

THE BUSINESS DEVELOPMENT OF WOMEN'S COOPERATIVES THROUGH GOOD CORPORATE GOVERNANCE AND JOINT RESPONSIBILITY

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ABSTRACT

The subjects of the study are administrators and members of the Women's Cooperative in East Java. Determination of subjects in this study using the snowball sampling method. While the object of the research is the implementation of joint responsibility and good corporate governance for the development of the business of women's cooperatives in East Java. Data analysis uses a qualitative approach, and data collection is done by interviewing to obtain clear, detailed, reliable, and accurate data. The results showed that good governance and joint responsibility had been applied to the Women's Cooperative in East Java, so that cooperative business could develop and be able to provide welfare to its members.

Keywords : Good Corporate Governance, Join Responsibility, Business Development.

INTRODUCTION

Cooperative human resources (in this case members) consist of owners, controllers and users of cooperative services. Therefore, as a member of the cooperative must know the rights and obligations, as well as active participation in the cooperative. While active member participation is one indicator of the quality of cooperative members. Based on this opinion, the most complex problem now is how to create active participation of members in cooperatives. With the active participation of members it is expected that the cooperative can grow and develop. In order for participation to have a positive impact, the involvement of members in cooperative business activities must be realized. This is inseparable from the perceptions of members and also the participation of members in organizational governance.

Member participation is effected by members 'perceptions, the active role of members and member discipline as well as members' knowledge of the basics of cooperative management (Siswoyo, 2004; Rozi & Etha, 2009; Sinaga, 2005; Wijaya et al., 2010, Sungkawati, 2015). Therefore, good governance is needed to manage cooperatives, so that members can play an active and dynamic role.

Cooperatives cannot grow and develop by adhering to traditional governance and are not oriented towards satisfying the needs and desires of members. Facing the challenges in the global era, cooperatives as business entities need to be directed at the principles of management in a modern and applicable way to the times. In this case, a general concept that can help in implementing good management by cooperatives is the implementation of good governance that has been applied in profit-oriented companies, because in good governance the relationship between cooperatives and their members must be based on the principles of transparency, accountability, responsibility, independent and reasonable while still referring to the values and principles of the cooperative.

According to Andayani (2001), good governance and good corporate governance (GCG) are actually concepts and general instruments as a step for renewal in the organizational system. The aim is to create good relations between shareholders and other stakeholders, so that organizations can be managed properly and create public accountability. The implementation of good governance in cooperatives is the trending issue, this is because the challenges of managing cooperatives are increasingly complex in the era of globalization. Building awareness of achieving goals is an important capital for managing cooperatives in a professional, trustworthy and accountable manner.

The implementation of governance that is not implemented properly can lead to weak internal control systems. Such as the use of cooperative interests for personal interests, as well as the practices of Corruption, Collusion and Nepotism (KKN). In addition, the quality of human resources also needs to be improved both by supervisors, administrators, and members in the quality of service to stakeholders (community) and the readiness of cooperatives to deal with external negative impacts of economic events, natural disasters, tragedies and others. The implementation of good governance that has been managed by the system is the main requirement for the realization of order based on the rules of the mechanism and provisions made by external rules and internal rules (such as AD / ART). Effendi (2009) stated that in the long run the application of Good Corporate Governance (GCG) or good corporate governance has a relationship to the performance of a company. This is because the goal of implementing GCG is the creation of high performance and good corporate image. The company's performance itself must have a measure of success which is mainly reflected in the company's key performance indicators. Meanwhile, according to Kusumaningtyas (2009), the implementation of GCG as a management system and managerial control will be appropriate for both public and private companies, and is expected to contribute positively to both the internal and external parties of the company. According to Andayani (2001), in order to restore international confidence and so that investors want to invest in Indonesia, the spirit of transparency and public accountability must be realized.

Some of the studies above are the application of governance to corporate legal entities. The application of governance with cooperative objects is still rarely studied. This has become a gap for writers to carry out the development of previous research in hopes of revealing new information. The implementation of good governance in cooperatives will have a good impact not only on cooperatives as legal entities, but especially also for members as shareholders. Cooperatives are required to be ready to make changes and self-improvement, from conditions that have not changed to already fulfilling the criteria and requirements for good governance.

Based on some of the above studies, and based on the importance of the principle of good governance in cooperatives in a professional manner and high awareness in improving service delivery to members while still referring to cooperative values and principles, the researchers conducted research on the implementation of good governance and joint responsiveness to Women's Cooperatives in Java East. The reason for choosing women's cooperatives in East Java is because the number of cooperatives in East Java is the most in Indonesia, in running their businesses most of them use Joint Responsibility systems, creating women who are independent, qualified and have integrity that does not always depend on men or husbands, and aims to improve the welfare of members.

Good Corporate Governance

According to Cadbury Committee (1992) in Prijambodo (2012), Good Corporate Governance (GCG) is interpreted as a system that serves to direct and control the company in order to achieve a balance between the strength and authority of the company in providing accountability to the particular shareholders and stakeholders in general. Of course this is intended to regulate the authority of directors, managers, shareholders, and other parties related to the development of companies in certain environments.

In implementing Good Corporate Governance (GCG) principles are needed so that implementation can work well. In accordance with the KNKG (National Committee on Governance), there are 5 principles contained in GCG that is transparency, accountability, responsibility, independency and fairness. The implementation of good governance if applied to cooperatives is paid adequately with the benefits and results achieved, even though the Ministry of Cooperatives and Small and Medium Enterprises has not formalized good governance in cooperatives, but has carried out socialization through mass media and regional government. According to KNKG, the principles of GCG are: 1) transparency, 2) accountability, 3) responsibility, 4) independence, and 5) fairness. By implementing existing GCG principles, it is expected that the company can run effectively and efficiently, so that its performance becomes optimal.

In general, the benefits of implementing good governance are: 1) reducing agency costs which is a cost that must be borne by shareholders as a result of delegating authority to management; 2) reducing the cost of capital, that is as an impact of good corporate management, causes the interest rate on funds or resources borrowed by the company to be smaller as the risk level of the company decreases. 3) Increase the value (value) of the company while being able to improve the company's image to the wider public in the long term. For cooperatives, the value of cooperatives means primarily the interests and protection of shareholders (members of cooperatives as owners of cooperatives), so that the trust and credibility of cooperatives are built for the members, partners and other stakeholders; 4) creating the support of stakeholders in the company environment towards the existence and various strategies and policies adopted by the company, because generally they are guaranteed that they also get the maximum benefit from all actions and operations of the company in creating prosperity and prosperity; 5) organizational resources, for cooperatives means that cooperative resources include good utilization, right on target, on time, the right size, minimizing waste and irregularities so as to realize organizational efficiency and effectiveness; 6) organs, for cooperatives means that the organizational managers consisting of meeting members, administrators and supervisors is functioning optimally, enabling the improvement of the performance of cooperative organizational instruments, handling appropriate risks, so as to achieve optimal performance in accordance with the performance standards of members, administrators and supervisors cooperative internal rules.

Joint Responsibility

Engagement of joint responsibility is defined as a shared responsibility among members in one group for all obligations towards cooperatives on the basis of openness and mutual trust. In this system requires members to join groups. Each group consists of at least 15 members and a maximum of 30 members. Members in the group must hold group meetings every month.

The joint responsibility system is a risk management system in the organization that is realized by sharing responsibilities among all group members proportionally (Gunawan,

2003; Mulyadi, 2000). This system has been widely applied especially to cooperatives whose main operation is savings and loans. The definition contained in the joint responsibility system includes joint responsibility for the risk of liabilities to cooperatives carried out by other members in a group. In its application, this system influences the selection of members. Every new member in a group must get approval from all members carried out by deliberation, thus creating a good control mechanism.

The joint responsibility system also influences the determination of the number of member loans. The size of the loan member must also get approval from other members beginning with considering the income and the amount of the loan, which is intended to avoid the inability to pay installments to the cooperative. Therefore each member must be honest in informing the amount of his income to other members, especially to the person in charge of the group. Basically the joint responsibility system is a reflection of the implementation or realization of the principle of family and mutual cooperation in cooperatives. Isdaryati (2004) and Suprpto (2002) stated that the targets in the joint responsibility system are primarily aimed at the human element. The acceptance of the joint responsibility system does not only aim to reduce the risks in the Collectible debt, but also aims to educate members so that they have a good mental attitude, because the joint responsibility system requires each member to join a group, where they interact, respect, respect and all must be brave enough to express opinions, provide honest information, and responsibility. Thus the mechanism of joint responsibility can be used to foster the values of togetherness, responsibility, empathy, honesty and discipline.

Business Development

According to Kartasapoetra (2002), guidelines for improving business development in the cooperative are expenditure savings, business planning, productivity / increase in per capita results, cooperative efforts with a clear picture of the ease in marketing and stability of products. From the statement above, it can be explained that the capital and investment obtained by the cooperative must be used for the right business with economical expenditure, so that the success of the business will be achieved. In addition, business planning must also be done carefully and appropriately so that the business is carried out in accordance with expectations and goals.

According to Tampubolon et al (2009), the growth and development of cooperative businesses can be seen from the development of business turnover, assets, and SHU produced by cooperatives every year. By looking at these three aspects, you can find out how the development of the cooperative business, especially in the development of turnover every year, the development of assets owned by cooperatives, and the development of SHU that is obtained by cooperatives every year. If the three aspects increase each year the development of the cooperative business is said to increase and if the three aspects decline each year the development of cooperatives is said to have decreased.

RESEARCH METHOD

This research is a type of descriptive research by using a qualitative approach. All collected can be the key to what has been studied. According to Moleong (2006), data can come from interview texts, field notes, photos, videotapes, personal documents, notes or memos, and other official documents. The expected results of this study are to be able to describe clearly, directed, and integrated problems that are the focus of research. Testing the validity of the data is done by triangulation. The purpose of triangulation is to check the correctness

of certain data by comparing it with other data obtained from other sources, in various phases of research in the field, at different times and by using different methods. There are three triangulation patterns used, namely comparison of data, data sources, and data collection techniques.

RESULT AND DISCUSSION

Women's Cooperative in East Java is a women's empowerment movement organization which consists of women from various backgrounds, ranging from housewives, private employees or government employees and teachers, all are well received because the focus of the Women's Cooperative in East Java is to deliver empowerment women, deliver the independence of women to be healthy physically and mentally and also they can make a positive contribution economically to the family. The Women's Cooperative in East Java does not differentiate matters that affect institutions, but instead enriches the colors that exist in the Women's Cooperative in East Java so that group dynamics and membership dynamics are getting better and delivering better Women's Cooperatives in East Java. Giving rewards was also given by the Women's Cooperative in East Java to members. Criteria for granting this reward are in accordance with the services performed by members. That way, each member can justly get a reward according to his participation. The reward in the form of SHU is the key so that members can be motivated to participate, the greater the contribution, the bigger the SHU given.

The Women's Cooperative in East Java at the beginning was a savings and loan cooperative and the majority applied a joint responsibility system as a value system. The value carried is the value of openness, togetherness, honesty, discipline, responsibility and quality of togetherness. When this value is understood, then implementatively people can do it, only after all this has been mastered is it practiced in the system that was built lastly the assets will be safe. In determining policies, cooperatives also have a set of policy-making organizations that are carried out by administrators, supervisors, employees and members. This process is expected between the management and members to know how the cooperative management mechanism can work, be understood and carried out together. Directional communication in each part of the organizational structure will facilitate the entry of information that is timely, adequate, clear, accurate and comparable and accessible to stakeholders that is commensurate with their rights.

The implementation of Good Corporate Governance in Women's Cooperatives in East Java is based on GCG principles so that implementation can run well. GCG implementation is used to achieve short-term goals towards long-term goals. The description of GCG principles that have been carried out in women's cooperatives in East Java includes:

Transparency

The existence information sources in women's cooperatives are very flexible. Most of the information is obtained from the head of the board, but it does not rule out the possibility of information coming from members. This is in line with the implementation of transparency in women's cooperatives in East Java as revealed by the cooperative management Dursilawati, Mrs. Murtinah: "Transparency is done through intense coordination between all cooperative devices starting from the management, supervisors, and the person in charge (PIC). This transparency forum is provided in writing and also delivered verbally with a meeting of the responsible person (PIC) the group gets information both in the organizational field and in the financial field. This is so that all members can understand the situation and developments that

exist in the Women's cooperative so that together they can advance the cooperative to be better.
"

Intense coordination between all devices and apparatus is an important tool for delivering relevant information. In K2D meetings, each PIC carries a contact book intensely every month, where the connecting book is a means of communication between members and administrators. In the contact book, both members and PIC provide advice and input to the administrators, to the manager of the cooperative so that if there are things that cannot be done, they will be dealt with in accordance with the expectations of members and can facilitate the need to be better. In addition to connecting books, another important element of transparency in groups is the Laptag. Laptag is a report on the position of deposits and loan members starting from the member entering as a new member until the member leaves. The goal is that all members can understand the situation and developments that exist in the Women's Cooperative in East Java so that together they can promote cooperatives to be better

Accountability

Women's cooperatives in East Java are transparent and fair to manage based on AD / ART (Articles of Association / By laws) which are decided jointly through member meetings. For the presentation of reports on routine business and financial results at the end of the year it is reported to the Office of Cooperatives and MSMEs. This was also conveyed by Ms. Endriati: "The Articles of Association and Bylaws are written in detail on how the vision and mission are up to the tasks between each line of management starting from the management, supervisors, responsible people, and members where there is a balance between rights and obligations. Everything is recorded in detail and everything is understood by members. "

The duties and authority of administrators, supervisors, are all included in the organizational structure that has been translated from AD / ART. The Women's Cooperative in East Java has a clear organizational structure and job description, and there are no concurrent positions.

Responsibility

The responsibility of the Women's Cooperative in East Java is for the entire management as the cooperative manager. The Management Accountability Report submitted every year, is a form of accountability as part of joint evaluations in groups, to be used as material for evaluation by management in improving the performance of cooperatives in the following year. This is an obligation and mirror of cooperative good governance to its members who are sustainable with the realization of transparency by the Women's Cooperative in East Java that can be known by various parties, especially as the formulation of policies from the cooperative management. Other forms of accountability are the attention of the board and members of the cooperative towards other members. This was stated by the Chairperson of the Kopwan Dewi Sartika Board: members of women's cooperatives were very fortunate to join the cooperative because they were very concerned about the rights of each member, so that members with high loyalty carried out their obligations in accordance with applicable regulations. A sense of belonging that is high for every member, a comfortable atmosphere, family and familiar makes cooperative cooperative women stay compact in facing every problem by carrying out work evaluations at the beginning of each month.

Independence

The Women's Cooperative in East Java in its management is carried out professionally in accordance with the portion of assignments provided by each cooperative device and refers to the Law relating to Women's Cooperatives in East Java not feeling intervened by other parties but enlarging partners with appreciation such as government agencies and also other women's

cooperatives. Therefore, cooperation between these partners will increasingly introduce Women's Cooperatives in East Java and also increasingly provide wide access to Women's Cooperative access in East Java to government agencies as well as other parties. Significantly the internal and external influences related to legislation have not been felt by the Women's Cooperative in East Java.

Fairness

In realizing fairness in one of the principles of good governance in the members, suggestions and criticisms are conveyed to the board every month, as stated by Mrs. Muslichah, "every month opening a forum is a board meeting which is held at the beginning of each month in addition to receiving suggestions among the management coordinates the work agenda every month so that services to members can run well. In addition, there is another agenda, which is a communication forum between administrators in whose name is semester. This semester is conducted every 6 months, which is to meet with the management, supervisors and supervisors in order to increase productivity, spurring performance motivation so that the entire team becomes good in cooperation and coordination. "

For the sake of the implementation of good governance, it is not only fairness in delivering the aspirations of members, but cooperatives are able to carry out activities in the long term, provide benefits to members as shareholders in the form of services and SHU sections, as delivered by Mrs. Mur as a member about the distribution of SHU: direct funding to PIC. If the member in March is in accordance with the portion set by the cooperative ". This proves that the Women's Cooperative in East Java in the distribution of SHU is in accordance with its portion, besides that the cooperative also provides good service because service is a very calculated factor. Satisfactory service also requires the formation of a pattern of relations between members in the cooperative ".

CONCLUSION

Based on the results of research and analysis that have been carried out related to the implementation of good governance and joint responsiveness in the Women's Cooperative in East Java, it can be concluded that: 1) The transparency principle has been well implemented where the Women's Cooperative in East Java tries to provide information to members transparently. Here, the information that comes from the management is directly channeled to the members. The delivery media are also various kinds to support the distribution of information starting from the role of management, responsible person, member. Not only information, policies that are in the cooperative have been conveyed well to each member. Every member already knows how the system is in the cooperative as the accountability principle is manifested in the bylaws. Existing decision making is in accordance with the bylaws, so members understand where to report. In terms of audits, cooperatives have carried out internal and external audits. The principle of responsibility has also been carried out quite well where the responsibilities of the Women's Cooperative in East Java in terms of compliance with the laws and regulations of the cooperative have tried to fulfill these regulations. The principle of independence in cooperatives has been well implemented, where there is no intervention from internal parties, namely families or shareholders who want to influence the management of the organization on the basis of their own desires. The principle of fairness that is run in cooperatives is good in which each member gets equal treatment. In terms of shareholders, it is entitled to give their opinion on the RAT (Annual Member Meeting). SHU (Difference in Results) given to members fairly is distributed fairly in accordance with applicable regulations.

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