Journal of Management Science (JMAS)
Volume 8, No. 1, January 2025, pp 357-367 ISSN 2684-9747 (Online)
www.exsys.iocspublisher.org/index.php/JMAS Published by: Institute of Computer Science (IOCScience)

The impact of member participation as owners and customers on equity capital efficiency in the Pasir Jambu cooperative

Latifah Wulandari Binti Asbaruna[1], Armansyah M. Sarusu[2], Ridwan Ismail Gorib[3]

[1,2] Department of Business Digital, Universitas Ma'soem, Sumedang, Indonesia
[3] Department of Management, Universitas Koperasi Indonesia, Sumedang, Indonesia

ARTICLE INFO

Article history:

Received Dec 08, 2024
Revised Jan 15, 2025
Accepted Jan 20, 2025

Keywords:

Member participation;
Equity capital efficiency;
Cooperatives;
Pasir jambu.

ABSTRACT

This study aims to analyze the effect of member participation as owners and customers on the efficiency of equity capital in the Pasir Jambu Cooperative. Member participation as owners and customers is an important factor that influences the cooperative's ability to manage capital efficiently, which in turn has an impact on the sustainability and performance of the cooperative. The research method used is quantitative, with primary data collected through questionnaires distributed to members of the Pasir Jambu Cooperative. The data analysis technique uses multiple linear regression to identify the relationship between member participation as owners and customers on equity capital efficiency. The results of the study indicate that member participation as owners has a significant effect on equity capital efficiency, while participation as customers shows a moderate effect. The implications of this study indicate that increasing member participation both as owners and customers can strengthen the equity efficiency of the Cooperative, thereby increasing the competitiveness of the cooperative in a competitive market.

Corresponding Author:

Latifah Wulandari Binti Asbaruna,
Department of Business Digital,
Universitas Ma'soem,
Jl. Raya Cipacing No.22, Cipacing, Kec. Jatinangor, Kabupaten Sumedang, Jawa Barat 45363
Email: latifahwulandariasbaruna@gmail.com

1. Introduction

National development is development implemented in all aspects of national life which includes political, economic, social, cultural and defense and security aspects (Arefieva et al., 2021; Biden, 2021). In implementing national development, all domestic capabilities and potentials must be utilized along with policies and steps that help national economic growth (Chimhowu et al., 2019; Gusmão Caiado et al., 2018). One of the implementations of economic development is through the development of cooperatives which are expected to be an example of the Indonesian economy (Halilintar, 2018; Hendriani, 2018; Martoyo et al., 2023).

Cooperatives play an important role in strengthening the economy of communities, especially in rural areas, by providing access to various needs and financial services for their members (Lal, 2019; Shava & Hofisi, 2019). In Indonesia, cooperatives are considered as a form of business that is managed collectively and aims to improve the welfare of its members. Pasir Jambu Cooperative is one example of a cooperative that plays an active role in supporting the economic needs of the local community, both through the procurement of goods and services needed by its members. The concept of dual identity which is unique to cooperative companies shows the importance of the position of members in cooperatives (Hale & Carolan, 2018; Novkovic et al., 2022). Members contribute to the development of cooperatives by carrying out their participation as members. Member participation as customers can be seen through the intensity of utilization of economic services provided by cooperative management. Where members participate in purchasing necessities through cooperatives or selling their production results to the cooperative which then members will get indirect economic benefits in the form of SHU (Candemir et al., 2021; Höhler & Kühl, 2018).

Meanwhile, as owners, members have obligations to actively participate in running the cooperative's economic activities (Fischer et al., 2021; Lampinen et al., 2018; Yacob et al., 2018). Member participation as owners is to provide capital and finance the cooperative so that the programs that have been set can be implemented by the cooperative's management. Where the capital comes from member participation in principal savings, mandatory savings, reserves and grants. The participation of cooperative members as owners plays an important role in efforts to increase the amount of their own capital, both directly and indirectly, in the sense that members directly provide or invest their capital in the cooperative. The capital includes both money and goods (Bianchi & Vieta, 2020; Coward, 2019; Vidal, 2019).

Cooperatives must have sufficient capital. Because capital itself comes from cooperatives is very important for cooperative companies so that cooperatives can operate independently without having to bear the burden of running their businesses. Capital itself must be used efficiently, the greater the capital itself owned by the cooperative, the more it shows the cooperative's ability to run its business (Stoop et al., 2021; Yu & Nilsson, 2019). Efficient capital itself is expected to help cooperatives to be more capable of developing their businesses so that they can achieve the cooperative's goals in improving the welfare of its members. The analysis tool used to measure the efficiency of equity is ROE (Return On Equity). Where ROE is influenced by the Remaining Operating Results and the Cooperative's Equity. Equity is a form of member participation as an owner while SHU is a form of member participation as a customer. SHU in the cooperative must increase, because SHU is a form of income and cooperative costs (Kusz et al., 2023; Panigrahi & Vachhani, 2021).

Pasirjambu Cooperative as a cooperative that is the center of economic services in rural areas is an inseparable part of national development. However, the current condition of the existence of Cooperatives is increasingly fading both in terms of news and business, especially Cooperatives in West Java. Although there are many Cooperatives in the West Java area, on average many of these Cooperatives have been inactive, even since the withdrawal of facilities from the government in the form of government funding assistance for Cooperatives has made their independence increasingly tested. To develop the business activities of the Pasirjambu cooperative requires quite a large amount of capital, especially its own capital or capital from members. Therefore, it is undeniable that active participation of members as owners and customers is very necessary. Because one of the elements to develop and develop the Pasirjambu Cooperative is the awareness of members in participating as customers, namely participating in selling production results to the cooperative and awareness in participating as owners in capitalizing the Pasirjambu cooperative. The Pasirjambu Cooperative's own capital must be used efficiently, so that the Pasirjambu Cooperative can be more capable of developing its business. It can be seen that during the (five) years, namely from 2020 to 2024, Return On Equity tends to decrease. The development of Return On Equity from 2020 to 2024 ROE (Return On Equity) has decreased. In 2024 ROE (Return On Equity) increased (4.49%). ROE is greatly influenced by SHU, SHU in cooperatives must increase, because SHU is a form of cooperative income and costs. The higher this ratio indicates that the company's performance is getting better or more efficient, the company's equity value will increase with an increase in this ratio. Based on the data above, it can be seen that the efficiency of the cooperative's own capital has increased in 2024 (4.49%), however, when viewed with the assessment standards of the Regulation of the Minister of State for Cooperatives and Small and Medium Enterprises of the Republic of Indonesia No.06/Per/M.KUKM/2006, then this increase in ROE is still below the standard that should be, namely ROE is said to be good if it is above 21%. The ROE condition above 21% indicates that the cooperative has been able to efficiently utilize the capital originating from the cooperative so that the cooperative can be free from foreign capital loan debt. Pasirjambu Cooperative must be able to increase the cooperative's ROE, one of which is by further motivating members in terms of principal savings, mandatory savings and cooperative reserves originating from SHU. As well as better controlling all types of cooperative member participation.

Viewed from the concept of cooperatives, the efficiency of own capital for cooperatives depends on the size of the participation or transactions of members with their cooperatives. The higher the participation of members, the higher the benefits received by members, both direct economic benefits (MEL) and indirect economic benefits (METL). One of the factors that determines the success of a Cooperative is the participation of members as owners and customers. The degree of dependence between members and cooperatives or vice versa will determine the good or bad development of the organization or cooperative business, so that members feel the benefits of the existence of cooperatives, and cooperatives are increasingly healthy in developing as business entities with the full support of members (Limnios et al., 2018; Warbroek et al., 2019).

This study is an attempt to test the influence of member participation as owners and customers on the efficiency of the use of own capital in the Pasirjambu Cooperative. The hope of conducting this study is to provide an overview of the influence of member participation on the efficiency of the use of own capital in cooperatives, especially the Pasirjambu Cooperative, so that it can be applied properly and can be utilized by

the cooperative management to increase member participation on the efficiency of the use of own capital in the Pasirjambu Cooperative in order to provide more benefits for its members. Based o the description of the phenomena and indications that exist about the Pasirjambu Cooperative above, the author is very interested in conducting research with the title: "The Influence of Member Participation as Owners and Customers on the Efficiency of Own Capital"

2. Research Method

The research technique used in this study is a case study that focuses on descriptive analysis by studying, understanding, and analyzing data related to the problem being studied. Through this method, it is expected that the phenomenon that is the research problem can be optimally described, in this case the problem that has been defined (Assarroudi et al., 2018; Atmowardoyo, 2018).

After all the required data has been collected, the next step that must be taken is to answer all the problems that have been identified in the introduction that underlies this research. So that it is clear that the problem can be answered correctly. The data analysis plan used is as follows:

1. To answer the first problem identification regarding member participation as owners in Pasirjambu, a comparative analysis will be conducted over a period of 5 years with the calculation of the cooperative's own capital originating from member participation as owners in paying SP and SW (Participation in Capital Contribution)
2. To answer the second problem identification regarding member participation as customers at the Pasirjambu Cooperative, a comparative analysis will be conducted over a period of 5 years in member participation in utilizing the services provided by the cooperative as a form of member participation as customers.
3. To answer the third problem identification regarding the influence of member participation as owners on the efficiency of own capital, the SPSS software method will be used with a comparison over a period of 5 years.
4. To answer the fourth problem identification regarding the extent to which member participation as customers influences the efficiency of own capital, the SPSS software method will be used with a comparison over a period of 5 years
5. To answer the fifth problem identification regarding the extent to which
   The influence of member participation as owners and customers on the efficiency of own capital, then it can be done by using the multiple linear regression analysis method which is preceded by using the classical assumption test to test three classical deviations that usually occur. Classical Assumption Test: Normality Test, Heteroscedasticity Test, Multicollinearity Test.

   Multiple Linear Regression Analysis

   $$Y = \alpha + \beta 1X1 + \beta 2X2 + e \quad (1)$$

   Description:Y = Return On Equity, α = Constant, β1 and β2 = Beta of each variable, X1 = Own Capital, X2 = Remaining Business Results, e = error

   Hypothesis Testing : F Test (Simultaneous), t Test (Partial), Coefficient of Determination (R2). The guideline table for providing interpretation is The relationship between two variables can be measured based on the coefficient interval that reflects the strength of the relationship. The coefficient interval of 0.00-0.199 indicates a very low relationship, while the interval of 0.20-0.399 reflects a low relationship. The medium relationship is in the interval 0.40-0.599, while the interval 0.60-0.799 shows a strong relationship. The very strong relationship is achieved in the interval 0.80-1.000. This classification helps in understanding the extent of the relationship between variables in a statistical analysis

6. To answer the last problem identification, namely what policies are needed to increase member participation as owners and customers related to the efficiency of KUD Pasirjambu's own capital, descriptive analysis will be used based on the findings obtained from identification 1-5.

3. Results And Discussions

Member participation in cooperatives is very important in achieving the success of cooperative businesses. As owners, members have an obligation to foster and develop cooperatives. Member participation as owners is

very necessary in contributing to the cooperative's own capital, one of which comes from paying SP and SW. So, if a company wants to increase its own capital, what must be done is to increase member participation in contributing to paying SP and SW. The higher the participation of members as owners, the more efficient the company is in having its own cooperative capital and conversely, the lower the level of member participation, the less efficient the company is in having its own capital.

To find out the development of member participation as owners achieved by the "Pasirjambu" Cooperative, it will be analyzed by comparing the calculation of the cooperative's own capital originating from member participation as owners in paying SP and SW (Participation in Capital Contribution) in the last 5 years. The development can be seen in the following table:

Table 1. Comparison of own capital and participation of members of KUD Pasirjambu 2011-2015

Year	∑ Member	Principal Deposits	SP Should be Rate	Participation Rate (%)	Deposits Mandatory	SW Supposed	Participation Rate (%)
2011	661	24.763.250,00	33.050.000	75	20.328.245,00	13.220.000	153
2012	625	13.403.422,00	31.250.000	43	35.284.628,50	12.500.000	282
2013	611	13.403.422,00	30.550.000	44	23.795.941.00	12.220.000	194
2014	600	13.503.422,00	30.000.000	45	28.952.428,00	12.000.000	241
2015	625	13.503.422,00	31.250.000	43	21.422.205,00	12.500.000	171

Source: Cooperative RAT Document

Information: The number of members of the Pasirjambu Cooperative is 625 people, Mandatory savings/member IDR 20,000, Basic savings/members IDR 50,000

From the calculation results above, it can be seen that the participation of members as owners in terms of the Principal Savings generated by the "Pasirjambu" Cooperative fluctuates every year. In 2012 it decreased, but in 2014 it increased, and decreased again in 2015. However, when viewed from the Principal Savings it should be, the level of member participation in the SP is classified as less than good. This indicates that the Cooperative management is less than optimal in motivating members to make Principal Savings. However, in contrast to Mandatory Savings, members are more active in making mandatory savings. This can be seen from the table that the SW transactions of the Pasirjambu Cooperative are greater than the transactions they should have. Based on observations, the SW that increased came from the Mandatory Savings of non-active members of the Pasirjambu Cooperative.

Member Participation as Customers of Pasirjambu Cooperative.

In addition to having obligations as owners, cooperative members also have obligations as customers. Member contributions as customers can be seen through member participation in utilizing the services provided by the cooperative. The main purpose of the cooperative business is indeed intended primarily to serve the needs of members. Thus, if members as the main customers served by the cooperative do not participate in the cooperative, of course the efforts carried out by the cooperative will be in vain. In other words, the potential of the cooperative's business has no economic value. Therefore, member participation in cooperative activities is absolutely necessary for the cooperative. The life and death of the cooperative business is determined by member participation in supporting and utilizing cooperative business services.

To find out the development of member participation as customers of the Pasirjambu Cooperative, it will be analyzed through member participation in utilizing the services provided by the cooperative as a form of member participation as customers in the productivity of Pasirjambu Cooperative cattle, then compared over the past 5 years. The development of member participation can be seen in the following table:

Table 2. Development of Member Participation as Customers of Pasirjambu Cooperative 2020-2024

Year	∑ Member	∑ Cattle Population	Average Cow Productivity (liters/day)	Purchase of Production Results (ltr)	Purchase should be	Level of participation (%)
2020	438	633	7.10	1.642.127	2.365.200	69
2021	405	434	11.56	1.832.581	2.187.000	83
2022	401	360	13.94	1.831.894	2.165.400	84
2023	400	420	7.52	1.153.257	2.160.000	53
2024	415	595	7.39	1.606.289	2.241.000	71

Source: Pasirjambu KUD RAT report

From the calculation results above, it can be seen that the participation of members as customers of "Pasirjambu" tends to increase, although it had decreased in 2020. The decrease was caused by the influence of genetic factors in maintenance patterns on milk productivity in farmers. Such as providing the right feed, providing deworming drugs to prevent worms in cows, providing water, cleanliness of the pen, age of the cows, the process of drying the pen, and even the closeness of the farmer to his cows, for example the pattern of feeding. The types of cows in Pasirjambu farmers are mostly local FH (Friesian Holstein) cows. Where the average normal production figure ranges from 15-20 liters per head per day. If associated with the role of cooperative management, this indicates that the services provided by the Cooperative are quite optimal. This can be seen from the participation of members in utilizing Cooperative services which show the position of members as customers and from them members get the right to obtain economic benefits from member services. The cooperative management must be able to continuously strive to improve services, because if some or all of the Cooperative's services do not satisfy members, then members can exercise their right to leave the Cooperative membership based on the principle of voluntary membership and this will have a negative impact on the Cooperative's capital.

The Influence of Member Participation as Owners on Equity Efficiency.
The classical assumption test consists of three stages, namely
Normality Test

This test is conducted using the Kolmogorov – Smirnov Goodness of Fit Test technique. This technique is used because the data to be tested is at the interval level. Data is said to be normal if the p value is > 0.05 or the accepted research hypothesis is Ho. Hypothetical Pair : Ho: Data is normally distributed, H1: Data is not normally distributed

Table 3. Normality test results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		5
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	,6398370
Most Extreme Differences	Absolute	,141
	Positive	,117
	Negative	-,141
Test Statistic		,141
Asymp. Sig. (2-tailed)		,200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Source: Data processed by SPSS

Based on the One-Sample Kolmogorov-Smirnov Test table, it can be explained that the p value = 0.200 for the variables Member Participation as Owner (SP), Member Participation as Owner (SW) and Member Participation as Customer means that the p value is > 0.05, meaning that the hypothesis Ho is accepted so that it can be concluded that the data is normally distributed.

Heteroscedasticity Test

The heteroscedasticity test is used to test whether in a regression model there is inequality of variance from the residuals of one observation to another. A good regression model is one that does not experience heteroscedasticity. To test for heteroscedasticity, various types of tests can be used, such as the Park Test, the Glejser Test, the Spearman Rho Rank Coefficient Test, or by looking at the pattern of points on the Regression Scatterplots.

The test used is Scatterplots regression, this test will describe the distribution of the data used. Data is said to be heterogeneous if the points are evenly distributed approaching the diagonal line, and data is said to be homogeneous if the points are only focused on one point.

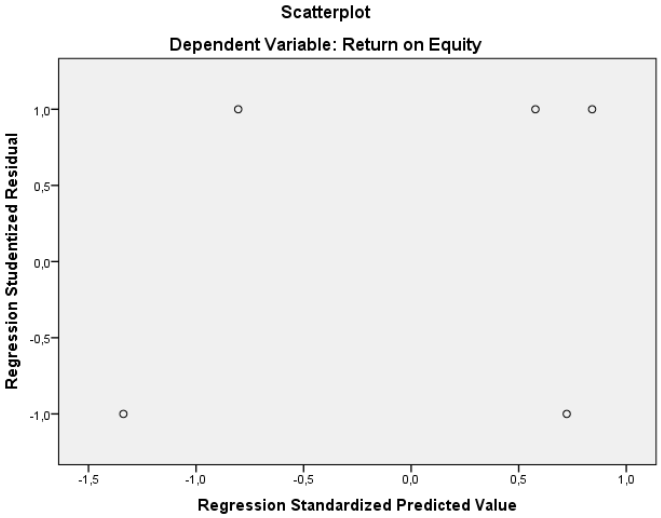

Figure 1. Regression Scatterplots

So from this description it can be concluded that the research data is heterogeneous, as seen from the scattered points so that it can be said that the linear regression test is suitable for use to meet the normality assumption.

Multicollinearity Test

The multicollinearity test is conducted to test whether the regression model finds any correlation between independent variables. A good regression model should not have any correlation between independent variables. Based on decision making :Tolerance value <10% and VIF (Variance Inflation Factor) value >10, then Ho is accepted, which means that there is multicollinearity between independent variables in the regression model. Tolerance value> 10% and VIF (Variance Inflation Factor) value <10, then Ho is not accepted, which means that there is no multicollinearity between independent variables in the regression model. Hypothetical pair, Ho: Multicollinearity occurs, H1: No multicollinearity occurs

Table 4. Multicollinearity test results

Coefficients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Member Participation as Owner (SP)	,648	1,543
	Member Participation as Owner (SW)	,663	1,507
	Member Participation as Customer	,970	1,031
a. Dependent Variable: Return on Equity			

Source: Data processed by SPSS

Based on the table above, it can be explained that the tolerance value of the three independent variables is more than 0.1 and the VIF value of the three independent variables is less than 10.00. It can be concluded that Ho is not accepted, which means that the results of the multicollinearity test indicate that there is no multicollinearity between the independent variables in the regression model.

Simple linear regression test

Similar to the simple linear regression test, this test is conducted to determine whether there is an influence, but this test is conducted to see the influence partially. The test is said to be significant or has an influence if the hypothesis on Ho is rejected, this can be seen by comparing the p value with alpha (α) or comparing the calculated F with the F table. If p <alpha (α) or t count> t table then the significant test or H1 is accepted and vice versa. Hypothetical pair, Ho: no influence, H1: there is influence

Correlation Test

Correlation analysis is used to determine the relationship between two variables where other variables that are considered influential are controlled or made constant (as control variables). The correlation value (r) ranges from 1 to -1, a value approaching 1 or -1 means that the relationship between the two variables is getting stronger, conversely a value approaching 0 means that the relationship between the two variables is getting weaker. A positive value indicates a unidirectional relationship (X increases then Y increases) and a negative value indicates an inverse relationship (X increases then Y decreases). The data used is usually on an interval or ratio scale.

Coefficient of Determination Test

The coefficient of determination test is used to determine how much a variable influences another variable. In this case, this test is used to determine how much influence X1 has on Y.

Table 5. Simple linear regression test Variable X1

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,957	1,518		1,947	,147
	Member Participation as Owner (SP)	,011	,029	,216	,384	,727

a. Dependent Variable: Return on Equity

Source: Data processed by SPSS

From the table above, it can be seen that Member Participation as Owner (SP) has no effect on ROE because the p value (0.727) > alpha (0.05) so the test is not significant and H0 is accepted.

Table 6. Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,216[a]	,047	-,271	,82485

a. Predictors: (Constant), Member Participation as Owner (SP)

b. Dependent Variable: Return on Equity

Source: Data processed by SPSS

For Member Participation as Owner (SP), the correlation value is 0.216 or 21.6%, meaning that the relationship that occurs is a positive relationship with low closeness because the correlation value is positive and falls into the 2nd interval class. For the Member Participation as Owner (SP) variable, it has a determination coefficient of 0.047 or 4.7%, meaning that the Member Participation as Owner (SP) variable is able to influence ROE by 4.7% and the remaining 95.3% is explained by other factors.

2. The Influence of Member Participation as Customers on Equity Efficiency.

Table7. Simple linear regression test Variable X2

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	2,632	2,385	
	Member Participation as a Customer	,012	,033	,213

a. Dependent Variable: Return on Equity

Source: Processed data SPSS

In the coefficient table, in column B the constant value (a) is 2.632, the Member Participation value as a Customer (Bx3) is 0.012. So the regression equation is obtained as follows: Y = 2.632 + 0.012X3

Table 8. Correlation Test of Variable X2

Coefficients[a]

Model		t	Sig.
1	(Constant)	1,103	,350
	Member Participation as a Customer	,378	,731

a. Dependent Variable: Return on Equity

Based on the coefficient table, the t-value is 0.378 and the significance value is 0.731. From these results, it can be concluded that Ho is accepted, in other words, there is no influence between Member Participation as Customers and Return on Equity.

Table 9. Test of Determination Coefficient of Variable X2

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,213[a]	,045	-,273	,82546

a. Predictors: (Constant), Member Participation as a Customer
b. Dependent Variable: Return on Equity

Based on the table above, Return on Equity is influenced by Member Participation as Customers by 0.045 or 4.5%.

3. The Influence of Member Participation as Owners and Customers on Equity Efficiency of Own Capital in the "Pasirjambu" Cooperative.

Multiple linear regression test

Multiple linear regression test is conducted to determine whether there is an influence between X1 and X2 on Y. The test is said to be significant or there is an influence if the hypothesis in Ho is rejected, this can be seen by comparing the p value with alpha (α) or comparing the calculated F with the F table. If p <alpha (α) or calculated F> F table then the test is significant or H1 is accepted and vice versa.
Hypothesis pair
Ho: no influence
H1: there is influence

Table 10. Results of multiple linear regression test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,504	3	,168	,103	,948[b]
	Residual	1,638	1	1,638		
	Total	2,141	4			

a. Dependent Variable: Return on Equity
b. Predictors: (Constant), Member Participation as Customer, Member Participation as Owner (SW), Member Participation as Owner (SP)

Based on the table above, the F count value is 0.103 and the significance value is 0.948. From these results it can be concluded that Ho is accepted in other words there is no influence between Member Participation as Owner (SP), Member Participation as Owner (SW) and Member Participation as Customer together on Return on Equity.

Table 11. Regression Equation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,699	6,753		,548	,681
	Member Participation as Owner (SP)	,000	,057	,009	,008	,995

Member Participation as Owner (SW)	-,006	,015	-,432	-,402	,756
Member Participation as Customer	,015	,052	,250	,282	,825

a. Dependent Variable: Return on Equity

Based on the coefficient table, in column B the constant value (a) is 3.699, the Member Participation value as Owner (SP) (bX1) is 0.000, the Member Participation as Owner (SW) (bX2) is -0.006 and the Member Participation value as Customer (bX3) is 0.015. So the regression equation is obtained as follows: Y = 3.699 + 0.000X1 – 0.006X2 + 0.015X¬3

Table 12. Results of Correlation of X1 and X2 Simultaneously

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,485[a]	,235	-2,059	1,27967

a. Predictors: (Constant), Member Participation as Customer, Member Participation as Owner (SW), Member Participation as Owner (SP)
b. Dependent Variable: Return on Equity

Based on the table above, Stock Price is influenced by Member Participation as Owner (SP), Member Participation as Owner (SW) and Member Participation as Customer together by 0.235 or 23.5%. The remaining 76.5% is influenced by other factors not examined in this study.

4. Efforts That Need to be Made by Cooperative Management in Increasing Member Participation as Owners and Customers Related to the Efficiency of Own Capital of "Pasirjambu".

The following are some efforts that must be made by Cooperative management in increasing member participation as owners and customers related to the efficiency of own capital at "Pasirjambu": Cooperative management must always strive to socialize cooperative programs to members, so that members have a positive understanding of the cooperative movement. Cooperative management must strive so that their cooperative is able to provide quality business services, so that members feel they gain prestige / pride from cooperative business services. Administrators and Employees at KUD Pasirjambu should work together to improve the management system, so that the role of members as owners and customers can be achieved. To increase the efficiency of own capital, cooperative management must be able to increase the participation of members in the cooperative organization. To increase member participation, there are several steps that management must take so that members are interested in participating, including: a). Management must always emphasize the importance of the principle of cooperative identity, namely members as owners and customers. This is in accordance with Article 17 paragraph 1 of Law Number 25 of 1992 concerning cooperatives which states that cooperative members are both owners and users of cooperative services. b). Try to ensure that the cooperative company can meet the needs of members easily, cheaply, and quickly. c). Involve members in the planning and supervision process and other important decisions. d). Instill a sense that the success of the cooperative company is a shared responsibility between members and management. e). Hold education and training programs for members to improve knowledge and competence, especially regarding cooperatives and member entrepreneurship. f). Encourage members to think about innovations and modernization of cooperative company management. g). Create a reward system for members who actively and significantly provide positive participation. H). Hold programs that can help the development (business) of members so that there is mutually beneficial interaction between members and cooperatives.

4. Conclusion

This study found that the participation of members of KUD Pasirjambu as owners and customers has a fluctuating pattern and a low correlation to the efficiency of equity capital and Return on Equity (ROE). The implications of these findings suggest that cooperative management requires optimization in motivating members to participate more actively, both as owners and customers. The limitation of this study lies in the incomplete coverage of variables, so that the influence of external factors such as local economic conditions, management patterns, and social dynamics of members has not been comprehensively described. For future

research, it is recommended to conduct a broader analysis by integrating longitudinal methods and qualitative approaches to understand the motivations and barriers to member participation in depth, as well as explore the role of digital innovation in improving member engagement and cooperative management efficiency.

ACKNOWLEDGEMENTS

This research was supported/partially supported by [Ma'soem University]. We are grateful to our colleagues who provided insights and expertise that greatly assisted the research.

References

Arefieva, O., Tulchynska, S., Popelo, O., Arefiev, S., & Tkachenko, T. (2021). The Economic Security System in the Conditions of the Powers Transformation. *IJCSNS International Journal of Computer Science and Network Security*, *21*(7), 35. https://doi.org/10.22937/IJCSNS.2021.21.7.4

Assarroudi, A., Heshmati Nabavi, F., Armat, M. R., Ebadi, A., & Vaismoradi, M. (2018). Directed qualitative content analysis: the description and elaboration of its underpinning methods and data analysis process. *Journal of Research in Nursing*, *23*(1), 42–55.

Atmowardoyo, H. (2018). Research methods in TEFL studies: Descriptive research, case study, error analysis, and R & D. *Journal of Language Teaching and Research*, *9*(1), 197–204. https://doi.org/10.17507/jltr.0901.25

Bianchi, M., & Vieta, M. (2020). Co-operatives, territories and social capital: reconsidering a theoretical framework. *International Journal of Social Economics*, *47*(12), 1599–1617. https://doi.org/10.1108/IJSE-03-2020-0135

Biden, J. R. (2021). Interim national security strategic guidance. *The White House*, *8*.

Candemir, A., Duvaleix, S., & Latruffe, L. (2021). Agricultural cooperatives and farm sustainability–A literature review. *Journal of Economic Surveys*, *35*(4), 1118–1144.

Chimhowu, A. O., Hulme, D., & Munro, L. T. (2019). The 'New' national development planning and global development goals: Processes and partnerships. *World Development*, *120*, 76–89. https://doi.org/10.1016/j.worlddev.2019.03.013

Coward, E. W. (2019). Direct or indirect alternatives for irrigation investment and the creation of property. In *Irrigation investment, technology, and management strategies for development* (pp. 225–244). Routledge.

Fischer, B., Gutsche, G., & Wetzel, H. (2021). Who wants to get involved? Determining citizen willingness to participate in German renewable energy cooperatives. *Energy Research and Social Science*, *76*, 102013. https://doi.org/10.1016/j.erss.2021.102013

Gusmão Caiado, R. G., Leal Filho, W., Quelhas, O. L. G., Luiz de Mattos Nascimento, D., & Ávila, L. V. (2018). A literature-based review on potentials and constraints in the implementation of the sustainable development goals. *Journal of Cleaner Production*, *198*, 1276–1288. https://doi.org/10.1016/j.jclepro.2018.07.102

Hale, J., & Carolan, M. (2018). Cooperative or Uncooperative Cooperatives? Digging into the Process of Cooperation in Food and Agriculture Cooperatives. *Journal of Agriculture, Food Systems, and Community Development*, *8*(1), 1–20. https://doi.org/10.5304/jafscd.2018.081.011

Halilintar, M. (2018). Cooperatives and economic growth in Indonesia. *European Research Studies Journal*, *21*(2), 611–622. https://doi.org/10.35808/ersj/1027

Hendriani, S. (2018). The role of cooperative development strategy to improving the success of village cooperative (KUD) in Riau Indonesia. *International Journal of Law and Management*, *60*(1), 87–101. https://doi.org/10.1108/IJLMA-11-2016-0132

Höhler, J., & Kühl, R. (2018). Dimensions of Member Heterogeneity in Cooperatives and Their Impact on Organization – a Literature Review. *Annals of Public and Cooperative Economics*, *89*(4), 697–712. https://doi.org/10.1111/apce.12177

Kusz, D., Bąk, I., Szczecińska, B., Wicki, L., & Kusz, B. (2023). Determinants of Return-on-Equity (ROE) of Biogas Plants Operating in Poland. *Energies*, *16*(1), 31. https://doi.org/10.3390/en16010031

Lal, T. (2019). Measuring impact of financial inclusion on rural development through cooperatives. *International Journal of Social Economics*, *46*(3), 352–376. https://doi.org/10.1108/IJSE-02-2018-0057

Lampinen, A., McGregor, M., Comber, R., & Brown, B. (2018). Member-Owned alternatives: Exploring participatory forms of organising with cooperatives. *Proceedings of the ACM on Human-Computer Interaction*, *2*(CSCW), 1–19. https://doi.org/10.1145/3274369

Limnios, E. M., Mazzarol, T., Soutar, G. N., & Siddique, K. H. (2018). The member wears Four Hats: A

member identification framework for co-operative enterprises. *Journal of Co-Operative Organization and Management*, *6*(1), 20–33.

Martoyo, M., Adeng, A., Erwantoro, H., Karunia, R. L., Alamsyah, A., & Amin, F. (2023). Keeping Bung Hatta's idea: Cooperatives for social and economic development. *Res Militaris*, *13*(2), 3765–3776. https://resmilitaris.net/index.php/resmilitaris/article/view/2914

Novkovic, S., Puusa, A., & Miner, K. (2022). Co-operative identity and the dual nature: From paradox to complementarities. *Journal of Co-Operative Organization and Management*, *10*(1), 100162. https://doi.org/10.1016/j.jcom.2021.100162

Panigrahi, A. K., & Vachhani, K. (2021). Financial analysis by return on equity (ROE) and return on asset (ROA)-A comparative study of HUL and ITC. *Journal of Management Research and Analysis*, *8*(3), 131–138. https://doi.org/10.18231/j.jmra.2021.027

Shava, E., & Hofisi, C. (2019). Cooperatives as strategies of local economic development in the City of Tshwane. *Journal of Contemporary Management*, *16*(2), 23–42. https://doi.org/10.35683/jcm18028.0025

Stoop, E., Brandsen, T., & Helderman, J. K. (2021). The impact of the cooperative structure on organizational social capital. *Social Enterprise Journal*, *17*(4), 548–565. https://doi.org/10.1108/SEJ-08-2020-0063

Vidal, L. (2019). Cooperative Islands in Capitalist Waters: Limited-equity Housing Cooperatives, Urban Renewal and Gentrification. *International Journal of Urban and Regional Research*, *43*(1), 157–178. https://doi.org/10.1111/1468-2427.12726

Warbroek, B., Hoppe, T., Bressers, H., & Coenen, F. (2019). Testing the social, organizational, and governance factors for success in local low carbon energy initiatives. *Energy Research & Social Science*, *58*, 101269.

Yacob, Y., Ali, J. K., Roslin, R., & Ting, H. (2018). The relationships between member participation, trust, Behavioural loyalty, and the moderating effect of ethnicity: An explanatory study of value co-creation among cooperative members in Sarawak. *International Journal of Business and Society*, *19*(2), 505–522.

Yu, L., & Nilsson, J. (2019). Social capital and financial capital in Chinese cooperatives. *Sustainability (Switzerland)*, *11*(8), 2415. https://doi.org/10.3390/su11082415