

THE EFFECT OF INSTITUTIONAL MANAGEMENT QUALITY IMPROVEMENT OF LIVESTOCK GROUP ON THE WELFARE OF PEOPLE'S FARMERS

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Abstract: Farmers in Subang Regency, West Java Province, are still focused on conventional farming and have not used group management. So that the level of welfare of farmers in Subang Regency is still not optimal. This study aims to look at the institutional management problems of smallholder livestock herds, increase the knowledge and skills of smallholder breeders in institutional procedures and livestock management and see the effect of increasing the quality of institutional management on the welfare of smallholder breeders. The method used in this research is FGD, counseling and coaching related to institutional and governance procedures, monitoring and evaluation by giving questionnaires to farmers through interviews and descriptive analysis. The results of this study, first, the problem of farmers is the low management of group institutions, especially regarding administration, feed and sales, breeders can understand and practice the procedures and institutional governance of beef cattle groups as an effort to increase additional income for the value of the cattle themselves, improve the quality of management groups have a significant effect on increasing group welfare. The conclusion of this study is that the problems that exist in smallholder farmer groups are the institutional problems of the livestock group that are not good including administrative management, storage and marketing. The training and assistance provided to farmers is able to understand and practice the procedures and governance of institutional management of beef cattle. Improving the quality of group institutional management has a positive and significant effect on improving the welfare of smallholder breeders.

Keywords: Institutional Management; Welfare Improvement; Beef Cattle; Subang.

INTRODUCTION

Community development is a series of continuous activities and is an effort to develop community capacity so that they are able to carry out productive businesses in their respective fields independently. Community development, especially agricultural and livestock communities, must be carried out from upstream to downstream. According to (Fathurohman, 2018) In the future, community development has a vision, namely to create a society that is advanced, efficient, and resilient, competitive, independent and sustainable and able to empower the people's economy (Yuliasari, Fauzi, & Ishak, n.d.).

The Ministry of Agriculture has determined that West Java, especially Subang Regency, is one of the regencies in West Java as a beef cattle commodity area which is also a center for beef cattle farming in West Java which is designed as a test in order to show the effectiveness of a program implementation, knowing the impact of program implementation (AMAM et al., 2021). and its economy. Subang Regency was chosen as a beef cattle commodity area because it has natural resources and facilities and infrastructure that support the development of beef cattle. Subang Regency is expected to be one of the agricultural areas for beef cattle commodities in Indonesia which can contribute to the supply of national fruit (Andriaty, Artati, & Juariah, 2016)

In connection with the above, the Subang regency government focuses the development of beef cattle on sectors that

have high added value. It is hoped that by having high added value it can create sovereign, just and independent beef cattle breeders. One of the groups or fostered that was used as a pilot is located in Cipunagara District and Cibogo District, Subang Regency, West Java (Harsita, Rusdiana, & Luthfi, n.d.). These two sub-districts have several livestock groups, but the largest are the Bina Insani group in Cipunagara District and the Mandiri Jaya group in Cibogo District which consists of more than 25 members. (Subang State Polytechnic, 2015)

One of the most important factors in the livestock business is institutional governance or institutional management and the livestock supply chain. However, there are still many people who sell livestock directly to collectors without carrying out sales management and measuring livestock weight. so that the value of the livestock itself is determined by collectors which makes the value of livestock less than optimal. Many breeders suffer losses due to production costs that are higher than the selling price of livestock (Fathurohman, Baharta, Purwasih, et al., 2020). This is due to a lack of understanding of livestock management and lack of institutional management within the breeder itself, this is because 80% of the price chain or supply chain of beef cattle is influenced by factors outside the breeder and 20% of internal factors from the breeder (Fathurohman, Baharta, No, & Lampung-Lampung, 2020), meaning that prices are controlled by traders not by farmers. (Mahaputra & Kurniadhi, n.d.).

In general, agricultural business, especially beef cattle, has several risks that

are often faced, namely price, feed, disease, marketing, and the trade chain, these risks vary depending on the production center area (Fathurohman, Sobari, & Safitri, 2017). Based on the explanation above and the survey conducted in Subang Regency, several problems related to sales are still through middlemen and the ineffectiveness of group management (Rohman, 2016).

This research is intended as an effort to overcome the above problems and increase the knowledge of the community, especially farmer families through counseling, training and coaching regarding simple herd management and livestock sales procedures and at relatively affordable costs. (Vernanda, Abdullah, & Rohendi, 2018) The target to be achieved from this research activity is to increase the community's knowledge and skills in the development of agricultural product development, especially beef cattle through increasing the selling value and improving management of more efficient group management (Susandy & Prasetyo, 2016). The output of this research activity is scientific publication.

This research is to look at the institutional management problems of people's livestock groups, increase the knowledge and skills of people's farmers in the procedures and institutional governance of livestock groups and see the effect of increasing the quality of livestock management on the welfare of people's farmers.

MATERIALS AND METHODS

Research activities were carried out in Cipunagara District and Cibogo District,

Subang Regency from July to November 2022. The methods used in carrying out this research were carried out in three stages, namely:

First, the Focus Group Discussion (FGD) and counseling stages were carried out using the lecture method, and discussions related to community problems and group management. The second stage was training and mentoring, carried out using the direct training method with practice, namely by improving the management of green fodder storage with elephant grass raw materials that are of poor or inadequate quality (Widnyani, Astitiani, & Putri, 2021).

In addition, assistance is provided for the formation of group management. The three stages of monitoring, evaluation (monev) and testing are carried out by recording livestock productivity and increasing income and monitoring the development of the green feed storage skills that have been given. Monev is also carried out on group management in each group for uniformity. Questionnaires are given by way of interviews to find out whether there is an effect of improving group institutional management on increasing livestock welfare.

This study uses descriptive analysis using surveys. Collecting data with a questionnaire which is a list of questions given to breeders after training, group management assistance and evaluation monitoring. The variables used as indicators are improving the quality of group management (X) and increasing welfare (Y). testing is done by Linear Regression method.

Considering that data collection was carried out through the use of a questionnaire, the factor of the seriousness of the respondents in answering the questionnaire is very important, therefore it is necessary to carry out validity and reliability tests beforehand to ensure that the measuring instruments used in this study are valid and reliable.

Regression analysis is to measure whether there is an effect of increasing the quality of group management on increasing welfare, with the analysis used linear regression analysis using the SPSS application, it can be formulated as follows:

$$Y = a + b_1 \cdot x_1 + e$$

Where :

Y = Welfare improvement

a = Constant number

b₁ = Regression coefficient for improving the quality of group management

x₁ = Improved quality of group management

e = Errors

A statistical T test was also carried out to show how far the influence of one explanatory variable individually explained the variation of the dependent variable. The t test statistical formula as follows is:

$$t_h = \beta_1 / (SE(\beta_1))$$

Where :

t_h = calculated t value

β₁ = regression coefficient

SE (β₁) = Standard error in regression coefficient

Hypothesis testing steps

H₀ : t_s < 0 : indicates that there is no effect between improving the quality of group management and increasing farmer welfare.

H₁ : t_s > 0 : indicates that there is an influence between improving the quality of group management and increasing the welfare of breeders.

The decision criteria are:

a. If t count > t table, and sig < 0.05 then H₀ is rejected and H₁ is accepted;

b. If t count < t table, and sig > 0.05 then H₀ is accepted and H₁ is rejected;

c. Significant level = 5%;

d. Degrees of freedom (df) = n – 3.

RESULTS AND DISCUSSION

The research was carried out in Cibogo District, Subang Regency from July to November 2022. This activity went through 3 stages, namely the FGD and counseling stages, training and mentoring, as well as monitoring and evaluation by giving farmers questionnaires to measure whether there is an effect of increasing the quality of institutional management on the welfare of farmers.

Research activities in Cibogo District have known indicators of increasing the selling value of livestock and the quality of feed which is getting better with increasing ability of breeders to store green fodder, improving group management by recording all transactions. The target of this research activity is achieved by increasing the knowledge and skills of breeders in managing breeder institutions and groups and improving

institutional governance so that they can increase the selling price and of course increase the income and welfare of breeders, besides that there are management standards in the group.

The results achieved in each stage of the research are. In the FGD and counseling stages, it was recorded that there were problems with the breeders, increasing the knowledge of livestock management and group management, increasing the standards of group management and mainly regarding increasing the value of livestock business as an effort to develop the welfare of livestock breeders. Farmers understand and understand effective and efficient group management.

The results of the training and mentoring phase were to increase the knowledge and skills of farmers in managing the management of poor quality forage storage, increasing the skills of breeders in group administration. The training phase ends with standard setting of good group management. In the monitoring and evaluation phase

and testing, the results of monitoring and evaluation showed an increase in knowledge and skills of farmers in storing green fodder, increasing administration order and increasing the selling value of livestock. besides that there is uniformity in group management which is more efficient and effective than before. The results of the distribution of questionnaires to see the effect of increasing institutional quality on improving the welfare of people's livestock are obtained as follows.

a. Instrument Validity Test

Testing the validity of each item is used item analysis, which correlates the score of each item with a total score which is the number of item scores. According to (Sugiyono & Peneliti, 2008) that an instrument is said to be valid if the correlation coefficient between items/items is positive and the magnitude is 0.3 and above with an error rate (alpha) of 0.05. The following can be shown in Table 1, the results of the validity test of each item in each variable in the questionnaire.

Table 1. Validity Test Results

Variable	VariableName	No Indicator	Coefficient Correlation	Information
Independent (X)	Institutionalquality improvement	1	0,646	Valid
		2	0,620	Valid
		3	0,823	Valid
		4	0,764	Valid
		5	0,614	Valid
		6	0,611	Valid
		7	0,734	Valid
		8	0,662	Valid
		9	0,769	Valid
		10	0,769	Valid
Dependent (Y)	welfare improvement	11	0,791	Valid

	12	0,701	Valid
	13	0,748	Valid
	14	0,697	Valid
	15	0,775	Valid
	16	0,724	Valid

Based on Table 1, all item correlation coefficients for each of the variables studied were above 0.3 and the correlation coefficient showed significance or was less than 0.05, so that the items used in this study were said to be valid and appropriate for all targeted respondents. Instrument Reliability Test This reliability test is used to measure the internal consistency of the indicators of a construct which indicate the degree to which each indicator indicates a general construct.

In other words, how specific things help each other in explaining a general phenomenon (Sugiyono & Peneliti, 2008). Testing the reliability test of the instrument in this study used the SPSS program, in which this test was carried out by means of a oneshot or one-time measurement. A variable is said to be reliable if it gives a value of Cronbach Alpha (α) > 0.6. The results of the reliability test for each variable used in this study can be seen in Table 2.

Table 2.
Reliability Test Results for Each Variable Used in Research.

Variable	VariableName	Cronbach Alpha coefficient	Information
Independent (X)	institutional quality improvement	0,905	reliable
Dependend (Y)	welfare improvement	0,829	reliable

Table 2 shows that all the variables used in the study have a correlation coefficient of Cronbach alpha above 0.6. This means that all variables in this study are declared reliable, and the instrument can be continued to be used for all targeted respondents.

The data analysis method used is linear regression with the use of least squares equations in model estimation. Linear regression is used to determine the functional relationship between the dependent variable (Y) and the independent variable X. A linear regression

model with one independent variable can be formulated as follows:

$$Y = a + b \cdot X$$

Where :

Y = The dependent variable (tied) in this case the increase in welfare

a = Intercept, shows the value of Y when X = 0

b = Regression coefficient, which is the magnitude of the change in variable Y due to changes in each unit of variable X.

X = Independent variable 1 (free) in this case increasing institutional quality

The results obtained after the data were processed with the help of the SPSS program are presented in Table 3.

Table 3.
Multiple Linear Regression Analysis Results
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.722	3.146		.547	.588
	institutional quality improvement (X)	.179	.086	.357	2.079	.046

a. Dependent Variable: increase in welfare (Y)

The regression equation is $Y = 1.722 + 0.179X$

- Constant of 1.722; meaning that if the value of increasing institutional quality is 0, then the value of increasing welfare is 1.722.

- The variable regression coefficient for increasing the quality of group management (X) is 0.179; meaning that for

every increase in institutional quality by 1 unit, it will increase welfare by 0.179 units.

A. Estimator Parameter Accuracy Test Results (T Test)

The t test on multiple linear regression is used to find out whether there is a partial effect between the independent variables on the dependent variable. In this study using the SPSS program. The results of the t test obtained are presented in Table 4.

Table 4.
T test results (partial test)
Coefficients^a

Model		t	Sig.	Decision
1	(Constant)	.547	.588	
	institutional management quality improvement (X)	2.079	.046	There is influence

a. Dependent Variable: increase in welfare (Y)

Testing the variable coefficients for increasing institutional quality

Testing steps as follows:

1. Determine the null hypothesis and alternative hypotheses.

$H_0 : b = 0$ (increasing the quality of institutional management has no effect on

increasing welfare)

$H_a : b \neq 0$ (increasing the quality of institutional management affects the increase in welfare).

2. Determine t arithmetic

Based on the table above, a t count of 2.079 is obtained

relevant to opinion (Handoko, 2011). When an employee feels satisfied at work, the employee will make every effort to complete his work, resulting in high service quality. This is in line with previous research by (Andy et al., 2016).

Testing the variable coefficient of increasing the quality of institutional management (b) answers one of the objectives of this study is to analyze the effect of increasing the quality of institutional management on the welfare of people's livestock farmers. In this case, there is a positive and significant influence between improving the quality of institutional management and the welfare of people's farmers.

Even so, some obstacles were found during a research series, and hopefully, this will become an evaluation and improvement for future research activities. These obstacles were changes to the schedule that had previously been agreed upon by the Implementation Team and breeders, resulting in delays and merging of previously planned activities and a lack of enthusiasm for breeders to participate in the research series, so the material presented was uneven.

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