

## Management Competence, Administrative Readiness and Public Sector Support for the Operational Readiness of the Merah Putih Cooperative through Process Efficiency in Luwu Regency

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### Abstract

Cooperatives have a strategic role in improving community welfare, therefore the government initiated the Red and White Cooperative to strengthen the people's economy at the village level. However, the operational performance of cooperatives often faces various complex challenges such as a lack of management competency, limited administrative readiness, and suboptimal public sector support, which collectively can hinder the operational readiness of the cooperative. This study aims to analyze the influence of management competency, administrative readiness, and public sector support on the operational readiness of the Red and White Cooperative in Luwu Regency with process efficiency. The population in this study were employees and administrators at the Red and White Cooperative in Luwu Regency. The sampling technique in this study used saturated samples where the entire population was used as respondents, resulting in a total of 70 respondents. The main research instrument in collecting data was a questionnaire that had been tested for instrument validity and reliability. The collected data will be analyzed descriptively and verifiably using Structural Equation Modeling (SEM) with the help of SmartPLS software. The results of the study indicate that management readiness, administrative readiness, and public sector support have a significant positive effect on efficiency. Efficiency has a significant positive effect on operational readiness. Management readiness, administrative readiness, and public sector support have an insignificant positive effect on operational readiness. However, management readiness, administrative readiness, and public sector support indirectly have a significant positive effect on operational readiness through efficiency. By focusing on efficiency as a mediator, the Merah Putih Cooperative in Luwu Regency can achieve its strategic goals of improving community welfare and strengthening the village economy in accordance with the ideals of this national program.

Keywords: Management\_Readiness; Administrative\_Readiness; Public\_Sector\_Support; Operational\_Readiness; Process\_Efficiency

### 1. Introduction

The Red and White Cooperative as a strategic initiative of the government in strengthening the people's economy in villages and sub-districts shows great potential in achieving economic equality and empowerment of grassroots communities, but in the field it is often faced with complex challenges such as lack of management competency, limited administrative readiness, and suboptimal public sector support, which collectively can hamper the operational readiness of the cooperative; in terms of management competency for example, many studies indicate that cooperative managers do not always have adequate knowledge, skills, and managerial attitudes to carry out functions - supervision, planning, reporting, to strategic decision making.

Poor administration can lead to duplication of tasks, delays in transaction processing, errors in recording, and weak accountability that ultimately reduce member and public trust. Public sector support including local governments, supervisory agencies, advisory bodies, regulations, and policy implementation, is also crucial to provide a regulatory framework, mentoring resources, supervision, incentives, and administrative infrastructure facilities, as the role of the BPKP which has expressed its support for the Red and White Cooperative program through supervision and supervision as an internal auditor to ensure transparency and

accountability, as well as administrative readiness, including legal documents, recording systems, organizational structures, operational procedures, internal regulations.

Real support from the public sector of the district government, village/sub-district institutions, related OPDs, legal institutions such as notaries, the Ministry of Law and Human Rights, and other stakeholders such as counseling, training, and mentoring. However, the three aspects of management competence, administrative readiness, and public sector support are not independent, so their impact on the operational readiness of cooperatives is greatly influenced by the extent to which internal operational process efficiency can be achieved: lengthy manual processes and complex bureaucracy will drain time, money, and energy, reducing the cooperative's ability to respond to member needs and expand services, especially in areas such as Luwu Regency where access to resources, training, and public support may be more limited than in large cities. Without good process efficiency, management competence and administrative and public support may not be optimally utilized.

In the public sector, including district governments, cooperative offices, and relevant ministries, they play a crucial role in providing training and technical assistance to cooperative administrators, streamlining licensing and administrative processes, and implementing regulations that enable cooperatives to access resources such as initial capital, permits to use village assets, or human resource support. Without adequate public support, cooperatives can face operational challenges even after they are legally established.

Luwu Regency with its demographic, geographical, and administrative characteristics that may have disparities between sub-districts or villages, the need for competent administrators, a ready administrative system, and proactive local government support is very important so that the Merah Putih Cooperative is not only formed but also able to operate its business operationally, starting from capital, reporting, risk management, member services, distribution of business results effectively, efficiently, and sustainably; the emphasis on internal process efficiency as a mediator in the relationship between competence, administration, and public support for operational readiness will enable this study to put forward a mechanism that clarifies how and through what the independent variables can have a real impact on the dependent variable of operational readiness, especially in the local context of Luwu Regency.

Several studies have highlighted the importance of strengthening cooperative management competencies, such as a study in West Java that showed that training and mentoring of managers significantly improved their ability to serve members and develop operational businesses. On the other hand, administrative readiness, including legality, documentation, financial governance, standardized procedures, reporting systems, and organizational structures, often falls short of the standards required for effective and efficient cooperative operations [1].

Another mixed-methods study involving micro and small cooperatives in Naga City, Philippines found that strong operational practices, especially in Organizational and economic management is crucial for compliance and financial success. Research shows that compliance in auditing and financial reporting provides significant credibility, which is crucial for member trust [2]. Another study explored the sustainable well-being of cooperative management and members by examining business strategies and member competencies. The results showed that

a model for improving cooperative member welfare requires increased competency and changes in business strategy [3].

Based on the literature review, the research gap lies in how to integrate management competency, administrative readiness, and public sector support into a single research model. This study explicitly examines process efficiency as a mediating variable between input factors and operational readiness. There is a lack of focus on public sector support as an external factor influencing cooperative operational readiness, and no research has yet measured administrative readiness as an independent variable separate from managerial competency. Based on this, this study seeks to explain how management competency, administrative readiness, and public sector support simultaneously influence the operational readiness of the Merah Putih Cooperative in Luwu Regency, and the extent to which process efficiency plays a mediating role in this relationship.

Thus, this theoretical framework allows for a richer analysis of how management competency, administrative readiness, and public sector support simultaneously influence the operational readiness of the Merah Putih Cooperative in Luwu Regency, and the extent to which process efficiency plays a role as a mediating variable in this relationship can be clearly described in the theoretical framework as follows:

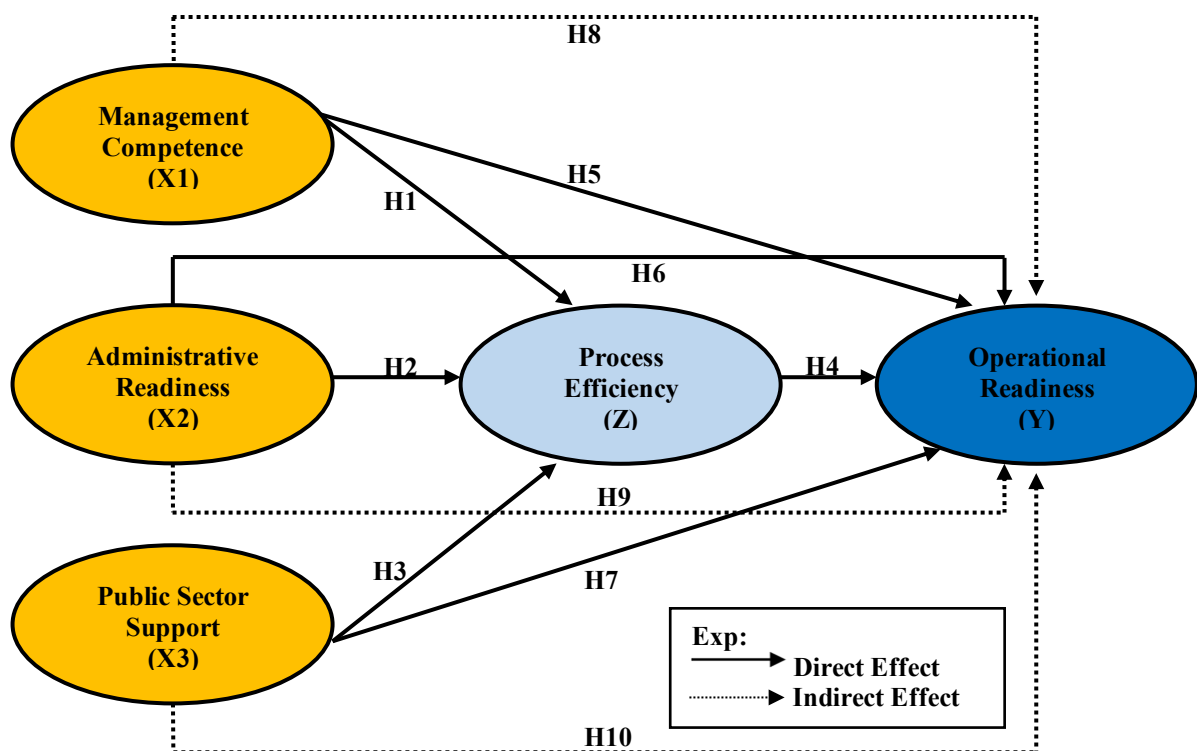


Figure 1. Conceptual Framework

**H1. It is suspected that the competence of management has a positive and significant influence on the efficiency of the process.**

This relationship is supported by the finding that organizational competence not only improves human resource performance but also strengthens operational efficiency by enhancing problem-solving and coordination capabilities at the group level. The study shows

that organizational competence influences cooperative HR performance, where competent cooperative administrators are able to manage operations more effectively, make informed decisions, and provide satisfactory service to members [4]

**H2. It is suspected that administrative readiness has a positive and significant influence on process efficiency.**

This relationship is supported by the finding that administrative readiness not only increases the speed of organizational transactions but also strengthens operational efficiency through significant cycle time reductions in procurement and contractual processes. Research shows that organizations with administrative readiness processes, such as legislation that allows for the procurement of goods or services in the open market, experience an average reduction in procurement time per day [5][6].

**H3. It is suspected that public sector support has a positive and significant impact on process efficiency.**

This relationship is supported by the finding that public sector support not only improves access to resources and clear regulations, but also strengthens operational efficiency through improved technical capabilities and ongoing capacity building. A balance between cooperative autonomy, professional management, and a supportive but non-intrusive government environment, where professionally managed cooperatives thrive when the government focuses on providing capacity building, regulatory clarity, and fair fiscal incentives, is crucial [7][8].

**H4. It is suspected that process efficiency has a positive and significant impact on operational readiness.**

This relationship is supported by the finding that process efficiency not only directly improves organizational performance but also strengthens operational readiness through resource optimization and standardization of work procedures. Research shows that process efficiency, consisting of indicators of repair, maintenance, damage, suitability, and availability, has a positive and significant effect on organizational performance with a contribution of 26%. Each increase in process efficiency will increase the organization's ability to achieve performance targets [9][10].

**H5. It is suspected that management competence has a positive and significant influence on operational readiness.**

This relationship is supported by the finding that management competency not only improves service quality and operational efficiency, but also strengthens the organization's readiness to face the transition and adopt the innovations necessary to create a sustainable system. Research shows that competent management plays a key role in leading and managing organizational transitions, where innovation adoption is no longer an option but a necessity for creating a sustainable operational system [11][12].

**H6. It is suspected that administrative readiness has a positive and significant influence on operational readiness.**

This relationship is supported by the finding that administrative readiness not only improves organizational structure and process documentation, but also strengthens operational readiness through the implementation of standardized and integrated systems to facilitate a successful transition from the project to the operational phase [13][14].

### **H7. Public Sector Support is Suspected to Have a Positive and Significant Influence on Operational Readiness**

This relationship is supported by the finding that public sector support not only provides the necessary resources and training, but also strengthens operational readiness through the implementation of effective stakeholder management and the development of integrated systems for mitigating transitional risks in complex infrastructure projects. Research shows that operational readiness can be achieved through nine key factors: resourcing, training, stakeholder management, communication, procurement of critical operational assets, physical asset completion, operation's plans and processes, systems readiness, and operational trials and simulation [15].

### **H8. It is suspected that management competence has a positive and significant influence on operational readiness through process efficiency.**

This relationship is supported by the finding that management competency not only improves technical capabilities in running operations, but also strengthens operational readiness through the mediation of standardized process efficiency, where competency standards serve as a reference so that each work process can be carried out more efficiently and consistently. The implementation of work competency standards that include task competency, task management, environmental adaptation, and collaboration allows companies to reduce dependence on external parties, and improve the quality of products and services [16][17].

### **H9. It is suspected that Administrative Readiness has a Positive and Significant Influence on Operational Readiness through Process Efficiency**

This relationship is supported by the finding that administrative readiness not only improves the ability to manage data and information, but also strengthens operational readiness through the mediation of structured process efficiency, where the implementation of a mature administrative information system can reduce data errors and improve the accuracy of overall business processes [18][19].

### **H10. Public Sector Support is Suspected to Have a Positive and Significant Influence on Operational Readiness through Process Efficiency**

This relationship is supported by the finding that public sector support not only provides technological infrastructure and supporting policies, but also strengthens operational readiness through mediating the efficiency of digitalized processes, where the implementation of e-government and digital transformation is able to accelerate bureaucratic processes, reduce operational costs, and significantly increase the transparency and accountability of public services [20][21].

## **2. Methodology**

The type of research used in this study uses a quantitative method that focuses on more objective measurements, data collection in the form of numbers, and statistical analysis to find significant patterns or relationships between the variables studied. The population in this study were 70 administrators and supervisors at the Merah Putih Cooperative in Luwu Regency. The sampling technique in this study used a saturated sample where the entire population was used as respondents, resulting in a total of 70 respondents.

The main instrument used in this study to collect data was a structured questionnaire where each item (statement item) in the questionnaire was arranged based on indicators measured using a 5-point Likert scale. The questionnaire will be statistically analyzed to test the validity and reliability of the instrument. A statement item is considered valid if it has a statistically significant correlation coefficient ( $p < 0.05$ ) and exceeds a certain threshold ( $r > 0.30$ ). Invalid statement items will be considered for revision or removal from the final questionnaire.

Data analysis used descriptive inferential techniques, namely research that is able to describe the relationship between variables through statistical tools with certain stages and conditions to test hypotheses and link one variable to another. The statistics used are inferential statistics, namely statistical techniques using Structural Equation Modeling (SEM) analysis through the Smart PLS 3 application.

### 3. Results and Discussion

#### 3.1. Result

##### 3.1.1. Model Validity Test – Outer Loading and Average Variance Extracted (AVE)

This test was conducted to measure the appropriateness of each indicator to describe the variables used in the instrument. A value of 0.7 is the expected value, while the frequently used minimum limit is  $\geq 0.6$ . The first test still found factor loadings below the threshold, namely AdmRe1, OpenRe4, and OpenRe5. Therefore, these three indicators were removed from the model and reanalyzed to determine that all indicators met the established threshold. The following is a tabulation of the factor loadings for each variable:

Table 1. Loading Factor

	Administrative_ Readiness_(X2)	Efficiency_(Z)	Management Competence (X1)	Operational _Readiness_ (Y)	Public_Sector_ Support_(X3)
AdmRe2	0.771				
AdmRe3	0.803				
AdmRe4	0.841				
AdmRe5	0.824				
Eff1		0.880			
Eff2		0.782			
Eff3		0.739			
Eff4		0.823			
Eff5		0.834			
MgComp1			0.752		
MgComp2			0.722		
MgComp3			0.815		
MgComp4			0.834		
MgComp5			0.764		
OpeRea1				0.847	
OpeRea2				0.921	
OpeRea3				0.915	
SecPub1					
SecPub2					0.749
SecPub3					0.808
SecPub4					0.780
SecPub5					0.868

Source: Data processed 2025

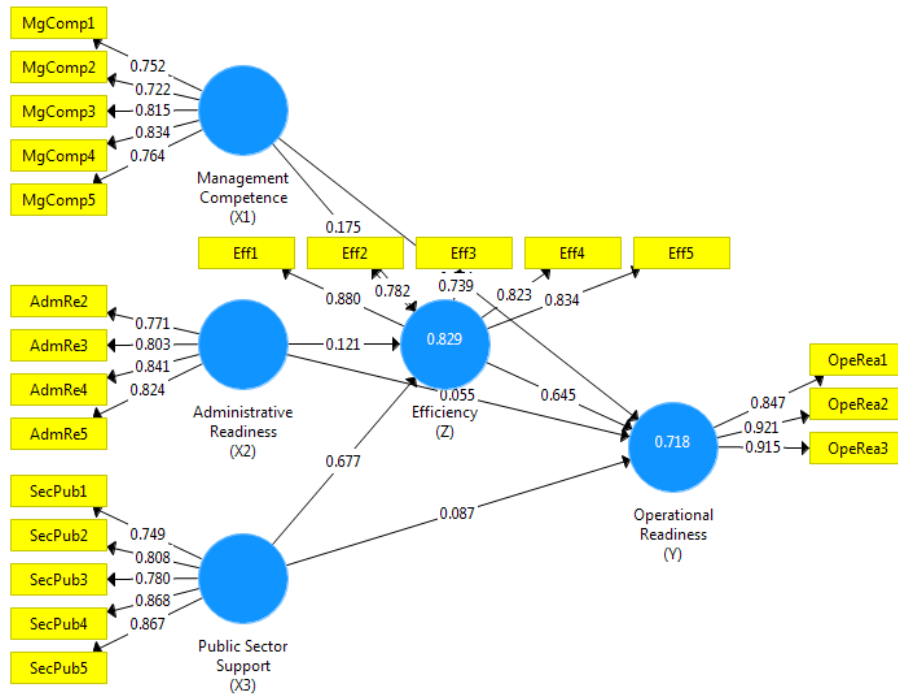


Figure 1. Loading Factor

After calculating the loading factor, it can be seen that the values for all indicators are as expected  $> 0.7$  so it can be said that all indicators are able to describe the variables and meet the requirements for further analysis.

Further testing was carried out with Average Variance Extracted (AVE), sA variable can be considered valid when it can explain its indicator type with an AVE value of 0.5 or more. Based on the analysis results displayed in the table below, the AVE values for all constructs are greater than 0.5, thus fulfilling the requirements for further analysis.

Table 2. Covergen Validity

Variables	Average Variance Extracted (AVE)	Expl
Administrative_Readiness_(X2)	0.657	Valid
Efficiency_(Z)	0.661	Valid
Management Competence (X1)	0.606	Valid
Operational_Readiness_(Y)	0.801	Valid
Public Sector_Support_(X3)	0.666	Valid

Source: Data processed 2025

### 3.1.2. Model Reliability Test

ReliabilityThe aim is to measure the consistency of each indicator in explaining its variable construct. To determine how consistent each indicator is in explaining its variable construct, the analysis results can be seen in the composite reliability or Cronbach's alpha column, which is set at a value of  $\geq 0.7$ . Based on the analysis results displayed in the table below, the Cronbach's alpha and composite reliability values are  $\geq 0.7$ , so all variables are suitable for use in further analysis.

Table 3. Composite Reliability and Cronbach's Alpha

Variables	Cronbach's Alpha	Composite Reliability	Expl
Administrative_Readiness_(X2)	0.826	0.884	Reliable
Efficiency_(Z)	0.871	0.907	Reliable
Management Competence (X1)	0.837	0.885	Reliable
Operational_Readiness_(Y)	0.875	0.923	Reliable
Public Sector Support (X3)	0.874	0.909	Reliable

Source: Data processed 2025

### 3.1.3. Bootstrapping Test

After the PLS Algorithm test is carried out until all the specified prerequisites are met, the next step is to conduct a Bootstrapping test to determine the path coefficient or significance of the independent variable (X) on the dependent variable (Y) in order to test the research hypothesis. An independent variable can be said to have a significant effect on the dependent variable if the significance value of the T statistic > t table (in this study t table = 1.994) and P value < 0.05, the influence value is shown in the table and Figure below:

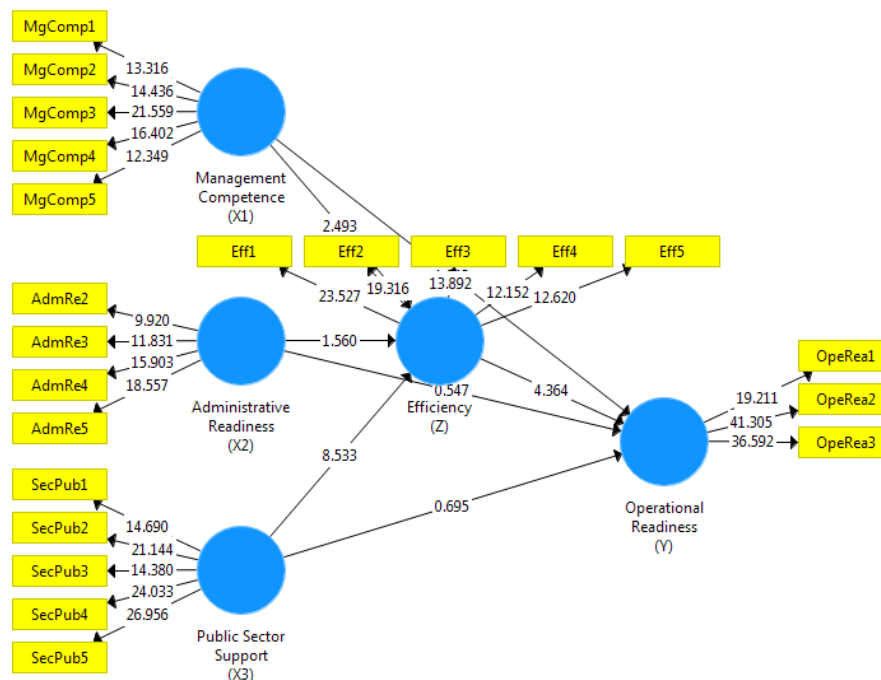


Figure 2. Bootstrapping (t-analysis)

Table 4. Direct Effect (t- test)

Variables	T Stat	P Value	Explanation
Administrative_Readiness_(X2) -> Efficiency_(Z)	2,560	0.019	Positive Significant
Administrative_Readiness_(X2) -> Operational_Readiness_(Y)	0.547	0.585	Positive Not Significant
Efficiency_(Z) -> Operational_Readiness_(Y)	4,364	0,000	Positive Significant
Management_Competence_(X1) -> Efficiency_(Z)	2,493	0.013	Positive Significant
Management_Competence_(X1) -> Operational_Readiness_(Y)	1,243	0.214	Positive Not Significant
Public Sector_Support_(X3) -> Efficiency_(Z)	8,533	0,000	Positive Significant
Public Sector_Support_(X3) -> Operational_Readiness_(Y)	0.695	0.487	Positive Not Significant

Source: Data processed 2025

Table 4. Indirect Effect

Variables	T Stat	P Value	Explanation
Administrative_Readiness_(X2) -> Efficiency_(Z) -> Operational_Readiness_(Y)	2,686	0.039	Positive Significant
Management_Compentence_(X1) -> Efficiency_(Z) -> Operational_Readiness_(Y)	2,040	0.042	Positive Significant
Public Sector_Support_(X3) -> Efficiency_(Z) -> Operational_Readiness_(Y)	3,939	0,000	Positive Significant

Source: Data processed 2025

### 3.1.4. Hypothesis Testing

Based on the table above, the following hypothesis test can be carried out:

**First Hypothesis: It is suspected that the Competence of Management has a Positive and Significant Influence on Process Efficiency.** The results of the statistical T analysis obtained a calculated t value = 2.493 > t table = 1.994 with a P value of 0.01 or smaller than the Cut off Value of 0.05. This means that the manager's competency variable has a positive and significant influence on process efficiency, so that **the first hypothesis is declared accepted**

**Second Hypothesis: It is suspected that Administrative Readiness has a Positive and Significant Influence on Process Efficiency.** The results of the statistical T analysis obtained a calculated t value = 2.560 > t table = 1.994 with a P value of 0.01 or smaller than the Cut off Value of 0.05. This means that the administrative readiness variable has a positive and significant influence on process efficiency, so that **the second hypothesis is declared accepted**

**Third Hypothesis: It is suspected that Public Sector Support has a Positive and Significant Influence on Process Efficiency.** The results of the statistical T analysis obtained a calculated t value = 8.533 > t table = 1.994 with a P value of 0.00 or smaller than the Cut off Value of 0.05. This means that the public sector support variable has a positive and significant influence on process efficiency, so that **the third hypothesis is declared accepted**

**Fourth Hypothesis: It is suspected that Process Efficiency has a Positive and Significant Influence on Operational Readiness.** The results of the statistical T analysis obtained a calculated t value = 4.364 > t table = 1.994 with a P value of 0.00 or smaller than the Cut off Value of 0.05. This means that the process efficiency variable has a positive and significant influence on operational readiness, so that **the fourth hypothesis is declared accepted**

**Fifth Hypothesis: It is suspected that Management Competence has a Positive and Significant Influence on Operational Readiness.** The results of the statistical T analysis obtained a calculated t value = 1.243 < t table = 1.994 with a P value of 0.214 or greater than the Cut off Value of 0.05. This means that the managerial competency variable has a positive but not significant influence on operational readiness, so that **the fifth hypothesis is rejected**

**Sixth Hypothesis: It is suspected that Administrative Readiness has a Positive and Significant Influence on Operational Readiness.** The results of the statistical T analysis obtained a calculated t value = 0.547 < t table = 1.994 with a P value of 0.585 or greater than the Cut off Value of 0.05. This means that the administrative readiness variable has a positive but not significant influence on operational readiness, so that **the sixth hypothesis is declared rejected**

**Seventh Hypothesis: It is suspected that Public Sector Support has a Positive and Significant Influence on Operational Readiness.** The results of the statistical T analysis obtained a calculated t value =  $0.695 < t_{table} = 1.994$  with a P Value of 0.487 or greater than the Cut off Value of 0.05. This means that the public sector support variable has a positive but not significant influence on operational readiness, so that **hypothesis the seventh was declared rejected**

**Eighth Hypothesis: It is suspected that Management Competence has a Positive and Significant Influence on Operational Readiness through Process Efficiency.** The results of the statistical T analysis obtained a calculated t value =  $2.040 > t_{table} = 1.994$  with a P value of 0.04 or smaller than the Cut off Value of 0.05. This means that the management competency variable has a positive and significant influence on operational readiness through efficiency, so that **the eighth hypothesis is declared accepted**

**Ninth Hypothesis: It is suspected that Administrative Readiness has a Positive and Significant Influence on Operational Readiness through Process Efficiency.** The results of the statistical T analysis obtained a calculated t value =  $2.686 > t_{table} = 1.994$  with a P value of 0.03 or smaller than the Cut off Value of 0.05. This means that the administrative readiness variable has a positive and significant influence on operational readiness through efficiency, so that **the ninth hypothesis is declared accepted**

**Tenth Hypothesis: It is suspected that Public Sector Support has a Positive and Significant Influence on Operational Readiness through Process Efficiency.** The results of the statistical T analysis obtained a calculated t value =  $3.939 > t_{table} = 1.994$  with a P Value of 0.00 or smaller than the Cut off Value of 0.05. This means that the public sector support variable has a positive and significant influence on operational readiness through efficiency, so that **the tenth hypothesis is declared accepted**

### 3.2. Discussion

Based on the results of the data analysis carried out, the explanation regarding the magnitude of the relationship between research variables can be explained as follows:

#### **The Influence of Management Competence on Process Efficiency**

Data analysis shows that management competency has a positive and significant impact on process efficiency. The level of competency possessed by management, including knowledge, skills, and abilities in carrying out tasks, can significantly contribute to improving organizational process efficiency. Competence plays a crucial role in improving process efficiency in an organization by enhancing technical skills, decision-making, and optimizing resource allocation, thus creating more effective and productive processes.

This positive and significant impact is due to the level of managerial competence, a measurable professional ability that provides a deep understanding of business processes, making managers more likely to identify and eliminate waste at every stage of work. Furthermore, adequate competence enables managers to better analyze situations, make informed decisions, and resolve problems more quickly and accurately, which directly improves productivity and work quality.

The results of this study are still in line with the findings of several studies which show that increasing human resource competency contributes to increasing organizational efficiency and productivity [22]. Likewise, other research reveals that employee competence has a

significant influence on organizational management [23]. This finding underscores the importance of developing management competencies in efforts to sustainably improve process efficiency and organizational performance.

### **The Influence of Administrative Readiness on Process Efficiency**

Data analysis shows that administrative readiness has a positive and significant impact on process efficiency. An organization's level of administrative readiness, including adequate systems, procedures, and infrastructure, can significantly contribute to increased operational process efficiency. By improving information delivery systems, optimizing document storage, and enhancing coordination between employees, strong administrative readiness can create more effective and productive processes.

This positive and significant impact is due to the level of administrative readiness as a structured system that can facilitate the process of conveying information, storing documents, and coordinating between employees, so that the organization tends to be more able to reduce the potential for errors and increase work productivity. Good administration also functions as a communication center between departments/units within the organization, which can help improve employee quality by reducing obstacles that can cause failure to predetermined plans.

The results of this study align with the findings of several studies showing that improving administrative systems contributes to increased organizational efficiency and productivity. Research indicates that the implementation of information technology has had a positive impact on administrative efficiency by reducing processing time, increasing data accuracy, and improving communication effectiveness [24]. Similarly, other studies have revealed that effective administration not only functions as a process regulator, but also as a driver of innovation and increased productivity in organizations [25]. This finding underscores the importance of administrative preparedness in efforts to continuously improve process efficiency and organizational performance, particularly in optimizing resource utilization to produce output with minimal time and cost.

### **The Influence of the Public Sector on Process Efficiency**

Data analysis shows that public sector support has a positive and significant impact on process efficiency. The level of public sector support provided in the form of policies, regulations, technological infrastructure, and institutional commitment can significantly contribute to improving organizational process efficiency. By providing a supportive regulatory framework, adequate technological infrastructure, and a commitment to digital transformation, public sector support can create a conducive ecosystem for more effective and productive processes.

This positive and significant influence is due to the support of the public sector as a facilitator of digital transformation which can provide information technology infrastructure that supports the optimization of operational efficiency, so that organizations tend to be more capable of implementing management information systems that can accelerate administrative processes such as procurement, budget submission, and reporting.

The results of this study align with the findings of several studies showing that public sector support contributes to increased organizational efficiency and performance. Research shows that implementing information systems with public sector support has resulted in significant improvements in key performance indicators [26] [27]. These findings underscore

the importance of public sector support in efforts to continuously improve process efficiency and organizational performance, particularly through the integration of risk management and performance management, which can impact overall organizational performance improvement.

### **The Effect of Process Efficiency on Operational Readiness**

Data analysis shows that process efficiency has a positive and significant impact on operational readiness. An organization's level of process efficiency, including optimized work procedures, operational standardization, and appropriate resource utilization, can significantly contribute to improving operational readiness. Comprehensive and sustainable process efficiency plays a critical role in enhancing operational readiness across organizations.

This positive and significant impact is due to process efficiency, as an activity correlated with the accuracy of practices, which can ensure that each stage of the business process is carried out more quickly, precisely, carefully, and in accordance with organizational goals, so that organizations tend to be better prepared to face operational challenges. Process efficiency also helps organizations optimize the efficient use of human resources, implement good time management, and use appropriate technology and information systems to improve overall operational readiness.

The results of this study align with the findings of several studies showing that increasing process efficiency contributes to improved organizational readiness and operational performance. Research indicates that implementing information technology can improve organizational efficiency by automating processes, enhancing communication and collaboration, facilitating access to information, and increasing the speed and accuracy of decision-making, ultimately supporting operational readiness [12][16]. This finding emphasizes the importance of process efficiency in efforts to improve organizational operational readiness, especially through technological readiness that helps employees adopt new technologies to increase productivity and cost and time efficiency in carrying out work.

### **The Influence of Management Competence on Operational Readiness**

Data analysis shows that management competency has a positive but insignificant influence on operational readiness. Although the level of management competency, including knowledge, skills, and abilities in carrying out tasks, can theoretically contribute to an organization's operational readiness, in the context of this study, this influence is not strong enough, as other factors play a more dominant role in determining operational readiness.

This positive but insignificant effect indicates that while managerial competency can conceptually influence operational readiness through strong planning, coordination, and decision-making skills, in practice, this influence may be hampered by resource constraints, inadequate infrastructure, or poorly integrated systems. A gap between managerial competencies and the specific requirements for operational readiness can result in a suboptimal impact, particularly if the competencies do not align with the operational demands of the organization.

The results of this study differ from those of several studies that generally show a significant influence of competency on organizational performance, but are consistent with the reality that competency is not always the dominant factor in every operational context. Research shows that employee competency has a significant influence on organizational management, but other factors also play a role, indicating that competency is not the sole determinant of

operational success [11]. Other research reveals that although competence influences performance, there are still some administrators whose competence is insufficient to match the amount of work they have, which can hinder the organization's operational performance [12]. This finding confirms that management competency, while important, needs to be supported by other factors such as adequate systems, infrastructure, and resources to significantly impact an organization's operational readiness.

### **The Influence of Administrative Readiness on Operational Readiness**

Data analysis shows that administrative readiness has a positive but insignificant effect on operational readiness. This positive but insignificant effect indicates that while administrative readiness can conceptually influence operational readiness through a good documentation system, standardized work procedures, and adequate administrative infrastructure, in practice, this influence may be hampered by other factors such as the quality of human resources, poorly integrated technology, or gaps between administrative systems and specific operational needs. The lack of synchronization between administrative readiness and other operational aspects can result in administrative readiness's influence being less than optimal in supporting the organization's overall operational readiness.

The results of this study differ from those of several studies that generally show a significant influence of administrative readiness on various aspects of organizational performance. The study showed that administrative skills training had a significant positive influence on work readiness, with the ability to explain change indicating that administrative readiness should play a significant role in the context of work readiness [25]. Research on the readiness of administrative information system users shows that of the 10 hypotheses proposed, only 6 were accepted and 4 were rejected, indicating that administrative readiness does not always have a significant influence in every operational context [28]. This finding confirms that administrative readiness, while important, needs to be supported by other factors such as appropriate technology, human resource competency, and good system integration to significantly impact an organization's operational readiness.

### **Influence Public Sector Support for Operational Readiness.**

Data analysis shows that public sector support has a positive but insignificant effect on operational readiness. While the level of public sector support provided in the form of policies, regulations, resource allocation, and institutional commitment can contribute to an organization's operational readiness, in the context of this study, this influence was not strong enough.

This positive but insignificant effect indicates that while public sector support can conceptually influence operational readiness through the provision of regulatory frameworks, budget allocations, and infrastructure support, in practice, this influence may be hampered by internal organizational factors such as the quality of human resources, internal management systems, or the gap between the support provided and operational needs. Obstacles in the implementation of public sector policies or a lack of synchronization between the support provided and actual operational needs in the field can cause the influence of public sector support to be less than optimal in directly supporting organizational operational readiness.

The results of this study contrast with the common expectation that public sector support should significantly influence operational readiness. Organizational readiness for change is a

multi-level and multi-faceted construct that refers to the determination of organizational members to implement change and their shared belief in their collective ability to achieve it, with internal factors often being more influential than external support.[8]. Research shows that the perception of organizational support has an impact on individual readiness for organizational change, where when employees have the view that there is support provided by the organization, they believe that the organization cares about their welfare and that the changes that will occur are carried out for their good [29].

### **The Influence of Management Competence on Operational Readiness through Process Efficiency.**

Data analysis shows that management competency has a positive and significant impact on operational readiness through efficiency. Adequate management competency plays a crucial role in improving an organization's operational readiness through efficiency. Strong management skills optimize process efficiency, ultimately improving overall operational readiness.

This positive and significant influence indicates that the competency possessed by managers, including extensive knowledge and adequate skills in carrying out work tasks, can improve operational efficiency, which in turn contributes to better operational readiness. The higher the level of knowledge and skills possessed by managers, the more they will support maximum process efficiency, which in turn contributes to improving the organization's operational readiness.

The results of this study align with research showing that employee competency has a significant influence on organizational management, with competency playing a significant role in organizational operations. Other research has shown that competency has a significant positive effect on employee performance, underscoring the importance of competency in supporting organizational performance [16][8]. This finding confirms that although there are still some administrators who have competencies that are not sufficient to balance the portion of the work, competency remains an important factor that can improve operational readiness through increasing process efficiency, where competency concerns a person's basic ability to perform work based on skills and knowledge.

### **The Influence of Administrative Readiness on Operational Readiness through Process Efficiency**

Data analysis shows that administrative readiness has a positive and significant impact on operational readiness through efficiency. This positive and significant impact indicates that administrative readiness does not directly influence operational readiness but rather works through mechanisms that primarily improve process efficiency.

Good administrative readiness, including an organized documentation system, clear work procedures, and a supportive administrative infrastructure, can create greater operational efficiency, which in turn contributes to optimal operational readiness. A better level of administrative readiness in an organization will maximize process efficiency, which in turn contributes to improving the organization's overall operational readiness.

The results of this study are in line with the findings of several studies that show the importance of administrative readiness in improving organizational performance through various mechanisms [6]. Other research reveals that administrative internship experience has a

positive and significant influence on job readiness and emphasizes the importance of administrative aspects in preparing operational readiness [25]. These findings confirm that administrative readiness is a critical factor that can enhance operational readiness through increased efficiency, especially when supported by appropriate guidance and intensive training that helps address administrative challenges in organizational operations.

### **The Influence of Public Sector Support on Operational Readiness through Process Efficiency**

Data analysis shows that public sector support has a positive and significant impact on operational readiness through efficiency. Good public sector support, including top management support, supportive policies, and adequate resource allocation, can create greater operational efficiency, which in turn contributes to optimal operational readiness.

This demonstrates that organizations with strong public sector support are able to create conditions that support process efficiency, reduce bureaucratic barriers, and ensure the availability of resources necessary for effective operations. Top management support within an organization is a strategic asset for improving internal organizational performance.

The results of this study are in line with the findings of several studies which show that organizational readiness is an important thing to prepare, because almost half of all failures to implement large-scale organizational changes occur because organizational leaders fail to build support in creating operational readiness [16]. Other research reveals that the perception of organizational support has an impact on individual readiness for organizational change, where when employees have the view that there is support provided by the organization, they believe that the organization cares about their welfare and that the changes that will occur are for their good [29].

## **4. Conclusion**

Based on the analysis, it can be concluded that efficiency is a key factor determining the success of operational readiness in cooperative organizations. The research findings indicate that management competence, administrative readiness, and public sector support can only significantly impact operational readiness when mediated by process efficiency. This is particularly relevant for the Merah Putih Cooperative in Luwu Regency, which is part of the government's strategic program through Presidential Instruction Number 9 of 2025. The success of this program depends heavily on the organization's ability to optimize efficiency in every aspect of its operations.

The main recommendation for the Red and White Cooperative in Luwu Regency is to focus on improving efficiency as a strategic priority in organizational development. First, it is necessary to improve the competency of management through intensive training focused on improving work process efficiency and modern cooperative management. Second, optimize administrative readiness by developing a standardized documentation system and work procedures to support operational efficiency. Third, maximize available public sector support, including support for tax education and compliance, as well as synergy with APDESI South Sulawesi and local governments to create an ecosystem that supports cooperative operational efficiency. With an efficiency-focused approach as a mediator, the Red and White Cooperative in Luwu Regency can achieve its strategic goals of improving community welfare and

strengthening the village economy in accordance with the ideals of the Red and White Cooperative national program.

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