The role of cooperative mediation in increasing the number of entrepreneurs: Case study of the DKI credit cooperative

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CHRONICLE	ABSTRACT
	Even though the investment sector generally governs economic growth in developed countries. Indonesia's economic growth so far has been dominated by the consumption sector. On the other hand, one of the significant contributors to the investment sector is the entrepreneurs' role in any country. Therefore, the challenge for Indonesia is to make the entrepreneurs reach substantial contributions. This study investigates on three variables; namely entrepreneurial orientation, cooperatives, and entrepreneurs. Entrepreneurial orientation is the exogeneous variable, cooperative is the mediator variable and, the entrepreneur is the endogenous variable. These three variables are formed into three sub-models and one complete model. Each sub-model is to find out whether the dimensions contribute to each variable, and the entire model is to find out a significant relationship among the variables. The method used is the structural equation model (SEM), with computer software LISREL. This research will produce a breakthrough in how cooperative can mediate from entrepreneurial orientation to entrepreneurs. Besides, the study will deliver how cooperative stakeholders to get some understanding of entrepreneurial orientation so that cooperatives as an institution can persuade members of organizations to become entrepreneurs to be ready to contribute to economic growth. Moreover, the results provide the science of sustainable management on how to apply creativity and innovation to the cooperative organization.

1. Introduction

The economic growth of a country must-have aspects of investment, which include entrepreneurship, savings, and finance, as stated by Schumpeter (1942). Indonesia had a population of around 260 million in 2018; its economic growth is still dominated by consumption aspects. In a quote from (ekonomi.bisnis.com, 2019), Sri Mulyani, as the finance minister of Indonesia, stated an economic growth of 5.27%, which was supported by high consumption growth. Whereas in developed countries like Japan, Switzerland, and Australia, each economic growth is driven by investment. Todaro and Smith (2006) stated that investment is significant for economic growth, which can make a substantial contribution to development. So that investment is the most crucial aspect of economic growth. Entrepreneurship can arise with the presence of investment; in other words, the higher the investment, the more the increasing entrepreneurs. Some studies state that the minimum ratio of business people to the total population is 2%. McClelland (1965) reported that for a country to achieve progress, 2% of the country's population is required to be entrepreneurs. For example, Singapore, which lacks natural resources but has an income per capita of around USD 37,000 per year, because the ratio of entrepreneurs to the population is above 2%, conveyed by Leitch et al. (2010). The Indonesian entrepreneurs were still below 1% of the people of more than 200 million people (Kompas, 2011). At that time, the Cooperative Minister of Indonesia saw the need to be encouraged to support the number of entrepreneurs' growth just like nation's entrepreneurs such as the United States by 11%, Singapore 7%, and Malaysia 5% written by Sudarsih (2013). This

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has happened with a significant number of entrepreneurs producing products that meet domestic needs and the country can export goods to other countries. The above review reinforces that entrepreneurship contributes significantly to a country's economic growth. Thus, Indonesia must do the same thing as other developed countries do. The entrepreneurship awareness movement should be bottom-up, which relies on society in general, including the millennial generation, and does not rule out the generation X and baby boomers. As follows, the number of millennials is 65 million, generation X with 69 million, and baby boomers around 29 million, based on data from BPS *(Biro Pusat Statistik)* (2017).

These data inform that the three generations have the potential to become entrepreneurs. There must be a mindset that entrepreneurship is a profession target other than and no longer as an alternative profession. Being an entrepreneur must be with full confidence, which can provide changes towards better quality. According to Feldman and Francis (2004) entrepreneurship is a profession for the reasons of opportunity to control one's destiny, chance to reach one's full potential, opportunity to obtain financial benefits, opportunity to contribute to society, to set one's own time according to one's wishes and it is an appropriate means for a useful community. Hence Indonesia can produce local goods and services without having to depend on other countries, which in turn the exports will exceed the imports so that it contributes to national income. Finally, Indonesia can increase its income per capita from USD 4000 to above USD 25000 to become a developed country.

All countries in the world are eager to grow the number of their respective entrepreneurs. Various ways are ranging from the existence of an entrepreneurship curriculum at the High School level, opening the department of entrepreneurship in College institutions, mentoring by successful entrepreneurs, venture capital, government programs; including training, funding, technical guidance. These programs have been running from Pelita 1 to Pelita 5 when Suharto was president, then continued by other presidents up to now. But all programs have not been activated yet since there is no significant nation's entrepreneur of Indonesia. On this occasion, the authors want to present a variable that is a cooperative institution. Based on Kartasapoetra and Setiady (2007), cooperative is autonomous associations of people or legal entities that unite voluntarily to fulfill their needs by combining economic, social, and cultural aspirations together with joint responsibilities. It is known that the principle of cooperative is kinship and cooperation, in which the equipment consists of members' meeting, management and supervisors. In addition, the function of cooperative includes tools of economic struggle, means of national democracy and arteries of the nation's economy.

Another important variable felt necessary to build an entrepreneur is about entrepreneurial orientation stated by Lumpkin and Des (1996), which consists of five dimensions; including autonomy, risk-taking innovation, proactive, aggressive, where the five aspects contribute intimately to the entrepreneurship mindset. The three variables above, based on the author's observations, no one has researched entrepreneurial orientation and small and medium-sized enterprise entrepreneurs, the mediator variable can be cooperatives. The researches would investigate that a cooperative's understanding and explanation can act as the mediator's variable. Thus, entrepreneurial orientation cooperatives, and small and entrepreneurs can have relationships among three variables in a model. The raised problems are how entrepreneurial orientation persuades the increasing entrepreneurs and how cooperatives mediate a relationship from entrepreneurial orientation to entrepreneurs.

To deliver a novelty of this research, the purposes of the paper are to analyze the relationship between entrepreneurial orientation and entrepreneurs; to detect and analyze the relationship between entrepreneurial orientation and cooperatives; to identify and to examine the relationship between unions and entrepreneurs. Hopefully, it will be found that cooperative organizations can become a mediator to increase the number of nation's entrepreneurs. As stated in the background that a sufficient economic growth of a country is to spur the investment sector, in which the growing the number of entrepreneurs is one aspect in this sector. Indonesia's economic growth is still minimal in the investment sector, which is marked by the fact that imports of products are even higher than local products. Therefore, to increase the capacity of local products, a higher number of businesspeople are needed so that Indonesia can become an independent nation. We need a breakthrough so that entrepreneurs can grow significantly. The author assumes that the growth of entrepreneurs will be rapid through an institution that has spread throughout the country from various levels of society. Cooperatives are institutions that are not only already familiar within the community but also are following national identity, particularly togetherness and cooperation. Therefore, this institution should become as a mediating variable that can increase the actors of Indonesian Small and medium-sized enterprises. Then there is also an entrepreneurial orientation, in which both cooperatives and the community must know the concept first because it is essential in forming the mindset about entrepreneurship itself. Based on the explanation above, this writing is a condition with novelty about two things such as: providing a productive mindset about entrepreneurship and incorporating variable institutions to mediate to increase the number of entrepreneurs. Besides, this model is expected to give a new nuance on how the empowerment of cooperatives that have been present in the nation's journey can significantly increase the number of Small and medium-sized enterprises by integrating the concept of entrepreneurial orientation.

2. Literature Review

2.1 Entrepreneurial Orientation

The study regarding orientation conducted by Stevenson and Jarillo (1990) discusses the analogy of management concepts relating to the methods, processes, and behavior of organizations in entrepreneurship. Then, Lumpkin and Dess (1996) followed a research entrepreneurship experienced a change in plans, decision-making, and practices by the development of strategic management. Besides, Lumpkin and Dess (2005) continued the studies which concluded that enhance entrepreneurial

success can be achieved by entrepreneurial-oriented (OK). The Entrepreneurial Orientation has been examined by several researchers like Miller (1983), Covin and Slevin (1989), and Lumpkin and Dess (1996). They said that entrepreneurial behavior which divides this variable into three dimensions is as follows: innovation is the process of experimentation and creativity for the development of new products; proactive is a habit in search of opportunities to anticipate demand; taking risks is a courageous act in deciding and acting under conditions of uncertainty from speculation taken on personal, financial, and business risk. Wiklund and Shepherd (2003) agreed that innovation, proactive, and risk-taking dimensions are three important factor influencing the success of SMEs. Besides, entrepreneurial orientation is needed in more factors. That is why in the following time, Dess and Lumpkin (2005) put different two dimensions, as below: autonomy means an entrepreneur must be able to act wisely in decision-making and is no longer limited by internal and external things if he or she is ready to take a risk; aggressive means to have a superior nature to pursue a position in business competition. In other words, no surrender and always prepared to face challenge anytime with the knowledge possessed, i.e., still see the opportunity forward. Therefore, entrepreneurship orientation has five dimensions: innovation, proactive, risk-taking, autonomy, and aggressive. It now depends on entrepreneurs to choose three or five dimensions, depending on the needs of the entrepreneurial type, including the SME sector. In this research, the entrepreneurial orientation consists of the five dimensions above, which are the basis for the authors to make a research questionnaire.

2.2 Cooperative

Arifinsitio (2010) explains that cooperative is an association with legal status by giving freedom to members to carry out activities by working together as a family to improve welfare. Based on Law No. 25 the year 1992, cooperatives are business entities consisting of people or legal entities of organizations by placing their activities based on cooperative principles which are driving the society's economy based on the principle of kinship. Hendrojogi (2000) explains that cooperative is an association with the common goal of forming an effort that helps one another. As for the roles, the function of cooperatives is contained in Law No. 25 the year 1992, as follows: build and develop the potential and economic capacity of members in particular and society in general to improve their economic and social welfare, play an active role in efforts to improve the quality of people's lives, strengthen the national economy with cooperative as the pillars of teachers, try to realize and developing the national economy which is a joint effort based on the principle of kinship and economic democracy. The Law also states that cooperative principles applied in Indonesia: membership is voluntary and open, management is carried out fairly according to the amount of business services of each member, the provision of service limits on the capital, independence, economic education, cooperation among cooperatives. This problem is in line with the results of Sehendar's (2004) research on cooperative empowerment, which states that they will develop more rapidly and can be more beneficial for its members. Cooperative microfinance institutions are one of the institutions that can finance SME business activities because financial institutions in the form of cooperatives can adjust the rhythm and character inherent in micro, small, and medium businesses, approached by developing microfinance mechanism such as cooperative institutions (Sumodiningrat, 2004). The position and role of cooperatives in supporting the empowerment of SMEs, as examined by Subandi (2007), found that the solution needed to empower cooperatives today is the existence of a strong commitment and at the same time real efforts from related parties, especially the government, cooperative movements and cooperative institutions to reform in the context of revitalizing business activities (Sarwoko, 2009). The results showed that cooperative institutions experienced a significant development seen from four indicators, namely the number, members, employment, self-capital, and business volume indicators all increased, while one indicator, namely loan capital, decreased, they can become a sustainable microfinance institution. The research focuses in increasing the number of entrepreneurs, from the previous studies and some purposes above that cooperatives dimensions are taken, as follows: build and develop the economic potential, improve the quality of society's lives, strengthen the national economy and joint ventures on the principle of kinship. The four dimensions are become the basis for making the questions in the questionnaire.

2.3 Entrepreneur

Jong and Wennekers (2008) stated entrepreneurship could be a risk-taker to run one's own business by utilizing opportunities for new companies or with innovative approaches, so that managed businesses develop into large and independent companies. The keywords of entrepreneurship are risk-taking, running one's own business, taking advantage of opportunities, creating new activities, innovative approaches, self-employed. Baldacchino (2008) states that entrepreneurship is a creative and innovative ability that is made necessary, tips, and resources for finding opportunities for success. Yaghoobi et al. (2010) state that entrepreneurs are people who dare to open independent, productive activities. The importance of entrepreneurship is the ability to create something new and different from opportunities. An entrepreneur is someone who is always innovating all the time, anticipating to face each situation, initiative in acting, and the critical thing is risk-taking and profit-oriented (Muzakar, 2011). Concerning entrepreneurial competence, Suryana (2003) explains that managerial skills is an entrepreneur who is able to carry out tasks in planning, management, supervision, and action so that business goals achieved. Conceptual skills are the ability of entrepreneurs in setting goals, policies, and strategies trying to achieve success. Human skills that entrepreneurs have expertise in socializing, such as friendly, sympathetic, and empathetic to their partners toward their partners. Decision-making skills are things an entrepreneur can analyze and solve problems in anticipation of uncertainty. Time managerial skills are abilities possessed by someone to manage time for the achievement of the plans made. From the stated researches which are concerning for entrepreneur, the study takes several dimensions that are related to skills, as follows: managerial,

conceptual, human, decision making, time management. Those five dimensions of the entrepreneur variable will include indicators outlined in the research questionnaire.

2.4 Research Model

This study consists of three variables including Entrepreneurial Orientation (OK), Cooperatives, and Entrepreneurship. Entrepreneurial Orientation is an exogenous or independent variable, Cooperative as a mediator variable mediates two variables and Entrepreneurship is an endogenous or dependent variable. Entrepreneurial Orientation becomes sub-model OK, Cooperative becomes sub-model KP, and Entrepreneur is the sub-model WA. With the following details:

1. The sub-model OK consists of five dimensions,

2. The sub-model KP consists of four dimensions,

3. The sub-model WA consists of five dimensions.

Based on previous studies Lumpin and Dess (2005) suggested that Entrepreneurial Orientation is related to stimulating entrepreneurial effectiveness. The relationship between Entrepreneurial Orientation and Cooperative is realized to be very important in developing entrepreneurial dimensions, which was examined by Rosianti et al. (2014) and added by Susita et al. (2017) that cooperative institutions can be a place to generate entrepreneurs through training and coaching. The study provides a basis for the authors to take the relationship between variables. The researches propose the following hypotheses:

1. Hypothesis 1 (H1): There is a positive relationship between OK and WA.

2. Hypothesis 2 (H2): There is a positive relationship between OK and KP.

3. Hypothesis 3 (H3): There is a positive relationship between KP and WA.

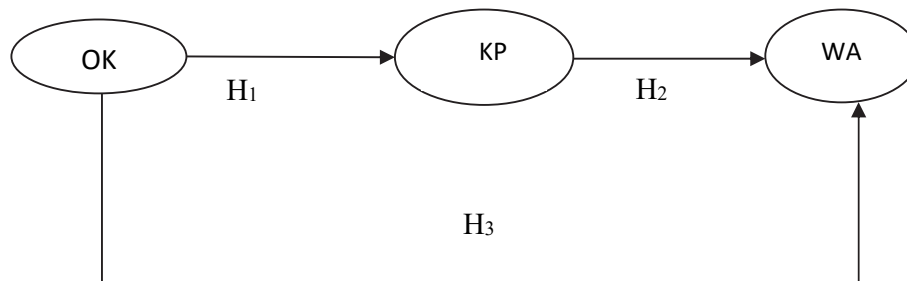Fig. 1 shows the structure of the proposed study.

Fig. 1. Full Model

3. Data and Methodology

3.1 Data Collection

The research conducted by determining the research variables and then making sub-models and complete models. Followed by learning the sample while preparing a questionnaire that is ready to be distributed to the respondents. The number of respondents is five times the indicator, with a total of 39 indicators, which means there are 195 respondents. Respondent is an individual member of DKI cooperatives consisting of management and ordinary members according to the Articles of Association/By-Laws of the Cooperative. After that, the respondent's data becomes the input in the calculation using the structural equation model analysis tool. Then, through this analysis, data processing is carried out using three sub-models (Entrepreneurial Orientation, Cooperatives, and Entrepreneurs) and a complete model of research. From this processing, the research results are obtained to be analyzed: understanding and reviewing all research variables: entrepreneurial orientation and cooperative and entrepreneur. Afterward, it is evaluated whether the calculation results have answered the research objectives or not. By providing conclusions to support if the goal is achieved, if not, then the outcome will be justified under the actual situation.

3.2 Methodology

This research is designed based on causality relationships among variables that are related to each other. The Entrepreneurial Orientation (OK) variable is an exogenous variable, the Cooperative variable (KP) is endogenous and exogenous, and the Entrepreneurs variable (WA) is endogenous.

The relationships examine between the OK variable and the WA variable, which is mediated by the KP variable. There is a relationship between OK and KP variables and the relationship between KP and WA variables. Also, there is a direct relationship between OK and WA variables. This research uses quantitative methods to measure the nature of influence between one variable and another. What is quantified is the perception of the company's stakeholders as the object of study. Their understanding is measured on a Likert scale, consisting of 5 choices with the following explanation: 1 strongly disagrees; 2 disagrees; 3 agrees; 4 strongly agrees; 5 is very strongly agree. The sample size used was obtained from respondents as many as five times the number of indicators that exist in DKI credit cooperatives. These indicators come from variables that cannot be detected directly or are known as unobserved variables. This large size is given that of the model in the form of the structural equation, which is estimated by using LISREL by requiring a quantity of n is greater than150 (Wijaya, 2013).

The validity of the questionnaire was tested using the statistical method. Each comment is determined by its correlation with the number of existing accounts. The statement item is valid if the corrected item value is higher than 0.30. The entire questionnaire was tested for its reliability with the Cronbach Alpha formula is more significant than 0.6, as stated by Latan (2013).

3.2 Research Variables

Entrepreneurial Orientation (OK) consists of dimensions and indicators as follows:

Innovation: efficiency, effective system, high productivity
Proactive: initiative in working, Acting responsively, Visionary
Risk Management: take risks, Facing risks, Avoiding risk
Autonomy: flexibility, work together, work individual
Aggressive: competitive products, comparative products, optimal business

Cooperative (KP) consists of dimensions and indicators as follows:

Economic Potency: focus on activities, investment insight, development discourse
Quality of life: enthusiastic in development, welfare emphasis, healthy lifestyle
National Economy: boost to local product, export-oriented
Joint Business/Kinship: cooperation, collaboration

Entrepreneur (WA) consists of dimensions and indicators as follows:

Managerial: business plan conduct, system implementation, periodic controlling
Conceptual: reading habits, writing habits, discussion habits
Human Resources: effective leadership, communication, accountability
Decision Making: problem-solving, solution synthesis, strategic thinking
Time Management: discipline attitude, consistency

The available variables, when presented in the form of mathematical equations, will be in the form of structural equations known as Structural Equation Models (SEM). There are several SEM programs, including LISREL or AMOS software.

To test the sub-models of each variable, first the sub-models are formed, those are:

1. Sub Model OK with 15 questions from existing indicators, with the hope that all issues can represent all existing indicators. Each of the items is explained in a linear equation, and followed by coefficient and error notation from OK1 to OK15.
2. Sub-model KP with ten questions that represent the four dimensions. Further, each item is described in a linear equation with coefficients and error notation starting from KP1 to KP10.
3. Sub-model WA with 14 questions representing five dimensions in this sub-model. Further, each item is explained in a linear equation with coefficients and error notation, ranging from WA1 to WA14.

The full model below is a combination of sub-models by following the framework that is in this research. Here all indicators of latent variables for OK, KP, and WA are labeled in one complete model. With the full model drawings in Fig. 2.

When the test is completed, the criteria for goodness fit will emerge, where the researchers can determine to which extent the sub-model and the complete model meet the SEM criteria with the Lisrel program. These criteria are chi-square, df, p-value, and RMSEA.

Next, it will show the results of the tests from the loading factors and t-values. If the loading factors are still greater or equal to 0.5, then the indicator significantly impacts the sub-model. If the t-values are greater or equal to 1.96, then the indicator is also significant for the model. In the complete model, both tests are also conducted to see the relationship between variables.
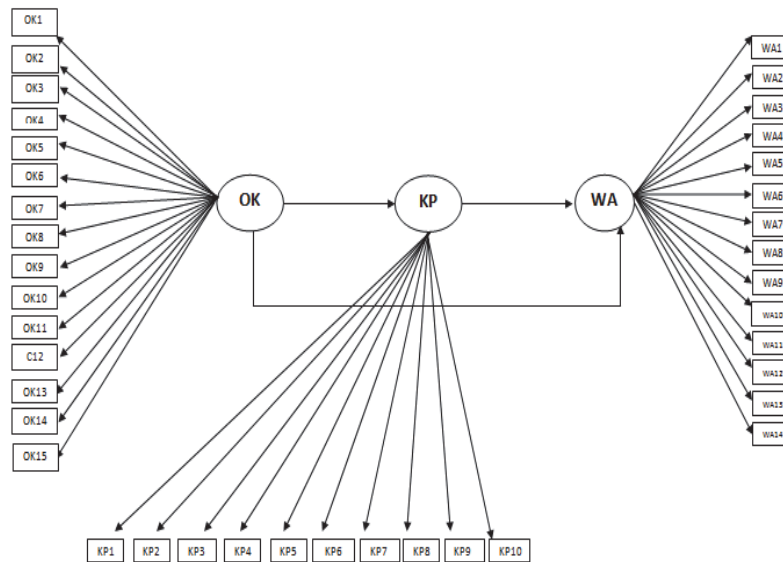
Fig. 2. Full Model

3.3 Hypothesis Test

The form of hypothesis testing in this study is as follows (Wijaya, 2013):

1. T-Test, to test the impact of independent variable used, the t-test, which serves to test the significant coefficient partially. Testing through t-test is performed by comparing t-counts with t-tables at a significant degree of 5%. If the test results show: t-count> t-table, then H_0 is rejected, and Hn is accepted. Which means that the dependent variable explains the independent variable.
2. α Test significance level = 5%. Testing at the 5% level. The calculation results show as follows: The probability of error is less than 5%, then H0 is rejected, and Hn is accepted. It shows that there are significant differences for each variable; If the probability of error is more than 5%, then H0 is approved, and Hn is rejected. There is no significant difference for each variable.

4. Results and Discussion

4.1 Results

The statistical test results of the questionnaire's validity and reliability for a latent variable (construct) of entrepreneurial orientation (OK), having a total corrected item greater than 0.500, therefore, the items above are all valid. The Cronbach alpha for OK data variable is also above 0.900. Thus, it is feasible variable. As for the one that has the highest validation is OK13, that is, entrepreneurial orientation must have a competitive product with a corrected item of 0.826, while the lowest validation is OK8 with a neutral orientation toward the risk with a fixed issue of 0.579. For OK1, OK2, OK3, OK4, OK5, OK6, OK7, OK9, OK10, OK11, OK12, OK14, and OK15 we have corrected items more than 0.60, which show that all indicators met the validation and reliability standards that were worth detecting their respective contributions in the study. The Sub-model calculation result (OK) with the model fit result, as follows: Degrees of freedom = 90, full information ML chi-square = 315.19 (P = 0.0), RMSEA 0.11, 90% confidence interval for RMSEA = (0.099;0.13), P-value for test of close fit (RMSEA < 0.05) = 0.00. The calculation results are higher than the minimum number, whereas for the loading factor that all indicator results are above 0.600, and for the t-values that all indicator is also fulfilled with the number more than 1.96.

For the Cooperative (KP) latent variable, it appears that the corrected item correlations are all greater than 0.500. Thus there are no indicators dropped on this variable, while the Cronbach alpha is also above 0.900, where this variable is considered feasible. The highest validation is for KP5, which is concerning with the welfare aspect with a corrected item number of 0.850, while the lowest validation is KP1 with a focus on cooperative activities with a corrected item of 0.612. For KP2, KP3, KP4, KP6, KP7, KP8, KP9, K10 we have found adjusted details more than 0.65, which means that all indicators met the validation and reliability standards that are worth detecting their respective contributions in the study.

The sub-model (KP) calculation results, with the fit model as follows: degrees of freedom = 90, full information ML chi-square = 127.56 (P = 0.0), RMSEA 0.11, 90% confidence interval for RMSEA = (0.094;0.14), P-value for test of close fit

(RMSEA < 0.05) = 0.00. The calculation results are higher than the minimum number, whereas for the loading factor that all indicator results are above 0.600 and for the t-values that all indicators are also fulfilled with number more than 1.96.

Entrepreneurial (WA) latent variable corrected items total correlation are all still greater than 0.500, so all are valid. Likewise, the Cronbach alpha remains above 0.900, which becomes feasible as a variable. The highest validation is WA10 where the corrected items is 0.857, while the lowest validation is WA3 by controlling the corrected things periodically by 0.761. For WA1, WA2, WA4, WA5, WA6, WA7, WA8, WA9, WA11, WA12, WA13, and WA14 we have corrected items more than 0.70, which means that all indicators met the validation and reliability standards that are worth detecting their respective contributions in the study. The sub-model (WA) calculation results, with the fit model as follows: Degrees of freedom = 77, Full information ML chi-square = 293.38 (P = 0.0), Root Mean Square Error of Approximation = 0.13, 90% confidence interval for RMSEA = (0.11;0.14), P-value for test of close fir (RMSEA < 0.05) = 0.00. The calculation results are higher than the minimum number, whereas for the loading factor, all indicator results are above 0.600 and for the t-values, all indicators are also fulfilled with numbers greater than 1.96.

The full model calculation results, with the complete model as follows: degrees of freedom = 699, Full information ML chi-square = 1633.35 (P = 0.0); Root Mean Square Error of Approximation (RMSEA) = 0.082, 90% confidence interval for RMSEA = (0.077;0.087), P-value for test of close fir (RMSEA < 0.05) = 0.00.
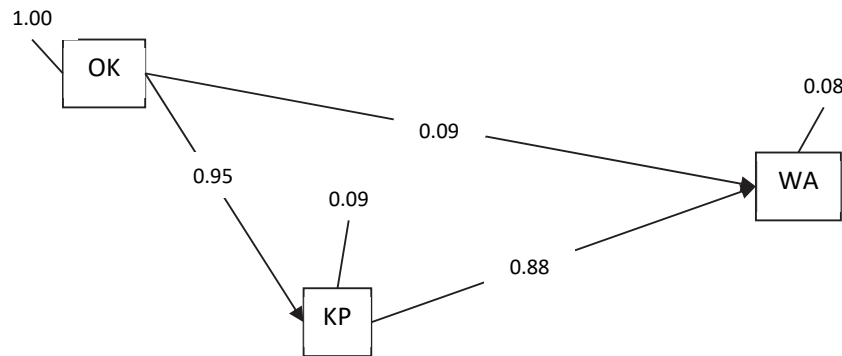
Fig. 3. Full Model of loading factor
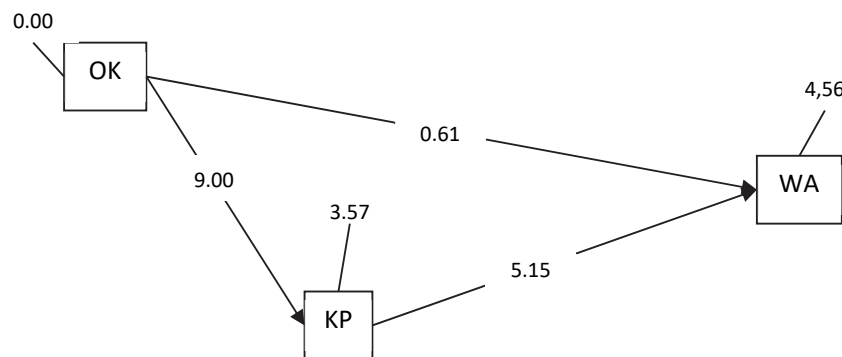
Fig. 4. Full Model of t-values

Significance requirements are valid for all lines, OK to KP with a coefficient of 0.950, KP to   WA with a coefficient of 0.880, and OK to WA yields a coefficient of 0.090. The above results prove the role of cooperative as a mediator is significant, whereas if the entrepreneurial orientation variable goes directly to the entrepreneur's variable, it has an insignificant relationship. The t-test will be calculated from the complete model and the results are shown in Fig. 4.

The relationship between OK and KP yields a t-test of 9,000; KP and WA with t-test results of 5,150. As for the OK and WA obtained a t-test of 0.610. In the t-test, the relationship between the OK and WA variables is insignificant. Still, the KP variable

proves to be a mediator between the OK variable and the WA variable, which is significant. After testing the validity and reliability yet the loading factor together with the t-values of the sub-models and the complete model, all hypotheses are as follows: Hypothesis 1:there is a direct relationship between entrepreneurial orientation and entrepreneurs, (Rejected). Hypothesis 2: there is a positive relationship between entrepreneurial orientation towards cooperatives, (accepted). Hypothesis 3: there is a positive influence between cooperatives and entrepreneurs, (accepted).

4.3 Discussion

In the entrepreneurial orientation sub-model, the indicator that gives the most significant contribution is 0.826. That is, entrepreneurs must have competitive products. While the indicator that provides the lowest input is 0.579, that is, the entrepreneur acts neutral in taking risks. However, these indicators have significant validity and reliability. Also, the loading factor is higher than 60%, and the t-test is more than 1.98. Hence this entrepreneurship variable also has significant coefficients. The sub-model of cooperative that provides the most considerable contribution is an indicator of attention to aspects of welfare, with a value of 0.85 while the indicator of the focus of cooperative activities provides the lowest input with a value of 0.612. These indicators have significant validity and reliability. Just like the entrepreneurial orientation sub-model that the cooperative sub-model also has a crucial loading factor and t-test. The entrepreneur's sub-model, which provides the most significant contribution, is an indicator of analyzing problem-solving, with a value of 0.85. While indicators of creating writing, habits make the lowest contribution with a value of 0.748. These indicators have significant validity and reliability. Following the entrepreneurial orientation sub-models and the cooperative sub-model, it turns out that the entrepreneur's sub-model also has an important loading factor and t-test.

The loading factor and t-test for each sub-models of entrepreneurs, cooperative, and entrepreneurial orientation all meet the desired standards. None of the results of loading factor indicators is less than 0.500, and the t-test is less than 1.98. Thus, each sub-model can be said to be feasible for the calculation of the complete model.

In the complete model of the loading factor and t-test results, it shows that the cooperative variable is indeed mediating the relationship between entrepreneurial orientation variable. Reversely, the entrepreneurial orientation variable is related directly to the entrepreneurial variable, does not show any significance. Thus a mediating variable is needed that is the cooperative variable.

5. Conclusion

Based on the research results, the discussion conclude that the cooperative can become a mediator to grow entrepreneurs. Therefore, it is better to use the institutions to empower their members. In other words, research has also demonstrated that the community has already had an entrepreneurial orientation but it has not automatically become an entrepreneur. Because the direct relationship of entrepreneurial orientation and entrepreneurs is not significant. Thus, it can be said that cooperative can help any organization provide substantial relationship between entrepreneurial orientation and entrepreneurs.

The significance of the mediator is proven by testing the loading factor of the relationship between entrepreneurial orientation cooperative, as well as cooperative and entrepreneurs whose values are above 0.500, respectively. The role of the cooperative mediation variable that connects entrepreneurial orientation and entrepreneurs is full. The multiplication of the coefficient of OK to KP and KP to WA is higher than the coefficient of OK to WA. According to the Sobel Test theory, the multiplication is accepted.

The study contributes to the existing business structure for sustainable development. The results can be used as a reference for cooperation in playing a significant role in the organization to the members of an organization become competent entrepreneurs. This input will become a national program for all cooperatives in Indonesia to activate the part of cooperative as a mediator to increase the number of domestic entrepreneurs. It can also provide input for cooperative organizations to improve their managerial abilities in empowering all their potentials. In turn, all possibilities will become an organizational asset to realize the mediating role. Thus, all cooperatives will contribute significantly.

Acknowledgment

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Appendix

Table 1
t-values Indicators of Full Model

Var1	t-values	Var2	t-values	Var3	t-values
OK1	14.43	KP1	9.41	WA1	13.6
OK2	14.73	KP2	8.70	WA2	13.35
OK3	14.23	KP3	8.94	WA3	13.01
OK4	14.54	KP4	8.85	WA4	12.75
OK5	14.20	KP5	9.65	WA5	12.42
OK6	14.99	KP6	9.04	WA6	15.07
OK7	12.52	KP7	8.96	WA7	13.36
OK8	8.85	KP8	8.25	WA8	14.87
OK9	9.58	KP9	9.33	WA9	13.66
OK10	11.82	KP10	8.95	WA10	15.56
OK11	13.92			WA11	14.64
OK12	9.40			WA12	14.79
OK13	14.76			WA13	14.05
OK14	12.26			WA14	13.81
OK15	13.07				

Table 2
Loading Factors Indicators of Full Model

Var1	Loading factor	Var2	Loading factor	Var3	Loading factor
OK1	0.86	KP1	0.62	WA1	0.84
OK2	0.84	KP2	0.82	WA2	0.80
OK3	0.86	KP3	0.77	WA3	0.78
OK4	0.84	KP4	0.80	WA4	0.77
OK5	0.83	KP5	0.88	WA5	0.77
OK6	0.85	KP6	0.80	WA6	0.89
OK7	0.75	KP7	0.79	WA7	0.80
OK8	0.64	KP8	0.78	WA8	0.82
OK9	0.67	KP9	0.86	WA9	0.79
OK10	0.72	KP10	0.81	WA10	0.87
OK11	0.80			WA11	0.86
OK12	0.64			WA12	0.83
OK13	0.83			WA13	0.82
OK14	0.73			WA14	0.83