A Study on the effect of Consulting, Education and Conflict Levels on the Competitiveness of Small Businesses Cooperative

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Abstract
Background/Objectives: Since 2012, cooperatives between small businesses have been increasing rapidly. Thus this study conducted an empirical analysis on the effect of education, consulting and conflict levels on cooperatives’ competitiveness.

Methods/Statistical Analysis: The data used in this study consist of 290 valid samples of individual interviews based on standardized survey responses from 360 cooperative executives who received government support in 2014. Factor analysis was done using statistical packages SPSS21, Effects between variables was analyzed by structural equation model using AMOS21 statistical package. Findings: The main interests of existing studies are agricultural cooperatives and credit unions, but this study empirically analyzed by targeting commercial cooperatives. Also existing cooperative research concentrated on legal, institutional, or normative approaches. However, this study approached this research by placing importance on conflict management within a partnership, as well as the importance of education and consulting on securing the small business cooperatives early on, and on their continuous development and competitive growth. This study did confirm the importance and role of education and conflict management for the cooperatives. Education satisfaction levels do not significantly affect conflict levels, but do significantly affect competitiveness. Conflict levels significantly affect competitiveness. However, consulting satisfaction level was found to not have a significant influence on conflict levels within a partnership as well as competitiveness. This coincides with the additional analysis on the relationship between consulting satisfaction levels and consultant competencies. Results revealed that current consulting services are insufficient for establishing cooperative business models. Application/Improvement: Current consulting services do not have a significant effect on conflict management or cooperative competitiveness. This study offers an operational perspective on this issue: current cooperative consulting services require improvement.

Keywords: Consulting, Cooperatives, Conflict, Competitiveness, Education

1. Introduction

As the UN designated 2012 as the International Year of Cooperatives, the ‘Basic Cooperative Law’ was enacted accordingly. Since 2013, the government has been supporting small business cooperatives in order to foster cooperation between small businesses. Cooperatives are an effective measure for helping small businesses that are relatively weaker in terms of funds or business know-how to better compete in economies of scale through systemization and cooperation¹. Many independent business owners will be able to obtain benefits from economies of scale through cooperatives². In addition, education and consulting play a very important role in providing solutions to problems with internal inefficiency in nonprofit nongovernmental organizations such as cooperatives³. However, no research has been conducted on the real effects these support measures have on the competitiveness of small business cooperatives. Therefore, their effectiveness has not come to light.

The purpose of this paper’s research is to examine what kind of effects the government’s education and consulting support measures for small business cooperatives have on their relative competitiveness levels through an empirical
study. Through this, we will be able to provide implications for securely establishing cooperatives as the new business model for small businesses.

2. Theoretical Background

2.1 Small Business Cooperatives

As Korea encountered the 1997 foreign exchange crisis and 2008 financial crisis, constant restructuring and retiring baby boomers influenced the rapid growth of start-up businesses. Excessive competition ensued, and is now a significant socioeconomic issue. According to 2013 figures, there are 2.96 million small businesses, accounting for 86.5% of all businesses. Independent businesses account for 28%, which is twice the OECD average. Most of these businesses are related to the food and lodging industry (21%) and wholesale and retail (29%), or other services that are closely connected to people's lives. Large retailers and corporate franchises are advancing into areas where small business are operating, threatening their existence as they are relatively weaker in terms of funds and business management know-how.

The UN designated 2012 as the International Year of Cooperatives, and the government enacted the 'Basic Cooperative Law' accordingly. The 'Basic Cooperative Law' is an international legislative measure that was enacted under the suggestion of the UN. In 2009, the UN declared that 2012 will be designated as the International Year of Cooperatives, and that with the International Labor Organization (ILO) and the International Cooperation Agency (ICA), will convert each nation's cooperative legislation into the 'Basic Cooperative Law' system. This signifies that the UN and the international society acknowledges cooperatives as an alternative business model that can effectively respond to problems surrounding market and government failures, especially the international financial crisis that began in 2008 that led to structural issues stemming from globalization. This means that domestically, Korea will give meaning to the legal and normative significance to cooperatives. By enacting the 'Basic Cooperative Law' and enforcing it, businesses weaker in societal, economic, and cultural aspects due to existing market exclusion will be able to strengthen their autonomy. Therefore, the establishment of small businesses is expected to become more active.

Since the law came into effect in 2012, 7,180 cooperatives have been established as of May 2015. Of these, around 5,297 are business cooperatives. According to Jang Jong Ik, traditional self-employed business services such as traditional supermarkets, markets, and restaurants that are victims of large companies dominating the market through economies of scale and business specialization are well suited for cooperatives. Predicted that many small businesses could benefit from economies of scale through cooperatives, predicts that many small businesses will be able to receive benefits from large economies of scale through cooperatives. According to cooperatives contain ideas that will be able to introduce a more fair social order. These views reveal that small business cooperatives are a new model for strengthening cooperatives, and predict that the establishment and vitalization of cooperatives will greatly influence small businesses.

2.2 Government Support

Maintaining the steady operation of small businesses and strengthening their competitiveness are acknowledged as one of the most important tasks that many leading countries have in the 21st century. The government has to focus on members of society who have faced losses in a competitive market by redistributing income and helping them to strengthen their market response competencies. In addition, the government needs to focus on mediating conflicts and disputes that occur between diverse members of society and organizations when they interact with one another. As most of today's major corporations and middle sized companies started out as small businesses, small businesses provide the foundation for future business and company growth.

Government support can be seen as a major influencer of company activities. According to existing research, government support such as funds, education and consulting that focuses on strengthening small business competitiveness and sustainability greatly influence small business growth. Small businesses also contribute much to the people's finances. However, their situation surrounding business management is very poor, and therefore in need of active government support. Aside from that, research analysis results reveal that government support services differ according to the growth stage of small business. In addition, studies find that government support services that take the characteristics of small businesses into consideration influence their business performance.
Establishing a cooperative is the same as establishing a new business\textsuperscript{17}. As such, cooperatives, which play a key role for small businesses, require government support in order to be established and operate securely\textsuperscript{18} claim that education regarding understanding and improving recognition of cooperatives is necessary during the pre-establishment and settling stages. They also claim that consulting is needed in order to support the establishment and operation of cooperatives\textsuperscript{18}. Spain's Mondragon cooperative operates a business management training center, research center, and technology training centers for establishing cooperatives, as well as a university. In addition, France's workers' cooperative provides incubating and consulting support services\textsuperscript{19}. Korea has yet to establish a worker's cooperative or federation, and therefore the government's role in providing education, consulting, promotions, etc. on cooperatives is very important.

2.3 Conflict Levels
Conflict always exists within an organization, along with countless causes for them. Conflict is usually caused by the organization, and exists not only in companies that compete in the market or other for-profit organizations, but also nonprofit organizations\textsuperscript{20}. Cooperatives are not excluded from these kinds of conflicts.

Conflict not only stems from a clash of individual goals, but also from how people interpret the truth, disagreements on behaviors or expectations, and more\textsuperscript{21}. In addition,\textsuperscript{22} suggests the following as other factors for conflict: goals that one is not compatible with, conflicting measures, allocation of resources, unfit positions or status, and perception gaps.

\textsuperscript{23}suggests in his study on conflict factors and levels in tourist development that goal incongruity, problems surrounding progressing with the task, communication, etc. are also conflict factors. The study suggests a total of 16 sub-items for conflict including requesting local residents to make sacrifices, differences in goals, ambiguous provision of information, absence of the people involved, unfair planning and establishment processes, conflicting opinions among involved parties, and insufficient business explanation and gathering of opinions.

2.4 Relative Competitiveness of Cooperatives
Recently, establishing businesses cooperatives, where small businesses play a key role, is becoming much more active. In this context, small businesses are facing difficulties in business management. As major corporation franchises and large retailers encroach into alleys and other business districts, they are growing larger day by day, threatening the existence of small businesses. As a result, the small businesses are looking for a way out through systematization and cooperation. This signifies the relative competitiveness level of small businesses while taking private businesses that are mid, small, and large corporations into consideration.

In his study on the competitiveness of small-mid-sized companies,\textsuperscript{24} proposed marketing management capabilities, logistics management capabilities, marketing information (market information) gathering capabilities, advertisement and sales promotion capabilities, main product quality competitiveness, customer service competitiveness, main product price competitiveness, main product brand recognition, main product design competitiveness, main product delivery capabilities, and more\textsuperscript{24}.

3. Research Plan

3.1 Research Framework
As much of the literature suggests, government support plays an important role in improving business performance of small to mid-sized companies and small businesses. Under the premise that cooperatives are important for small businesses that are in need of securing competitiveness, this study aims to understand the effect that education and consulting has on improving cooperative competitiveness. In addition, this study aims to find the influencing relationship between these variables and internal conflicts of cooperatives. The research framework can be explained through Figure 1.

Figure 1. Research Framework.

3.2 Research Hypothesis
The following hypotheses were established based on a multitude of preceding research regarding education and
consulting support for small businesses and small business cooperatives, conflict levels, and competitiveness.

**H1 :** Consulting satisfaction level will have a negative (-) effect on conflict levels within a partnership.

**H2 :** Education satisfaction level will have a negative (-) effect on conflict levels within a partnership.

**H3 :** Conflict level within a partnership will have a negative (-) effect on product competitiveness.

**H4 :** Conflict level within a partnership will have a negative (-) effect on operational competitiveness.

**H5 :** Consulting satisfaction level will have a positive (+) effect on product competitiveness.

**H6 :** Consulting satisfaction level will have a positive (+) effect on operational competitiveness.

**H7 :** Education satisfaction level will have a positive (+) effect on product competitiveness.

**H8 :** Education satisfaction level will have a positive (+) effect on operational competitiveness.

### 3.3 Operational Definition of Variables

Government support for small business cooperatives began in 2013 and the government is providing consulting and educational support ahead of individual partnership support. As of 2015, the government has implemented a pilot program for consulting services on follow-up management and supported growth. 6,8,10,11 and more have researched the need for government support for small businesses. 2,4,11 and more emphasize that cooperation is an alternative for strengthening small business competitiveness, and that small business cooperatives require government support.

The ‘Cooperative Establishment and Operation Guidebook’ issued by the Ministry of Strategy and Finance states that ‘Education and training is provided for cooperative members, elected executives, directors, and employees of cooperatives in order to effectively contribute to the development of cooperatives.’ Their necessity is defined as ‘the basis of cooperative competitiveness is education and training.’ 22 In addition,8,12, and more argue that consulting support is needed for cooperatives.

In regards to conflict levels within a small business cooperative, we have referenced the research findings of 20-23. In regards to the competitiveness level of cooperatives, we referenced the research findings of 24. As such, we defined four of the 10 measurement items (price, quality, technology, and assortment) as product competitiveness while defining the remaining six of the measurement items (market, production scale, supply of raw materials, financial basis, awareness, and business competencies) as operational competitiveness.

By referencing a multitude of advanced research, we created a survey with a total of 43 different categories including four general response categories, 23 measurement items for latent variables (shown in Table 1.), and 16 additional measurement items. Independent and dependent variables were measured on a five-point Likert scale.

#### Table 1. VARIABLES AND MEASUREMENT ITEMS

| Variable                        | Measurement Item | Source       |
|--------------------------------|------------------|--------------|
| Education Satisfaction Level    | 5 8, 9, 10, 11, 12, 13, 14, 25 | 6,8,9,10,11,12,13,14,25 |
| Consulting Satisfaction Level   | 3                | 3            |
| Conflict Level within a Partnership | 5 20, 21, 22, 23 | 20,21,22,23 |
| Product Competitiveness         | 4 24             | 24           |
| Operational Competitiveness     | 6                | 6            |
| Sum                             | 23               | 23           |

### 3.4 Gathering Data and Analysis

The data used in this study date from Aug. 3 – Oct. 23, 2015. They consist of 290 valid samples of individual interviews based on standardized survey responses from 360 cooperative executives who received government support in 2014. The SPSS21 statistical package was utilized for the exploratory factor and validity analyses of the independent and dependent variables.

The AMOS21 statistical package was utilized for the confirmatory factor, measurement model, and research model analyses.

### 4. Research Results

#### 4.1 General Characteristics of Sample

When taking a look at the general characteristics of the research subjects, 33% of the subjects (the largest group) resided in metropolitan areas such as Seoul, Gyeonggi, Incheon and Gangwon. Following
this distribution figure was Yeongnam, Honam, Choongcheon areas respectively, which is similar to the actual dispersion of small businesses. The results are shown in Table 2.

Table 2. REGIONAL DISTRIBUTION

| Category               | Metropolitan Area | Yeongnam Area | Honam Area | Choongcheong Area | Sum |
|------------------------|-------------------|---------------|------------|-------------------|-----|
| Frequency              | 96                | 82            | 72         | 40                | 290 |
| %                      | 33.0              | 28.4          | 24.7       | 13.9              | 100 |

As shown in Table 3, by industry, wholesale and retail accounted for 43.9%, and manufacturing accounted for 26.1%. It appears that the reason why wholesale, retail, and manufacturing account for the largest portion is because cooperatives have become a key component of established goals such as joint production, sales, and purchasing.

Table 3. REGIONAL DISTRIBUTION

| Category               | Manufacturing | Wholesale and Retail | Food | Other | Sum |
|------------------------|---------------|----------------------|------|-------|-----|
| Frequency              | 76            | 127                  | 5    | 82    | 290 |
| %                      | 26.1          | 43.9                 | 1.7  | 28.3  | 100 |

4.2 Analysis Results
4.2.1 Exploratory Factor Analysis

Through an exploratory factor analysis of the education satisfaction level, consulting satisfaction level, and conflict level, 3 components were analyzed. There were no items below a 0.5 factor loading, the results of which are shown in Table 4.

As shown in Table 5, Main component analysis of 10 measurement items related to the competitiveness level of cooperatives revealed that there were two different component categories. Although there were no items below a 0.5 factor loading, 1 item each from two of the competitiveness operational definitions were categorized differently. Of the four measurement items related to product competitiveness, product assortment was separated into operational competitiveness. Of the six measurement items of operational competitiveness, business management competencies/know-how was separated into product competitiveness.

In order to verify the reliability of the analysis the cronbach’a value was determined. All five variables had a cronbach’a value of over 0.7, verifying their reliability.

Although the measurement items for product competitiveness and operational competitiveness were separated differently from their operational definitions, their validity and reliability was secured, and therefore the exploratory factor analysis results were applied in the final analysis.

Table 4. EXPLORATORY FACTOR ANALYSIS – EDUCATION, CONSULTING, CONFLICT LEVELS

| Variable                        | Item                                      | Components 1 | Components 2 | Components 3 | alpha |
|---------------------------------|-------------------------------------------|--------------|--------------|--------------|-------|
| Education Satisfaction Level    | Operation Method                          | .889         | -.052        | .180         | .923  |
|                                 | Training Contents                         | .887         | -.043        | .177         |       |
|                                 | Overall Satisfaction                      | .855         | -.026        | .220         |       |
|                                 | Training Period                           | .822         | -.049        | .175         |       |
|                                 | Lecturer Expertise                        | .815         | -.059        | .237         |       |
| Conflict Level within a         | Business Propulsion                       | .028         | .840         | -.018        | .876  |
| Partnership                     | Operational Direction                     | -.096        | .832         | -.002        |       |
|                                 | Lack of Understanding                      | -.023        | .814         | .030         |       |
|                                 | Establishing the Partnership               | -.013        | .813         | .068         |       |
|                                 | Joint Equipment and Method of Use         | -.099        | .786         | .065         |       |
| Consulting Satisfaction Level   | Consultant                                | .223         | -.015        | .911         | .893  |
|                                 | Consulting Period                         | .232         | -.050        | .896         |       |
|                                 | Overall Satisfaction                      | .360         | -.037        | .785         |       |
Table 5. EXPLORATORY FACTOR ANALYSIS – COMPETITIVENESS LEVEL OF COOPERATIVES

| Variable Item                        | Components | alpha |
|--------------------------------------|------------|-------|
| Operational Competitiveness          |            |       |
| Financial Basis                     | .797       | .827  |
| Production Scale                     | .756       | .175  |
| Distribution                         | .733       | .096  |
| Supply of Raw Materials              | .699       | .296  |
| Product Assortment                   | .694       | .272  |
| Recognition                          | .510       | .398  |
| Product Competitiveness              |            |       |
| Quality                              | .003       | .736  |
| Technology                           | .128       | .849  |
| Price                                | .321       | .549  |
| Biz.Management Competencies          | .466       | .529  |

Factor extraction method: main component analysis
Rotation method: Kaiser normalization varinax
a. Factor rotations were collected through repeated calculations (3 times)

4.2.2 Confirmatory Factor Analysis

The AMOS statistical package was utilized during the confirmatory factor analysis of the 23 measurement items for the 5 latent variables that underwent the exploratory factor analysis. A total of 9 indicators including the p value of the chi-square significance level, CMIN/df, CFI, RMR were used as a standard for determining suitability. If the measurement result of each indicator were deemed unsuitable, any measurement items with less than a 0.4 SMC (Squared Multiple Correlation) were removed to improve suitability.

As shown in Table 6, the confirmatory factor analysis found that the three latent variables for education/consulting/conflict levels were all suitable without further refinement.

Table 6. CONFIRMATORY FACTOR ANALYSIS – EDUCATION/CONSULTING/CONFLICT LEVELS

| Standard 1st Trial Final Remarks |
|----------------------------------|
| CMIN/P > .05 .048               |
| CMIN/df < 2 1.316 Suitable      |
| GFI > .9 .959 Suitable          |
| AGFI > .9 .939 Suitable         |
| CFI > .9 .992 Suitable          |
| NFI > .9 .967 Suitable          |
| IFI > .9 .992 Suitable          |
| RMR < .05 .040 Suitable         |
| RMSEA < .05 .033 Suitable       |

4.2.3 Analysis of Measurement Model

An analysis on the measurement model was conducted on the five latent variables and 20 measuring variables that passed the confirmatory factor analysis. Overall, the p value of the chi-square significance level, CMIN/df, RMR, RMSEA, etc. met the requirements during the first measurement model analysis, and therefore the measurement model was verified as suitable as shown in Table 8.

Table 7. CONFIRMATORY FACTOR ANALYSIS – COMPETITIVENESS LEVEL OF COOPERATIVES

| Standard 1st Trial Final Remarks |
|----------------------------------|
| CMIN - 189.273 48.812 -          |
| CMIN/P > .05 .000 .000           |
| CMIN/df < 2 5.567 3.755 Suitable |
| GFI > .9 .886 .995 Suitable      |
| AGFI > .9 .815 .902 Suitable     |
| CFI > .9 .843 .946 Suitable      |
| NFI > .9 .817 .929 Suitable      |
| IFI > .9 .845 .947 Suitable      |
| RMR < .05 .107 .054 Suitable     |
| RMSEA < .05(.10) .125 .097 Suitable |

Table 8. SUITABILITY OF THE MEASUREMENT MODEL

| Standard 1st Trial Final Remarks |
|----------------------------------|
| CMIN - 227.709 -                 |
| df - 34 13 -                     |
| CMIN/P > .05 .000 .000           |
| CMIN/df < 2 1.423 1.423 Suitable |
| GFI > .9 .927 Suitable           |
| AGFI > .9 .904 Suitable          |
| CFI > .9 .978 Suitable           |
| NFI > .9 .931 Suitable           |
| IFI > .9 .978 Suitable           |
| RMR < .05 .045 Suitable          |
| RMSEA < .05 .038 Suitable        |
During the analysis, there was a change in the measurement items. The reliability of the final measurement items was confirmed again, and the Chronbach’ alpha values of all latent variables exceeded 0.7. Therefore, the reliability of the measurement model was confirmed, as shown in Table 9.

In order to verify the validity of the measurement model, the convergent and discriminant validities were evaluated. Validity refers to whether or not the notion or properties behind the measurement items that are being measured are clearly measured. A validity analysis confirms how much general latent factors and measured variables correspond with one another, and are determined based on convergent and discriminant validities.

The convergent validity was verified through construct reliability. All construct reliability figures (CR) for these latent variables were over 0.7, confirming the convergent validity of the measurement model.

The discriminant validity was examined through the average variance extracted method (AVE). The largest square of the correlation coefficient was .263 and the smallest AVE value was less than .546, and therefore the measurement model’s discriminant validity was confirmed, as shown in Table 10.

4.3 Analysis of Research Model
4.3.1 Examining Hypotheses

The suitability, reliability, and validity of the measurement model were all confirmed. Therefore, the analysis results were all applied to the research model. In order to examine the hypotheses through a structural equation, the suitability of the research model was evaluated. As seen in Table 5, most of the indexes that evaluate suitability met the required standards, and therefore this research model was confirmed as suitable, the results of which are shown in Table 11.

| Variable                      | Number of Items | alpha |
|-------------------------------|-----------------|-------|
| Consulting Satisfaction Level | 3               | .893  |
| Education Satisfaction Level  | 5               | .923  |
| Conflict Level                | 5               | .876  |
| Operational Competitiveness   | 6               | .827  |
| Product Competitiveness       | 4               | .736  |
| Sum                           | 23              |       |

The discriminant validity was examined through the average variance extracted method (AVE). The largest square of the correlation coefficient was .263 and the smallest AVE value was less than .546, and therefore the measurement model’s discriminant validity was confirmed, as shown in Table 10.

| Name of Variable                      | Correlation Between Constructs |
|---------------------------------------|---------------------------------|
|                                       | 1     | 2     | 3     | 4     | 5     |
| Consulting Satisfaction Level         | 1.00  |       |       |       |       |
| Education Satisfaction Level          | .513***| 1.00  |       |       |       |
| Conflict Level within a Partnership   | -.087 | -.114 | 1.00  |       |       |
| Operational Competitiveness           | .172* | .272***|-.194**| 1.00  |       |
| Product Competitiveness               | .182* | .234**|-.194* | .425***| 1.00  |
| CR                                    | .905  | .939  | .857  | .795  | .797  |
| AVE                                   | .761  | .756  | .546  | .661  | .640  |

*p<.05, **p<.01, ***p<.001, () signifies covariance standard error
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Table 11. SUITABILITY OF THE RESEARCH MODEL

| Standard | 1st Trial | Remarks |
|----------|-----------|---------|
| CMIN     | -         | 251.216 - |
| df       | -         | 161.1   |
| CMIN/P   | > .05     | .000    |
| CMIN/df  | < 2       | 1.560 Suitable |
| GFI      | > .9      | .921 Suitable |
| AGFI     | > .9      | .897    |
| GFI      | > .9      | .971 Suitable |
| NFI      | > .9      | .924 Suitable |
| IFI      | > .9      | .971 Suitable |
| RMR      | < .05     | .058    |
| RMSEA    | < .05     | .044 Suitable |

The suitability of the research model was confirmed and in order to examine the hypotheses in detail, the path coefficient was examined. The consulting satisfaction level was found to not have a significant influence on conflict levels within a partnership as well as all types of competitiveness. Education satisfaction levels do not significantly affect conflict levels, but do significantly affect competitiveness. Conflict levels significantly affect competitiveness. In conclusion, of hypotheses H1 ~ H8, the 4 hypotheses H3, H4, H7, and H8 were adopted while the other 4 hypotheses were rejected. The results are presented in Table 12.

Table 12. Research Model Path Coefficients

| Structure path | B   | β  | p   |
|----------------|-----|----|-----|
| Consulting Satisfaction Level → Conflict Level within a Partnership | -.047 | -.039 | .613 |
| Education Satisfaction Level → Conflict Level within a Partnership | -.122 | -.094 | .226 |
| Conflict Level within a Partnership → Operational Competitiveness | -.136 | -.169 | * |
| Conflict Level within a Partnership → Product Competitiveness | -.139 | -.162 | * |
| Consulting Satisfaction Level → Operational Competitiveness | .035 | .036 | .640 |
| Consulting Satisfaction Level → Product Competitiveness | .113 | .110 | .174 |
| Education Satisfaction Level → Operational Competitiveness | .249 | .237 | ** |
| Education Satisfaction Level → Product Competitiveness | .204 | .182 | * |

Table 13. EXPLORATORY FACTOR ANALYSIS – CONSULTANT COMPETENCIES

| Variable               | Item                          | Components | alpha |
|------------------------|-------------------------------|------------|-------|
| Analysis and Alternatives | Providing solutions          | .759       | .326  | .279  | .356  | .951  |
|                        | Deducing key issues           | .743       | .321  | .353  | .310  |
|                        | Structuralizing the problem   | .726       | .319  | .314  | .381  |
|                        | Diagnosing the situation      | .711       | .393  | .356  | .277  |
| Communication          | Listening skills              | .309       | .795  | .294  | .242  | .943  |
|                        | Interview skills              | .340       | .743  | .317  | .344  |
|                        | Persuasion skills             | .359       | .712  | .373  | .316  |
|                        | Communicative skills          | .344       | .595  | .451  | .354  |
| Knowledge Expertise    | Business management knowledge | .343       | .479  | .693  | .207  | .933  |
|                        | Consulting skills             | .392       | .412  | .689  | .264  |
|                        | Cooperative knowledge         | .310       | .319  | .669  | .454  |
|                        | Success cases                 | .397       | .292  | .609  | .439  |
| Strategic Thinking     | Logical thinking              | .392       | .302  | .313  | .730  | .942  |
|                        | Information synthesis         | .425       | .377  | .343  | .671  |
|                        | Insight                       | .424       | .476  | .297  | .553  |
|                        | Judging circumstances         | .497       | .423  | .350  | .544  |

Factor extraction method: main component analysis.
Rotation method: Kaiser normalization varinax.
a. Factor rotations were collected through repeated calculations (7 times)
4.3.2 Additional Analysis on Consulting Satisfaction Level

Examining the hypotheses revealed that consulting satisfaction level has no influence on conflict levels or competitiveness. An analysis was conducted on the relationship between the biggest influences on consulting satisfaction levels, consultant competencies and overall consulting satisfaction, categorized his business management consulting competency model into job competency, management competency, and common job related competencies. He claims that depending on whether it is a major corporation or a small to mid-sized company, these main competencies differ. This research adopted Seo’s small to mid-sized company consulting competency model to the small business cooperative and used the following as analysis tools: main competencies of job competencies – knowledge expertise, communication, analysis and offering alternatives, strategic thinking. Additional research Model is shown in Figure 2.

Figure 2. Additional Analysis Research Model.

A total of four different measurement items were given to each of the four consultant job competency factors, and a total of 16 measurement items were examined. The 16 measurement items underwent an exploratory factor analysis, confirmatory factor analysis, and a measurement model analysis in order to verify their validity, reliability, and suitability. These results can be seen in Table 13. And 15, and have all been verified as suitable.

Table 14. CONFIRMATORY FACTOR ANALYSIS–CONSULTANT COMPETENCIES

| Structure path | B   | β   | p   |
|----------------|-----|-----|-----|
| Communication  | .346| .369| *** |
| Strategic Thinking | -.029| -.030| .821 |
| Alternatives   | .209| .232| *   |
| Analysis and Offering | .392| .419| *** |
| Knowledge Expertise  | Consulting | .392| .419| *** |

As shown in Table 16, analysis results on consultant competencies influencing consulting satisfaction levels found that of four of these competencies, three (knowledge expertise, communication, analysis and offering alternatives) have a positive (+) influence on consulting satisfaction levels.

Strategic thinking does not have a significant influence on consulting satisfaction levels, but it appears that the content of current consulting services for cooperatives are the cause.

Consulting support for cooperatives is limited to consulting during the cooperative establishment preparation process, and business planning when applying for government support. The purpose of consulting is ultimately restricted to applying for support and selection. This may be attributed to the fact that the focus is on sharing information, problem solving, and related communications for being selected to receive support. It seems that these results reflect the insufficient strategic approach for the business model and long term growth of cooperatives. Therefore, it can be construed that these are the reasons why and the causes for consulting satisfaction levels not having a positive influence on cooperative competitiveness.
5. Conclusions

5.1 Research Results and Implications

This research holds the following significance. After the ‘Basic Cooperative Law’ was enacted, cooperatives began spreading rapidly across companies in society, small businesses, and more. The government's role in securing cooperatives in their early stages as a new economic activity model and avoiding the long term trial and error stages of leading countries in Europe and the U.S. is very important. Existing cooperative research concentrated on legal, institutional, or normative approaches. However, this study approached this research by placing importance on conflict management within a partnership, as well as the importance of education and consulting on securing the small business cooperatives early on, and on their continuous development and competitive growth. Empirical analysis revealed that conflict management and education have a positive effect on cooperative competitiveness. Deepening understanding of cooperatives and education on strengthening operational competencies must continuously be reinforced. In addition, this research corresponded with exiting research in that the findings supported the fact that education and consulting regarding conflict management within a partnership must be actively provided.

On the other hand, results confirmed that current consulting services do not have a significant effect on conflict management or cooperative competitiveness. This coincides with the additional analysis on the relationship between consulting satisfaction levels and consultant competencies. Current consulting services are insufficient for establishing cooperative business models. The history of cooperatives is still short, and Korea is lacking a basis for a cooperative movement. In this situation, the government's role is very important. In addition, this study offers an operational perspective on this issue: current cooperative consulting services require reconsideration and improvement.

5.2 Research Limitations and Future Directions

This study restricted research to business cooperatives where small businesses are key players. Future studies must broaden and develop the scope of analysis to include non-profit organizations and societal cooperatives.

In addition, this study limited factors that influence cooperative competitiveness to education, consulting, and conflict levels. However, there is a need for broadening the range of independent variables for a more diverse analysis.

In addition, analysis reveals that depending on the growth process of cooperatives, changes of partnership sizes, changes in investments, communication levels within a partnership such as general assemblies and the executive board may directly or indirectly influence the operational results of a cooperative. Therefore, this study will be able to contribute to deducing the key success factors of cooperatives.

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