Testing Factors Affecting the Remaining of Business Results in KPRI Ikhlas Kemenag City of Surakarta

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Abstract

SHU of cooperative business is usually used as measure of the welfare of members. The greater the net income (SHU) obtained the welfare of the members will come true. There are several factors that influence to improve SHU such business volume, own capital, assets, and the number of members. This research is aimed to examine and analyzed of business volume, own capital total assets, and number of members on Time of Business Result (SHU) KPRI IKHLAS in Office Religion of Surakarta City. Methods of data collection using the entire financial annual report (RAT) on KPRI Ikhlas in 2011-2019. This study using SEM-PLS analysis with WarpPLS version 6.0 to analyzing the data. The results showed that: own capital (X_1), total assets (X_2), and number of members (X_4) has positive and significant effect to SHU. Business volume (X_3) don't have significant effect on SHU.

Keywords: Business Volume, Own Capital, SHU, Number of Members, and Total Assets.

1. Introduction

It is predicted that Indonesia's 2018 economic growth is not in line with the target of the State Budget (APBN), which is estimated at 5.2% but only 5.1% growth. The targets that have been planned by almost all national banks have not been achieved. This figure is in line with information obtained from the Central Statistics Agency (BPS) where the National GDP per quarter IV 2018 reached 14,837 trillion. Based on the processed data, the contribution of cooperatives to GDP is 5.1% or equivalent to IDR 753,842 billion. This value has increased three times from 2014, which is only 1.7%. This success certainly cannot be separated from the role of cooperative members.

One reason cooperatives still exist in the national economy is the large amount of SHU they have. Even though the cooperative is established as a business that does not focus on profit, the business managed by the cooperative must earn a profit so that it can coexist with other business fields, and can maintain its business capability so that it can advance the welfare of its members and society in general.

A large profit is not the only barometer of a company's success, it is necessary to know the comparison of the profits obtained with the capital that generates these profits. Referring to Andjar's research, (2005), there are two aspects that encourage the acquisition of remaining business results (SHU), namely the outer aspect and the inner aspect. Aspects in include own capital, member participation, assets, and business volume and performance. In running the business, cooperatives need capital where business capital is very influential because without proper capital, the business run by the cooperative will not run well.

Capital is divided into two, namely loan capital and own capital. Referring to Law No.25 of 1992 article 41, loan capital can come from members or outside cooperatives or members of outside cooperatives, banks or other financial institutions, issuance of bonds and other debt securities. Meanwhile, the capital itself comes from compulsory savings, principal savings, grants and reserve funds. The increase in SHU is also influenced by the total assets of the cooperative because with the increase in assets, the SHU must also increase. However, it also depends on the capability of management in managing and operating company assets and carrying out cost efficiency. Profit growth or SHU depends on how the cooperative utilizes its assets, such as leasing by the cooperative to certain businesses or in the form of increases and decreases in the price of cooperative assets.

Apart from capital and assets, the element of business volume also needs to be considered in increasing SHU. In principle, cooperative economic activities can be seen from the volume of the business. (Sitio and Tamba, 2001). To create this volume, the cooperative must provide sufficient capital, either in the form of member or outside savings. The volume of business or activity is what will affect the income of the cooperative. The bigger the business of a cooperative, it will increase the business volume.

The element of the number of members is also worth considering in relation to the remaining business results (SHU) because the members are both owners and customers of the cooperative. The cooperative plays an active role for its members to develop their business in their own strength. The active role is such as financing cooperatives and various business uses provided by cooperatives. The more active the members are in making transactions in the cooperative, the more SHU will be earned. Koperasi0Pegawai0Republik Indonesia0 (KPRI) Ikhlas is an active cooperative that carries out its service activities in savings and loan businesses, shops, kiosk rental, photocopy, and PPOB.

Based on the KPRI Ikhlas Annual Member Meeting (RAT) report book, the business volume and number of KPRI Ikhlas members in the period before the study showed fluctuations while total assets, own capital, and SHU showed an increase every year. This increase can affect management in determining SHU policies for members.

2. Literature Review

Koperasi

The definition of a Koperasi as referred to in Law No.25 of 1992 is a business institution with members as members of individuals or legal entities whose activities are based on the principle of kinship, economic democracy that aims to prosper, especially for members and society in general.

Remaining Operating Results

According to Burhanuddin, (2013), SHU is the revenue within one financial year that is obtained by the cooperative which will later be given to members, according to the transactions of each member after deducting other expenses and reserve funds. Based on the above understanding, the amount of the remaining income received by members will vary. The calculation of the SHU division can apply several principles described by Sitio & Tamba (2001), namely:

    a. The SHU that is distributed comes from the members

    b. SHU is the profit from the capital managed by the cooperative

    c. SHU distribution must be done in cash and transparently

    SHU is net income after deducting expenses including liabilities. Referring to the research of Rindang (2016), the SHU formula is as follows:

$$SHU = \frac{\frac{Vu}{Vuk} \cdot JU + \frac{S}{Tm} \cdot JM}{TA}$$

Keterangan:

SHU : Sisa Hasil Usaha
JU : Jasa Usaha
JM : Jasa Modal
Vu : Volume Usaha (Total Transaksi)
Vuk : Volume Usaha Total Koperasi (Total Transaksi Koperasi)
S : Jumlah Simpanan
TM : Total Modal
TA : Total Aktiva

Own Capital

According to Andjar, (2005), own capital is a fund originating from a founder or member that is paid for the first time. Meanwhile Munawir, (2014) defines assets as assets or assets that are not only tangible, but also expenses that have not been distributed and other intangible assets such as patents, goodwill, and so on.

According to Law No.25 of 1992, cooperative capital originating from the members themselves is equity capital or bears risk. This is anticipated if there is a loss experienced by the cooperative, the elements of their own capital will bear the losses experienced. Own capital is cumulative from principal savings, mandatory savings, reserve funds and grants. This is guided by Law No. 25 of 1992 Pasa 41.

Own capital indicators are:

1. Main Savings

Money in a certain amount where cooperative members make payments when they become members. The amount of this principal savings is determined and becomes the articles of association and cannot be taken as long as you are still a member of the cooperative.

2. Mandatory Savings

An amount of money that is saved with an amount that is not the same in a certain time, such as in principal savings, the mandatory deposit cannot be withdrawn as long as you are still a member of the cooperative. Mandatory savings in cooperatives are usually used as the main capital in running their business.

3. Reserve Fund

The funds that are set aside are in the form of money and are used to be used as own capital and are reserve funds used to cover if there is a loss to the cooperative if needed.

4. Grants

Other parties who provide special items that can be used as capital to other parties in the form of money or goods for which there is no specific reward.

Total Assets

Total assets and asset growth are among the factors that support the growth of SHU (Tere et al. 2014). So it can be concluded that total assets are the company's economic resources in the form of objects and power of attorney obtained from the past and are expected to provide benefits in the future. Based on Nurhayati & Anwar's (2019) research, the asset indicators are as follows:

a. Current assets
b. Fixed assets

Business Volume

Sitio and Tamba, (2001) define business volume as the accumulated revenue from the sale of goods or services in the relevant financial year. Meanwhile, the number of members, if quoting from Law No.25 of 1992 article 17, are users and owners of cooperatives. An increase in business volume will affect the ability of a cooperative to earn a profit or remainder of the business. The business that is carried out will provide results, both gain and loss (Yuliani, 2017). The volume of business in the cooperative can be seen from the number of units run so that it depends on the cooperative itself. Activities carried out by cooperatives are not only savings and loans but also trade or service business activities. Savings and loans activities can increase the volume of the business, by cooperating with providing large loans to members so as to increase the income of the cooperative itself. Business volume is the total of income in the form of goods and services in the relevant financial year (Putri, 2016). So it can be concluded that the business volume is the total revenue of goods or services from the beginning of the financial year to the end of the financial year.

Number of Members

Human resources or the number of people involved in cooperative activities without any coercion from any party are called cooperative members (Raidayani et al. 2017). Determining the direction of policies for developing cooperatives is very important for the progress of cooperatives. So that the number of members is the number of members who have registered in the cooperative whose members can be involved in a dual role, namely as owners and service users of the cooperative. The number of members in this study is based on the number of KPRI Ikhlas members listed in the KPRI Ikhlas annual report from 2009 to 2019.

Hypothesis Development

This study develops the following hypothesis results:

1. The effect of own capital on the remaining business results

Own capital is long-term capital that comes from the owner of the company or a participant in the company. Based on research by Putri et al (2016), it shows that there is a positive relationship between own capital and SHU. Previous research conducted by Suputra et al. (2016) shows empirical evidence that indicates that residual returns, own capital, total assets, business volume, number of members and remaining operating results (SHU) are affected by own capital. In this study, capital alone has a positive and partially significant effect on remaining operating results.

The results of Irawati's (2018) research also prove that own capital has an effect on remaining business results. Based on the empirical review above, the hypotheses to be tested in this study are as follows:

H1: Own capital has a significant effect on Remaining Business Results

2. Total Asset affects the Remaining Operating Results

Nurhayati & Anwar (2019) synthesize total assets as wealth

companies at certain times and periods, including current assets and non-current assets. Suputra et al (2016) tested total assets on the remaining results of operations in savings and loan cooperatives, and the results proved that there was a partially positive and significant effect between total assets and residual operating results. In line with this research, Irawati (2018) also proves that total assets affect the residual results of operations. Based on the research results above, the hypothesis can be taken as follows:

H2: Total Asset has a significant effect on Remaining Operating Results

3. Business Volume affects the Remaining Operating Results

Yuliani (2017) states that business volume can affect the ability of cooperatives to obtain residual business results, because every business that is carried out will definitely provide results, be it profit or loss. Satria & Kurniawan (2015) summarize the results of research that examines the relationship between business volume and residual income and proves that business volume and operating income have a positive and significant effect.

The results of the research by Suputra et al. (2016) also prove that the business volume and the remaining business results have a significant positive relationship. Based on the research results above, the hypothesis can be taken as follows:

H3: Business Volume has a significant effect on Remaining Operating Results

4. Number of Members has an effect on Remaining Business Results

Members' welfare can be measured by the amount of the remaining income from the business. The amount of the remaining income given to the members varies depending on the activity of the members in making transactions in the cooperative. Cahyani (2015) states that the number of members has a partial effect on the remaining business results. This is in line with Yuliani's research (2017) which proves that the number of members has a positive influence. Satria's (2015) research results also prove that there is a positive relationship between the number of members and the remaining business results. based on the research above, a hypothesis can be taken

H4: Number of Members has a significant effect on Remaining Operating Results

Systematically, the concept of thought in this study is described as follows:
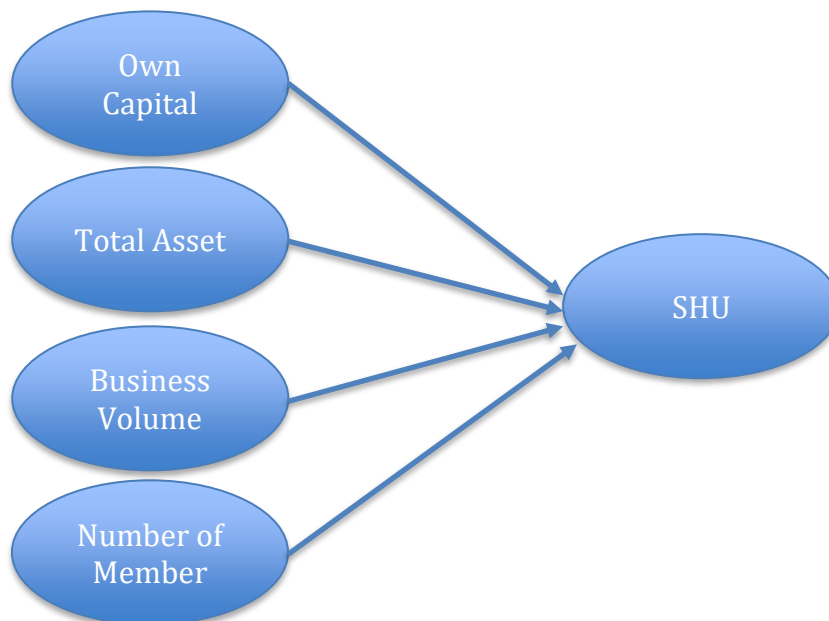
Figure 1. Research Framework

3. Methodology

The type of data used in this study is secondary data, which according to Sugiyono (2015) is the source of data given to data collectors indirectly, such as via other people or from documents.

The population used is the whole of the Ikhlas RAT KPRI Report. The sampling technique in this study used purposive sampling because the selected sample was based on a certain assessment of the entire sample relating to the purpose of the study. So that the sample used is the Ikhlas RAT KPRI Report 2011-2019.

The data analysis technique used is the Structural Equation Model (SEM) method. This method is "a type of multivariate that combines factor analysis and regression so that it can simultaneously test the relationship between exogenous and endogenous variables" (Mahfud Sholihin, 2013).

The PLS approach uses random multiplication where the assumption of normality will not be a problem, besides that it also does not require a minimum number of samples to be studied so that studies with small samples (below 100) can still use PLS.

1. Inner Model Analysis

Inner model analysis can be evaluated by looking at the percentage of variance described by the R-square value for the dependent variable, the Stone-Geisser Q square test for predictive relevance and the t test and the significance of the structural path parameter coefficients. Evaluating the inner model with PLS begins by looking at the R-square for each dependent latent variable. Then the interpretation is the same as the regression interpretation. Changes in the value of the R-square can be used to assess the effect of certain independent latent variables on the dependent latent variables whether they have a substantive effect.

2. Goodness of Fit Model

Goodness of fit according to Ghozali (2006) is used to measure the suitability of observational or actual input with the prediction of the proposed model. In the analysis using WarpPLS, the values used as a standard that the fit model indicators have been met are APC (Average Path Coefficient) and ARS (Average R-Squared) with significant limits, namely $p < 0.05$. While the AVIF (Average Variance Inflation Factor) value as an indicator of multicollinearity must be <5 and the VIF (Variance Inflation Factor) value below 3.3. (Mahfud & Ratmono, 2013).

4. Result and Discussion

Based on the results of research conducted at KPRI Ikhlas, data has been obtained regarding total assets, number of members, own capital, business volume, and SHU for the last nine years. The following is the output of Goodness of Fit which is shown in the table below:

Table 1. Output Goodness of Fit

Indicators	Index	Criteria
APC	0,277	0,005
ARS	0,888	0,001
AARS	0,776	0,001
AVIF	4,433	AVIF<5

The output results above show that the PAC has an index of 0.277 with a p-value of 0.005. Meanwhile, ARS has an index of 0.888 with a p-value <0.001. APC has a p-value <0.001 and AVIF has a value of 4,433 with a p-value <5 which means it is fulfilled. So that the inner model is accepted.

Hypothesis testing is done by comparing the research hypotheses after seeing the path coefficients and their level of significance. The following is a picture of the test results from the effect size obtained:
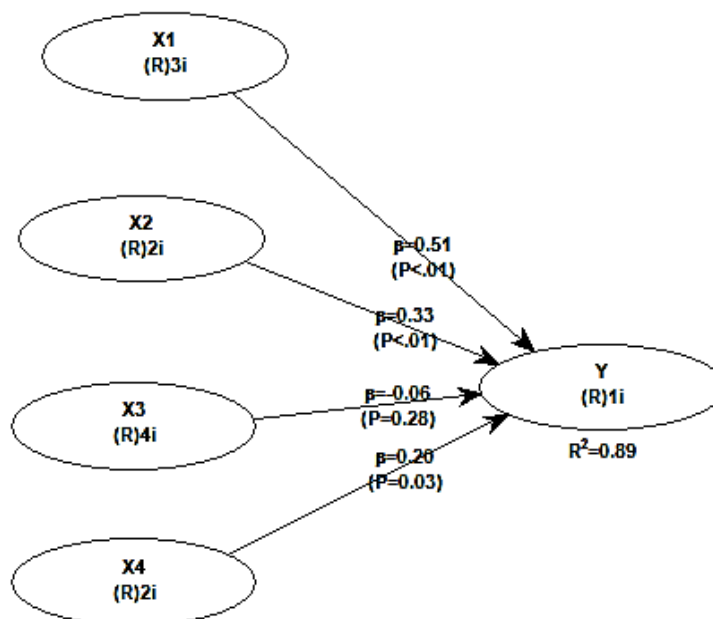
Figure 2. Result Analysis

Based on the picture above, it shows that the coefficient of own capital on remaining business results is 0.51, significant with a p-value of <0.01 (<0.05) and it is concluded that the variable capital itself is significant in measuring the SHU variable so that the first hypothesis is accepted.

Based on the picture above, it shows that the coefficient of total assets on SHU is significant 0.33 with a p-value <0.01 (<0.05). Simplified the total asset variable significantly measures the SHU variable so that the second hypothesis is accepted.

However, the third variable, namely business volume, shows that the coefficient of business volume on SHU is -0.06 and 0 is not significant for SHU with a p-value <0.28 (<0.05). So it is found that the business volume variable does not have a significant effect on SHU, so the hypothesis is rejected.

Business volume has no effect on SHU KPRI Ikhlas because there is an increase in business costs in generating business volume. This results in an increase in business volume which is also followed by an increase in business costs so that the remaining income received will decrease. Lack of professionalism in cooperative management can also be the cause of high business costs.

The business volume at KPRI Ikhlas consists of Savings and Loans Units, Photocopies, Shops, Boarding Houses and Kiosks. However, based on the data found, only the Savings and Loans Unit contributed significantly to the business volume. This finding is in line with the results of Wahyuning's (2013) research, which states that an increase in business volume does not necessarily have an impact on increasing profits.

The fourth variable, namely the number of members, shows that the coefficient of the number of members on SHU is 0.20 and is significant with p-value = 0.03 (<0.05). So it is concluded that the variable number of members is significant to measure the SHU variable, the hypothesis is accepted.

Discussion

Looking at the results of statistical tests using SEM-PLS, the R-square value for the nine years of observation is 0.89 or 89% which explains that in this research method there is 97% information that can be explained by predetermined variables, while 3% is explained by other variables that are not contained in this research.

1. The Influence of Own Capital on Remaining Operating Results (SHU)

Based on the hypothesis proposed in this study, there is a positive and significant influence between own capital (X1) on SHU (Y) at KPRI Ikhlas 2011-2019. In this research, it shows that increasing the own capital of a cooperative will result in an increase in the income of the business. The addition of own capital in a cooperative will provide greater opportunities for cooperatives to channel more loans and can add other types of businesses, so that income will increase. The increase in income will increase the acquisition of the remaining operating income for KPRI Ikhlas. Own capital at KPRI Ikhlas consists of main savings, mandatory savings, reserve funds and grants.

These results are in line with the theory put forward by Andjar et al. (2005) that the factors affecting the residual results of the business consist of two factors, namely internal factors such as member participation, equity, management performance, number of business units, manager performance, and employee performance. and external factors, namely loan capital, consumers, the government. This research is also in line with the results of Putri et al. (2016) which state that capital itself has a significant effect on SHU.

2. Effect of Total Assets on Remaining Operating Results (SHU)

Based on the hypothesis proposed in this study, there is a positive and significant effect between business volume (X2) on SHU (Y) at KPRI Ikhlas 2011-2019. In this study, it shows that increasing the total assets of a cooperative will result in an increase in the income of the business. The results of this study are in line with those found by Sudaryanti & Sahroni (2017) which states that total assets have a positive and significant effect on SHU.

The addition of total assets to the cooperative will provide greater opportunities for cooperatives to channel more loans, so that the income from loan services will increase and increase the remaining business results obtained by KPRI Ikhlas. With the increase in the remaining income from the business, the welfare of the members will increase.

This research is also supported by the results of research by Suputra (2016), which states that total assets have a significant positive effect on the remaining results of operations. Based on this journal, it can be concluded that the greater the cooperative's assets, the greater the residual income of the cooperative.

3.Effect of Business Volume on Remaining Operating Results (SHU)

Based on the results of the research that has been done, it shows that the business volume variable (X3) does not have a significant effect on SHU (Y) at KPRI Ikhlas in 2011-2019. The results of this

study indicate that an increase in business volume does not contribute to the remaining results of the business and this is different from Suputra's research (2016) that business volume has a positive effect on the residual results of operations.

Business volume has no effect on SHU KPRI Ikhlas, presumably due to a high increase in business costs in generating business volume. This results in an increase in business volume which is also followed by an increase in operating costs so that the remaining operating results will decrease. Lack of professionalism in cooperative management can also be the cause of high business costs.

The business volume at KPRI Ikhlas consists of Savings and Loans Units, Photocopies, Shops, Boarding Houses and Kiosks. However, based on the data obtained, only the Savings and Loans Unit contributed significantly to the business volume. This research is in line with what Wahyuning (2013) concluded that an increase in business volume does not necessarily have an impact on increasing profits.

4. The Effect of Number of Members on Remaining Operating Results (SHU)

Based on the p-value obtained from this study, the variable number of members (X4) has a positive and significant effect on SHU at KPRI Ikhlas in 2011-2019. The greater the number of members, the greater the residual income obtained, assuming that the large number of members, the participation of members will also increase. The results of this study are in line with research conducted by Sumita & Jember (2016), which states that the number of members has a positive and significant effect on SHU.

Members are the main element driving cooperative activities so that efforts are needed so that KPRI Ikhlas can increase the number of its members. The number of members at KPRI Ikhlas always fluctuates every year because there are members who transfer and retire.

5. Conclusion

The conclusion in the research that has been carried out is that the remaining business results are influenced by own capital, total assets and number of members, while the remaining business results are not influenced by the volume of the business. Optimizing the business that has been carried out and reducing the use of excessive costs so that the SHU income obtained is greater than before. For further researchers it is expected to use a broader research subject and it is also expected to test other variables that are strongly suspected of influencing SHU such as member participation, management performance, manager performance and employee performance, external borrowing capital, outside consumer behavior other than members and the government.

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