

Analysis Of Good Corporate Governance In Cooperatives

Information Systems Approach Case Study Of Setia Budi Women Cooperative In Malang

Ida Nuryana

Institut Teknologi dan Bisnis Asia, Malang, Indonesia

**Corresponding author. Email: mediaida@asia.as.id*

ABSTRACT

Increasing social welfare in the economic sector is deemed to need improvement. Cooperatives emerge and develop and compete with competitors in other financial fields, in this case an underlying organizational system is needed for cooperative management so that the atmosphere within the cooperative becomes good, professional, tough, independent, responsible, transparent, supported by the use of technology to create efficient and effective control. Cooperatives can also increase SHU for cooperative members. The responsibility system known by the Loyal Budi Women's Cooperative is proven by an NPL of 0 (zero). The type of research used is a research and development (RnD) approach using descriptive analysis. Data collection strategies use questionnaires (reliability and validity tests), observation and interviews. Data analysis technique where the elements of Good Corporate Governance (GCG) are transparency, accountability, responsibility, independence, fairness and equality and the information system uses a Linkert scale. The results obtained are that the information system has an average of 2.52 implemented but has not become a priority in terms of ease of obtaining information and use of information technology, member participation is 4.20, quite good in improving members' welfare, the principle of transparency has an average of 4.02 can be implemented well and quite realized, financial reporting that has been audited by the Public Accounting Firm (KAP) and submitted at the RAT and support from the responsibility system which is a value system in consensus deliberation, mutual cooperation. Independence with an index of 3.83 is quite realized, the principle of cooperative management responsibility is the initial capital for building a cooperative. The principle of accountability with an index of 3.71 can be implemented well, the responsibility of the management if members do not make loan payments smoothly and if there is misuse of operational money, neglect of duties, carrying out their duties not carefully is a shared responsibility and the performance of the management can be assessed by the success of profits and increasing the SHU and number of members. The principles of fairness and equality 3.94 are implemented well, because there are no differences in SARA elements.

Keywords: *Cooperatives, Good Corporate Governance, Information Systems*

1. INTRODUCTION

The role of cooperatives in the economic sector can foster the interest of human workers to work to create a better life. A cooperative is an independent business of a group of people who have the principles of kinship, openness and fairness for members who play a role in developing cooperatives on a voluntary basis when they become members.

Management of cooperative management is based on applicable regulations including AD/ART, policies, organizational structure, roles and rules which have their respective functions in accordance with the job desk of the administrators, supervisors and managers carried out in a systematic manner in carrying out tasks within the cooperative based on the vision and mission and governance. manage (Good Corporate Governance) cooperatives that are transparent, independent, have accountability, responsibility and fairness. As well as the lack of attention to information systems in the self-development of cooperatives to facilitate information and simplify cooperative management so that decision making is faster.

It is important to implement the Good Corporate Governance (GCG) system in cooperatives, with the aim of creating performance, good internal control and reducing weaknesses in cooperative governance that is professional and accountable and has good relationships with stakeholders and is supported by an information system.

2. LITERATURE REVIEW

Principles, values and characteristics of Cooperatives according to Law of the Republic of Indonesia no. 25 of 1992 concerning Cooperatives is an economic movement of the people and business entities that participate in creating an advanced, just and prosperous society based on Pancasila and the 1945 Constitution in the national economic system which is structured as a joint effort based on the principles of kinship and economic democracy.

Principles that must be followed up and regulated in Law no. 12 of 2012 include: a) Cooperative membership is voluntary and open, b) supervision by members is carried out democratically, c) Members participate actively in cooperative economic activities, d) Cooperatives are autonomous and independently self-supporting business entities, e) Cooperatives provide education and training for members, supervisors, administrators and employees as well as providing information to the community about the identity, activities and benefits of cooperatives, f) Cooperatives serve their members in an excellent manner and strengthen the cooperative movement by working together through a network of activities at the local, national, regional and international levels and g) Cooperatives work for sustainable development for the environment and society through policies agreed by members.

According to Ahmad Sani (2018), the characteristics of cooperatives in Indonesia include (a) cooperatives are a collection of several people forming a group and not a collection of capital. (b) All activities that occur in the cooperative are carried out by working together and working together based on equality of rank, rights and obligations of its members, which means that the cooperative is an economic and social forum, (c) Activities that occur in the cooperative are based on the awareness of the members, not on the basis of intimidation, threats or interference from various other parties who have absolutely nothing to do with the cooperative. (d) The core aim of a cooperative is for the welfare and common interests of its members.

2.1. GCG principles

GCG principles in Kaihatu (2006) include: 1.) Transparency (openness of information); 2.) Accountability (Accountability) 3.) Responsibility (Responsibility), 4.) Independence (independence) 5.) Fairness (Equality and fairness) is fair and equal treatment in fulfilling stakeholder rights arising based on agreements and statutory regulations applicable.

2.2. GCG mechanism

The corporate governance mechanism is directed at ensuring and supervising the running of the governance system in an organization according to Arifin (2005), Buediono (2005), Lastanti (2004) in Purno also said that the corporate governance mechanism is a system that is able to control and direct the operational activities of the company and its parties. - the parties involved in it, so that it can be used to suppress the occurrence of agency problems. In contrast, Purno (2013) said that corporate governance monitoring mechanisms are divided into two groups, including internal and external mechanisms.

2.3. Supporting Elements of Good Corporate Governance (GCG) Effectiveness

According to Iskandar and Efrisal Syofyan (2021), Good Corporate Governance basically provides direction to company management so that in pursuing profits and developing their business, companies must also be managed ethically and responsibly, and not solely pursue financial gain.

2.4. System, Principles of elements and elements that form a system

According to the Big Indonesian Dictionary (KBBI) (2016), a system is a set of elements that are regularly interconnected to form a totality. Principles of elements in a system (1.) Object: In the form of parts, elements or variables. (2.) Attribute: Determines the quality or property of the system and its objects. (3.) Internal relationships. (4.) Environment.

The elements that form a system include: (1) Goals. (2) Input. (3) Process. (4) Output. Output is the result of processing. (5) Limits. Separator between regional systems outside the system (environment). (6) Control and feedback mechanisms (Feedback) (7) Environment.

2.5. Systems and cooperative perspectives

According to Laudon (2005), Mas'ud Effendi (2016) information technology is a combination of computer technology consisting of hardware and software to manage and store information with communication technology to distribute information

2.6. Systems and Good Corporate Governance

The development of Information Systems is currently at an important point for decision making in all areas of business, if companies want to survive and succeed over a long period of time in developing products and management that can compete in a competitive market. Pressures experienced by every businessman: (1.) Competition (2.) Threat of new players, (3.) Threats faced due to the existence of substitute products, (4.) Bargaining power of customers, (5.) Bargaining power of suppliers.

according to Ahmadjayadi in Schwarz (2008) in facing the free market era information systems and technology can help realize the free market era, to realize this using information systems and technology including: (a.) Consumer Satisfaction, (b.) Good Corporate Governance, (c.) Business Improvement, (d.) Optimization of Business Processes, (e.) Having Partnerships, (f.) Having support, namely quality human resources.

3. RESEARCH RESULT

By conducting research on the activities of the Setia Budi Wanita (SBW) cooperative with the aim of examining the implementation of Good Corporate Governance in the SBW cooperative by distributing questionnaires and interviews to management, members of the cooperative as well as employees as the basis for research conducted by the author on the implementation of Good Corporate Governance from a systems perspective information. So information obtained from the results of data collection is as follows:

3.1. Information Systems

Openness in the management of an organization is needed and required by management. This can reduce errors in managing files and any activity more easily, quickly and accurately and can save money. information system according to needs (Sidh.2013), According to Gus Ihsan (2016) says a system is a unit consisting of each other to achieve something, while information is data that has been processed to be meaningful for the user.

The brainware component cannot be separated from other components (Hardware and Software) in a management information system as a result of planning, analysis, design and implementation strategies based on human resources (HR).

According to Atmoko (2016), procedures or Standard Operating Procedures (SOP) can function to form work systems and work flows that are orderly, automatic and accountable, describe work objectives in accordance with applicable policies and regulations and can explain how the activity implementation process takes place. These guidelines and procedures can guarantee the quality of an organization that has been standardized and certified 9001-2008, which is an internationally recognized organizational quality management standard.

3.2. Information systems and joint responsibility systems

According to Faidah (2014), Supriyanto (2011), the joint responsibility system is a system of shared responsibility among members in one group for all obligations towards the cooperative on the basis of openness and mutual trust. There are also wisdom values in implementing joint responsibility, including togetherness, honesty and openness, mutual trust, deliberation, discipline, responsibility. According to Haryono (2017) in Koran Sindo, the performance of cooperatives with a financial engineering core business also continues to grow rapidly because one of the Non Performed Load (NPL) levels has reached 0 (Zero)%. Information systems can be combined with joint responsibility systems supported by information technology to facilitate group activities in existing businesses in SBW cooperation. This theory is in line with what has been carried out by cooperatives and their members.

Information technology supports accounting activities so that financial report data can be presented well with the help of information technology. With the openness of the digital era and information, managers (management) can use it to submit or display financial reports online which are connected to the website <http://setiabaktiWanita.com>. According to Ardi (2013), Taufiq (2017), Purwanto (2005), Julaikah (2016), the influence of IT in the accounting field has had an impact on the profession being able to develop clear concepts for managers. protection (password) for m-banking facilities for savings and loan payments. LAN and WLAN security can be improved so that data and internet network security can be guaranteed.

3.3. Aspects of Good Corporate Governance Transparency

The embodiment of the principle of transparency that has been carried out by the SBW Cooperative has been open to financial reports audited by the Public Accounting Firm (KAP), based on articles 30 and 40 of UU.No.25 1992 before the financial reports are audited by the KAP. Article d explains that the management can submit financial reports and

accountability in carrying out the tasks contained in it can carry out financial bookkeeping and inventory in an orderly manner. (Arifin. 2005).

Meanwhile, according to Ludigdo and Puspitasari (2013), Tadikapurri (2011:63), Supriyanto (2011) the provision of transparency with easy access and understandability comes from information and policies within the company (cooperative). According to the real forms of transparency in supporting GCG, these include openness in meetings, openness of information, openness of procedures, openness of registers and openness to accept community participation.

Responsibility will arise from each member, both from themselves and to their group.

3.3.1. *Independence*

The principle of independence can be said to be independent in its management which is in line with the vision of "the realization of loyal women's cooperatives as reliable and tough learning organizations.

The independence of cooperatives can be seen from the cooperative's ability to collect capital from members. Cooperatives are developed from, by and for members. Members must finance any investment needs in business development, let alone control their organization and utilize cooperative services (Sugiyanto, 2013). Cooperative independence requires high creativity to develop the business and generate high profits.

3.3.2. *Accountability*

The principle of accountability is the principle of responsibility for the organizational structure which is carried out ethically in the management every period and every year at the annual meeting. The organizational structure is regulated in the AD/ART. GCG Principles Minister of State-Owned Enterprises Regulation No. PER-01/MBU/2011 concerning the implementation of good corporate governance (GCG) article 3 regulates the clarity of functions, implementation and accountability of the organization so that company management is carried out effectively. According to Supriyanto (2011) Responsibility in the SBW cooperative lies in the joint responsibility system of all members. Shared responsibility in the responsibility system is explained in the group meeting mechanism, namely the deliberation component. The responsibility system must go through a deliberation process during group meetings, which means that each member can be involved in the group decision-making process.

According to Arifin (2005), the principle of fairness places greater emphasis on treating and guaranteeing the same rights for minority and majority shareholders. With the principle of fairness, cooperative membership does not provide special treatment and every member of the cooperative has the same rights. The information system is still not a priority, but it is already running, although not completely, and keeping up with the times, it is necessary to use technology to make it easier for everyone to get information and disseminate information to all members of the cooperative. Good information via the website is also needed. The principle of transparency obtained with an index value of 4.02 can be implemented well. Transparency in financial reports has been audited by the Public Accounting Firm and transparently presented regarding all financial management activities for 1 period (1 = one year) and submitted at the Annual Member Meeting. The implementation of the application of Independence obtained an index value of 3.83 in its management which can be said to have been managed well. Independence in building a cooperative is collected through its own capital originating from members with self-development by and for members able to finance investment needs and being able to be creative and innovate in competition between cooperatives.

The implementation of Accountability obtained an index value of 3.71 in cooperative governance can be said to have been implemented well. related to an organizational structure that is ethically accountable, by monitoring operational performance in business accountability, management responsibility if members are not competent. The implementation of responsibility obtained with an index value of 4.12 in cooperative governance can be said to have been carried out well. The principle of responsibility is carried out by complying with statutory regulations where regulations refer to the law and AD/ART rules are part of the management of cooperative development. The implementation of Fairness (fairness and equality) obtained an index value in cooperative management of 3.94, with this value being said to have been implemented well. The principles of fairness and equality expressed are related to member acceptance which can be assessed based on elements of ethnicity, religion, race and inter-group (SARA) as well as gender and physical condition of the members.

4. CONCLUSION

To support the information system used in processing cooperatives, technology is needed that supports good equipment in operating software and hardware and has been applied to data through software development starting from member registration, savings and loans, supermarkets, and other activities related to managing member funds and in facilitating decision making and facilitating information for members. Financial transparency is conveyed with a special

display or space on the website <http://setiabudimalam.com> so that it can make it easier for stakeholders to obtain valid information on the finances of the Setiabudi Perempuan cooperative.

Utilization of technology by collaborating with the Bank in carrying out ebanking to facilitate member payments, integrated with the SBW kopwan software which has made payments. The principle of transparency is carried out transparently and conveyed by the management regarding financial reporting which has been audited by a public accountant and submitted to the member meeting annual (RAT)

The principle of independence is implemented well with the independent management of the cooperative collected by members making the initial capital in investing funds to build the SBW cooperative in line with the vision and mission that are the goals of the cooperative. The principle of accountability is implemented well, following AD/ART rules which include vision and mission and refers to Law no. 25 of 1992 Management of the principle of responsibility systematically refers to the law and every year cooperatives reort taxes on time in accordance with the tax rates applicable to cooperatives.

REFERENCES

- Aldridge, John E and Siswanto Sutojo. 2008. Good Corporate Governance. Jakarta. Resin.
- Ahmadi, 2005, Understanding Qualitative Research Methodology, Univ. Malang Country.
- Arikunto, S. 2006. Research Procedures, a Practical Approach. Ed. Revision VI. Publisher PT. Rineka Cipta. Jakarta
- Arifin. 2005. The Role of Accountants in Enforcing GCG Principles in Companies in Indonesia (A Review of Agency Theory Perspectives). Diponegoro University.
- Atmoko, Tjipto. 2016. Standard operating procedures (SOP) and performance accountability of government agencies. (<http://e-document.kemenag.go.id/files/BX32jRZz1284857253.pdf>; PDF view accessed on 20 August 2017).
- Ardi, Bagus Kusuma. 2013. The influence of advances in information technology on the development of accounting information systems. Economic Journal No. 38/Thxx/October 2013. STIE. Dharmaputra Semarang.
- BPS. 2016. Number of Active Cooperatives by Province, 2006-2014. <http://www.bps.go.id/linkTabelStatistik/view/id/1314> (accessed 26 February 2016 : 07.56).
- Diknas, 2008, Approaches, Types and Methods of Educational Research, Directorate General of Improving the Quality of Educators and Education Personnel, Ministry of National Education.
- Efryzal Syofyan, 2021, Good Corporate Governance. UNISMA Press.
- Ferlinda, Ekky Dwi, Heru Ribawanto, Siswidiyanto. 2008. Implementation of Good Corporate Governance in improving service quality (study at PT. Telkom Banyuwangi). Journal of Public Administration (JAP). Vol. 1. NO. 4. Pg.22-30. Department of Public Administration. Faculty of Administrative Sciences. Brawijaya University.
- Faidah Siti Nur & Retno Mustika Dewi. 2017. Implementation of the joint responsibility system as efforts to realize active member participation and business development in the East Java Setia Bhakti Women's Cooperative
- Haryono Aan. 2017. Fast Street for Women's Cooperatives. E-Koran Sindo (http://koran-sindo.com/page/news/2017-05-28/4/25/Jalan_Kencang_Koperasi_Wanita ; accessed on. 20 August 2017).
- Iskandar and Suryono. 2015. Analysis of the Application of Good Governance and Internal Control Principles. Journal of Accounting Science and Research. Vol. 4. No. 10. Indonesian College of Economics (STIESIA).
- James A. O Brien, George M. Marakas. 2013. Management Information System (management Information System). Edition 9. Book 1. Salemba Empat.
- KNKG. 2006. General Guidelines for Indonesian Good Corporate Governance.
- Purno, Bambang Listyo. 2013. The Influence of Good Corporate Governance mechanisms on Performance Banking. (Study of banking companies listed on the IDX for the period 2009-2011).
- Puspitasari and Ludigdo. 2014. Good Governance of Setia Budi Women's Multi-Enterprise Cooperative East Java. Brawijaya University.
- Purno, Bambang Listyo. 2013. The Influence of Good Governance Mechanisms on Banking Performance (Study of Companies listed on the IDX for the 2009 – 2011 Period). Accounting major. Faculty of Economics. Semarang State University.
- Regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia No. 12/Per/M .KUKM/IX/2015 Concerning General Guidelines for Cooperative Accounting Real Sector.
- Regulation of the Minister of State for Cooperatives and Small and Medium Enterprises No. 20?per/M.KUKM/XI/2008 concerning Guidelines for assessing the health of savings and loan cooperatives and cooperative savings and loan units.
- Purwanto, Agus. 2005. Computer security system by limiting access rights and use of passwords. Infokam Research Journal No.1/Th.1/2005.
- Rahmat Agung and Erwin Saraswati. 2013. Good Corporate Governance (GCG) as a principle for implementing Corporate Social Responsibility (CSR). FEB UB.
- Sudarto. 2015. Fostering cooperatives, the role of government needs to be sharpened.<http://sultengpost.com/?p=10004> (accessed 26 February 2016 : 08.00)

- Sidh, Rahmahwati. 2013. The role of Brainware in management information systems. *Journal Computect & Business*. Vol. 7.No. 1. June 2013 SBY. 2013.
- Sutopo. 2006. *Qualitative Research Methodology*. Surakarta. UNS.
- Sugiyono. 2014. *Quantitative Qualitative Research Methods and R & D*. Alfabeta.
- Sugiyanto. 2013. *Identity of Indonesian Cooperatives, Proceedings of national seminars and discussions*. Indonesian Cooperative Institute.
- Tambunan, Sincere. 2008. *Prospects for the future development of cooperatives in Indonesia: Still Are cooperatives relevant in the era of economic modernization?* Center for Industrial and SME Studies. Jakarta. Univ.