that allows timely and effective implementation of projects so that the products produced are very innovative. According to Gupta, creativity is a requirement for innovation and organizational transformation, because without creativity, innovation is meaningless, the transformation will be more or less the same as before.

Cooperative Services

According to Kotler in Fajar Laksana, a service is any action or activity that can be offered by one party to another, which is basically intangible and does not result in any ownership. According to Bermen in Fajar Laksana, states that the service component in business cannot be separated either for service companies, this service is a stand-alone product, while for trading and industrial companies it is an additional product that
is always attached to its main product. From the description above it can be concluded that service is an action and delivery of intangible products offered by one person to another to meet the needs of society.

METODOLOGY
Research design

This study adopts a mixed methods approach, a research design that involves the collection, analysis, and integration of both quantitative and qualitative methods in a study or series of studies to gain a comprehensive understanding of the research problems. Combining these methods allows for a more thorough exploration of the research questions than using them separately. Sugiyono emphasizes that mixed methods research combines quantitative and qualitative methods, resulting in more comprehensive, valid, reliable, and objective data.

Creswell identifies six mixed method research designs, including the convergent parallel design, the explanatory sequential design, the exploratory sequential design, the transformative design, and the multiphase design. In the context of this study, the explanatory sequential design is employed, where quantitative data collection is initially conducted, followed by qualitative data collection to assist in analyzing the quantitative data and drawing broader conclusions.

By using this mixed methods approach, the research can triangulate data from different sources, ensuring a more robust and comprehensive understanding of the research topic. The combination of quantitative and qualitative methods enables researchers to address the limitations of individual approaches and gain deeper insights into the research problems. Ultimately, this approach allows for a more rigorous and comprehensive investigation of the subject matter.

Figure 1. The Exploratory Sequential Design Model (Adaptation of Creswell, 2012)
Before going to the field, it is carried out on the study data preliminary (quantitative) used to determine the focus of research. While on the field, Miles and Huberman (in Sugiyono), activities in qualitative data analysis are carried out interactively and continuously, so that the data is saturated. Data analysis activities are divided into three, namely: a). Data reduction means summarizing, choosing the main thing, looking for it themes and patterns. b). Presentation of data is done in the form of brief descriptions, charts, relationships between categories, flowcharts, and the like. c). Conclusion/verification. The conclusions drawn are based on the results of the data that have been obtained during the research. The stages in conducting this research included quantitative research techniques that were used that involved distributing questionnaires to respondents. The data collected collected from the results of the questionnaire were used to perform quantitative data analysis. Thereafter, the results were generated to answer the existing problem formulated and became the basis for conducting the second phase of research.

In the second stage, researchers conducted qualitative research to prove, deepen, and support the quantitative data that had been obtained in the first stage.

The research informants were selected and a list of questions to be asked during interviews with research informants were prepared. Data from the interviews was also used to conduct qualitative data analysis.

From this second phase, findings were generated to answer the research problem formulated and at the same time collaborated with the findings from the first stage to give a generalized presentation using qualitative research techniques using information derived by quantitative research techniques.

The survey method served as the foundation for this study, enabling the collection of quantitative data to assess the actual and potential creativity levels of teachers and students, as well as the factors influencing their creativity.

The use of the Ministry of Cooperatives and Small and Medium Enterprises cooperative (KOMENKOPUKM) register for was preferred as this register encompasses a larger number of cooperative in Indonesia.

Population and Sample

The study was carried out on 300 cooperatives registered and operating in West Kalimantan particularly Banjarmasin. The survey included management staff of cooperatives primarily engaged in business activities registered and operating in the West Kalimantan region of Indonesia. The selection of cooperatives with ongoing financial and tax returns records helped ensure they are commercially active and not defunct. While consideration of their description profile i.e. engaged in commercial activities, and exploring a variety of creativity-related issues. This comprehensive approach enabled the study of creativity among the cooperatives’ management across the region, their operations, and specializations. To assess managers and administrators’ creativity, a questionnaire was developed and sent via email to 950 people. The questionnaire required respondents to rate themes as in Table 1 on a five-point scale, assessing

Research Instruments

To assess managers and administrators’ creativity, a questionnaire was developed and sent via email to 950 people. The questionnaire required respondents to rate themes as in Table 1 on a five-point scale, assessing the manifestation of aspects such as: manager creativity (No. 1), product innovation (No. 2), and service quality (No. 3).

Higher grades indicated greater agreement with the statements. No. 1 evaluated manager creativity, including the ability to generate new ideas, desire to take calculated risks, creative thinking, openness to experience, ability to make choices, interest in creative exploration, independent of the environment and the influence of internal and external factors. No. 2 sought to assess the product quality, product variants, and product style and quality. This involved evaluating the opportunity to showcase their creative abilities, put innovative ideas into practice, and collaborate with colleagues on innovative products and services. The indicators from No. 2 provided insights into the actual level of creativity displayed by cooperative managers, considering the influence of factors outlined in No. 3.
The questionnaire's questions were formulated based on factors influencing creativity development in organizations. The quality of the questionnaire was evaluated using the test of the reliability of internal consistency (Cronbach alpha coefficient) based on the survey results in Table 1. This ensured the validity and consistency of the questionnaire as a reliable tool for assessing creativity of business managers in the cooperatives context. The reliability of the questionnaire and the consistency of the characteristics related to the research problem were confirmed by calculating the total Cronbach's alpha coefficient using SPSS 27.0, surpassing the recommended threshold of 0.65 (Dubina, 2006).

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Data analysis
Analysis relied on Ward’s method of hierarchical classification using SPSS 27.0 software. The multivariate factor analysis method was employed based on the survey data (responses to questions from the third series) using the SPSS 27.0 program. The number of observations corresponded to the total count of managers, while the number of variables matched the number of questions. Significant factor loadings were considered those with loadings greater than 0.73 (Menke, 2018). The determination of the number of factors was guided by the exploratory factor analysis, incorporating all the relevant indicators.

The questions from the third series focused on exploring the internal state of managers, encompassing psychological development aspects. Additionally, the questionnaire aimed to understand the features of the managerial process that could potentially impact the development of creativity in managers. The theoretical
assumptions regarding the influence of these indicators, which formed the factors, on the actual level of creativity and developing creativity were validated through the calculation of paired correlation coefficients between the scores and the values of the factors provided by respondents. Factor values were obtained by summing the normalized values of the indicators that constituted each factor, based on the factor loadings.

RESULTS AND DISCUSSION
Based on the results analysis, it was observed that participants from cooperatives who demonstrated high creativity tended to exhibit characteristics of low transparency but excelled in various other aspects. On the other hand, cooperatives with low creativity showed varied levels of transparency and performance in other aspects. The reliability analysis was conducted using F-criterion values and p-values, confirming the reliability of the results and revealing significant differences among the responses.

The actual creativity in the sample of managers was found to deviate from their developing creativity, and this difference was statistically significant for all cooperatives, as confirmed by the managers’ t-criterion with empirical values exceeding the tabular values at p < 0.05. These findings suggest that the cooperatives sector in Kalimantan still struggles to effectively foster creativity among their managerial staff and administrators.

The hindrance to creativity development is influenced by various factors, as revealed by the factor analysis. Additionally, the study assessed the influence of managers' developing creativity, using correlation coefficients to estimate the nature of this influence. Factors such as conservatism, which is considered a negative influence, and intellectually motivating factors, considered to have a positive influence, significantly affected managers' creativity development in the studied cooperatives.

Generally, the development of creativity in managerial staff is hindered by individual factors, such as their low creativity potential, and institutional factors, represented by the gap between actual and developing creativity. The cooperatives sector in West Kalimantan province and Indonesia as a whole need to pay attention to these challenges to create a conducive environment for fostering creativity among cooperative administrators and managers.

It is worth noting that the management of creativity development involves several stages, starting with the management of factors related to conservatism, intellect, motivation, and psychological aspects. These factors are ranked in descending order of importance in the creativity management process.

The empirical validation of the difference between actual and developing creativity can offer valuable information for identifying and nurturing the untapped creative talents of not only managers but all staff in cooperatives. It also facilitates the searching of effective techniques to motivate individuals to unleash their latent creative capabilities. This approach complements other research studies in the field of creativity assessment methods and lays the groundwork for further exploration not only in cooperatives management but also other fields.

In contrast to existing approaches in scientific literature, have demonstrated the impracticality of addressing every potential influencing factor in creativity development, prioritizing efficiency of creativity management can be enhanced by addressing its most critical aspects. A study conducted by Burayeva et al. revealed that the organizational factors, particularly the strict regulation in the operational processes, contributes to widening gap between staff’s actual and developing creativity.

Furthermore, justifying the fundamental factor in the development of managers’ creativity, particularly their role in increasing productivity and competitive advantage of cooperatives, aligns with the Indonesia’s national development strategies. Cooperatives in Indonesia are considered MSMEs, which have played a vital role of shielding the economy from past global economic crisis and therefore considered a core component of the economy. Thus, promoting managers’ creativity in the cooperatives business sector can effectively implement the managerial strategy for improving innovation, which in turn leads to improved production and profitability for cooperatives.

Moreover, identification of key creativity development components can be useful in developing tailor-made training courses that target at addressing a specified creative development and character building aspect. Such programs can be delivered through independent study methods that reduce on regulation and formalities to encourage independent and innovative problem-solving.

CONCLUSION
This study shed light on the significance of creativity development in the cooperative sector, particularly among managers and staff. The empirical validation of the difference between actual and developing creativity highlights the need for targeted interventions to identify and nurture untapped creative abilities in cooperative
organizations. This not only applies to managers but extends to all staff members, as creativity is a valuable asset for fostering innovation and improving the overall performance of cooperatives.

The study emphasizes the importance of considering various factors that influence creativity development. It is crucial to recognize both individual factors, such as creativity potential, and institutional factors, such as the gap between actual and developing creativity. Addressing these factors is essential for creating a conducive environment that fosters creativity among cooperative administrators and managers.

The management of creativity development is a multi-stage process, starting with a focus on factors related to conservatism, intellect, motivation, and psychological aspects. Prioritizing these factors in the creativity management process can lead to more effective and targeted interventions, increasing the likelihood of fostering creativity among cooperative staff.

This research adds valuable insights to the existing body of knowledge on creativity management, not only within the cooperative sector but also in related fields. The findings can be utilized in devising comprehensive creativity assessment methods and developing tailored training programs that encourage independent thinking and problem-solving.

Looking forward, it is essential to continue exploring and refining creativity management approaches to enhance cooperative organizations' overall performance and competitiveness. Understanding the role of creativity in driving innovation and productivity is crucial for the sustainable development of cooperatives, which play a vital role in the Indonesian economy.

While this study provides significant contributions to the field, it is essential to acknowledge its limitations. The research is based on a specific context, and further studies can extend the findings to different cooperative settings and industries. Additionally, future research can delve into the assessment and monitoring of actual and developing creativity levels among cooperative staff to track progress and effectiveness of creativity management strategies.

Creativity is a valuable resource that can drive positive change and growth in the cooperative sector. By prioritizing creativity development and addressing its influencing factors, cooperative organizations in West Kalimantan province and Indonesia as a whole can position themselves for success in a dynamic and competitive business landscape.
END NOTE

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