The Influence Of Member Participation On Resulting Business Results In Mandiri Credit Union Cooperatives

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ABSTRACT

This study aims to determine the effect of member participation on the remaining business results of the Mandiri Credit Union Cooperative. This research was conducted at the Mandiri Credit Union Cooperative, Pandiangan Village. The population in this study were 41 members and the samples were taken from the principal savings report, mandatory savings voluntary savings and the remaining results of operations for 36 months. Data collection techniques use documentation by collecting financial report data at the Mandiri Credit Union Cooperative. The analytical method used in this study is multiple linear regression analysis using the Ordinary Least Square (OLS) method using SPSS 25.0 software for Windows. The results of testing the hypothesis have proven that principal savings have a positive and significant effect on the remaining operating results because tcount 6.257 > ttable 1.687, mandatory savings have a positive and significant effect on the remaining operating results because tcount 1.973 > ttable 1.687, voluntary savings have a positive and significant effect on the remaining operating results because tcount 3.426 > ttable 1.687 and the significant level of variables X1 (0.000 > 0.05), X2 (0.056 savings > 0.05), X3 (0.002 > 0.05).

1. INTRODUCTION

In the Indonesian economy, cooperatives are very important in people's lives and are the backbone of the people's economy. Cooperatives are a form of business that provides savings and loans to its members (A. W. Bartik et al., 2020). Cooperatives have an important role, namely to overcome the difficulties faced by these members and help members who need assistance in the form of goods or loans. Cooperatives are a joint business entity engaged in the economy, consisting of those who are generally economically weak who join voluntarily and on the basis of equal rights, are obliged to carry out a business aimed at meeting the needs of the its members (Tull et al., 2020). To foster an interest in cooperating with the community, it is necessary to know the background of their situation, with this it is intended that this can later be used as material for consideration in deciding a problem. Where it is possible that the community already has small businesses. However, they have a low level of education so they do not know the ins and outs of cooperatives. For this reason, cooperatives need to generate interest and motivate them to become members of the cooperative (Molinillo et al., 2020).

Basically, cooperatives aim to prosper their members and advance the economic interests of their members, not for profit or profit. Even though cooperatives do not prioritize profits, businesses managed by cooperatives must still earn a decent income in order to maintain survival and improve business capabilities, not to accumulate wealth (Chen & Lin, 2019). The income earned by the cooperative is the remaining results of the cooperative's operations, the remaining operating results are obtained from the participation of the members of the cooperative in the form of principal savings, mandatory savings and voluntary savings (J. Zhu et al., 2018). Judging from the origin of the word, the word cooperative comes from the Latin "coopere" and is absorbed in English to become cooperation. Co means together and operation means work, so cooperation means working together or trying together. In this case, the cooperation is carried out by people who have the same interests and the same goals (Green & Homroy, 2018).

According to Law No. 17 of 2012 "Cooperatives are business entities consisting of individuals or cooperative legal entities with the basis of their activities based on cooperative principles as well as an economic movement based on the principle of kinship". Cooperatives are members of individuals or cooperative legal entities whose activities are based on cooperative principles as well as a people's
economic movement based on the principle of kinship (Rizvi *et al.*, 2020). Member participation is taking part in activities both in meetings and in savings and loan activities. Members are owners and users of cooperative services. To increase the participation of members in their cooperative efforts, awareness and appreciation of members of their cooperatives is needed. For this reason, standard, programmed and sustainable cooperative education is needed for members (Arzubiaga *et al.*, 2018). The higher the participation of members, the higher the benefits received by members. Currently, the public is very familiar with financial institutions, one of which is a financial institution that drives the people’s economy today, known as a credit union (Kim & Shim, 2018).

According to adi (in Kowalewski *et al.*, 2010) Credit union is a business entity owned by a group of people in a unifying bond who agree to save their money so as to create joint capital to lend to each other with reasonable interest and for productive purposes and well-being. A credit union is a financial institution in the field of savings and loans or usually known as a savings and loan cooperative, in its business activities, namely raising funds from cooperative members by creating sources of credit from members and for members with relatively low interest. Mandiri Credit Union (CU) is one of the credit unions in Pandiangan Village, Lae Parira District, Dairi Regency. The development of Mandiri Credit Union has had a positive impact on its members.

Since the establishment of the Mandiri Credit Union (CU) cooperative, the remaining results of operations have experienced ups and downs, which means that sometimes it has increased and sometimes has decreased, the active participation of members is needed to support the development of cooperatives and the smooth running of cooperative activities. The more transactions carried out by members, the income of the cooperative increases (Tabor *et al.*, 2018). The remaining business results obtained by the cooperative, besides being used to increase the welfare of its members, are also used to ensure the continuity and continuity of the life of the cooperative itself (Gomez & Bernet, 2019). The increase in the remaining results of cooperative operations is very dependent on the activities carried out, so that the aspect of the number of cooperative members participating in cooperative activities will greatly determine the income of the cooperative itself. Residual income from the cooperative’s operations will be carried out if the cooperative has sufficient capital available, both from members’ savings and additional deposits (A. Bartik *et al.*, 2020).

The continuity of a cooperative’s business cannot be separated from the active role of its members, both morally and materially (Ng *et al.*, 2019). The more cooperative members who save their funds in the cooperative, it is hoped that it will increase the volume of cooperative activities so that it will increase the remaining business results that will be obtained by the cooperative, which in the end is also expected to increase the movement and activities carried out (Islami *et al.*, 2018).

The Mandiri Credit Union (CU) Cooperative provides instructions to members on the procedure for paying debts to the cooperative, with a payment system in the form of monthly installments, so that the members of the cooperative do not feel like they are paying their debts to the cooperative every month (Kansiime *et al.*, 2021). However, the problems faced by the Mandiri Credit Union (CU) Cooperative have a negative impact on the number of members’ savings with the remaining results of operations (SHU) decreasing every year due to the low participation of members in saving their funds for the cooperative because the sources and income of members each month are still low, so that the activeness of members in saving their funds is not evenly distributed when members want to save their funds in the cooperative, and the positive impact on the number of members’ savings with the remaining results of operations (SHU) has increased every year (Pearce *et al.*, 2018). Based on the background described above, the title of this study is "The Influence of Member Participation on the Remaining Profits of Mandiri Credit Union (CU) Cooperatives".

2. METHODS

The type of research used in this study uses quantitative research with an associative approach, which shows a causal or causal relationship, where this research is used to analyze how much influence the variable principal savings, mandatory savings and voluntary savings have on the remaining business results (SHU) based on reports finance at the Independent Credit Union (CU) cooperative in Pandiangan Village. The research was conducted at the Mandiri Credit Union (CU) Cooperative, Pandiangan Village, Huta Lama Hamlet, Lae Parira District, Dairi Regency. The research was conducted from May-October 2022 (Ranganathan *et al.*, 2018).

The population is all elements in the form of events, things, or people that are used as generalization areas (Anning-Dorson, 2018). The population in this study are members of the Mandiri Credit Union cooperative with a total of 41 members. Based on the quotation above, the population in this study is all reports on the amount of principal savings, mandatory savings, voluntary savings with the remaining business results of SHU at Mandiri Credit Union (CU) cooperatives. The sample used in this research is the
financial statements of the Mandiri Credit Union (CU) cooperative for 36 months from November 2018 to November 2021, which is 12 months x 3 years.

Documentation is a data collection technique by obtaining documents that include the required data. In this study, documentation was used to obtain data regarding the development of the Remaining Profits of the Mandiri Credit Union (CU) Cooperative during the 2019-2021 period. The data analysis method used in this study used multiple linear regression analysis. Multiple linear regression analysis is a statistical analysis technique to explain the relationship between the dependent variable and the independent variable. In this study, the data processing tools are: SPPS 25.0 for windows. The classical assumption test must be carried out to test the feasibility of the regression analysis model used in the study (Su & Swanson, 2019). This test includes: normality test, multicollinearity test, heteroscedasticity test and autocorrelation test.

3. RESULTS AND DISCUSSIONS

Results

This type of research uses quantitative research with an associative approach, namely research that will describe the situation as the focus of research based on data and in the form of financial reports that have been collected and focuses on analyzing the effect of member participation on the remaining business results. This research was conducted to determine the effect of member participation on the remaining business results at the Mandiri Credit Union (CU) Cooperative 2018-2021. In this study, the financial reports, namely all financial report data at the Mandiri Credit Union (CU) Cooperative for the period 2018-2021 will be analyzed using simple linear regression analysis, which aims to see the effect of the independent variables on the dependent variable (Y.-Q. Zhu et al., 2018).

Member participation is taking part in activities both in meetings and in savings and loan activities. Members are owners and users of cooperative services. To increase the participation of members in their cooperative efforts, awareness and appreciation of members of their cooperatives is needed. Member participation consists of principal savings, mandatory savings and voluntary savings. The remaining operating results are obtained every year after the profit and loss calculation is carried out, it will be known how much the remaining operating results (net profit) are. The main cooperative business is directed at business fields that are directly related to the interests of members both to support the business and the welfare of its members (Ardoin et al., 2020). For better understanding, the remaining operating results (SHU) are obtained from net participation and profit and loss, plus or minus other income and expenses as well as cooperative expenses and corporate income tax.

Classic assumption test

The classical assumption test is a requirement in multiple regression analysis. With good classical assumptions, of course it does not violate the rules that apply in multiple regression analysis. The classical assumption tests carried out in this study consisted of the normality test, multicollinearity test, heteroscedasticity test and autocorrelation test. (Bennouri et al., 2018).

Data Normality Test

The test used to determine whether the data in this study is normally distributed or not is by using the Kolmogorov-Smirnov (KS) test. Kolmogorov-Smirnov (KS) shows a significant value above 0.05, so the data is normally distributed. We recommend that if the significant value is below 0.05 then the data is not normal. To find out whether the data is normally distributed or not, it can be seen in the following table:

<table>
<thead>
<tr>
<th>One-Sample Kolmogorov-Smirnov Test</th>
<th>Unstandardized Residuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>41</td>
</tr>
<tr>
<td>Normal Parameters a,b</td>
<td>Means .0000000</td>
</tr>
<tr>
<td></td>
<td>std. Deviation 316.15782415</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
<td>absolute .070</td>
</tr>
<tr>
<td></td>
<td>Positive .070</td>
</tr>
<tr>
<td></td>
<td>Negative -.052</td>
</tr>
<tr>
<td>Test Statistics</td>
<td>.070</td>
</tr>
<tr>
<td>asymp. Sig. (2-tailed)</td>
<td>.200 c,d</td>
</tr>
</tbody>
</table>

Based on the results of the table which shows that the One-Sample Kolmogorov-Smirnov Test value is 0.200 and Asymp sig. (2-tailed) > 0.05. So it can be concluded that the data is normally distributed.
Furthermore, to detect whether the standardized residual values are normally distributed or not, by looking at the normal probability plot in the following figure:

**Multicollinearity Test**

Multicollinearity is a classic error that causes a close correlation between the independent variables. A close correlation between the independent variables will cause the estimation results obtained to be bad or cannot be used to predict. Supposedly, a good regression equation is free from multicollinearity errors. In testing the presence or absence of multicollinearity in the regression model, namely by looking at the VIF (Variance Inflation Factor) value or the tolerance value, it can be seen from the following table:

**Table 2. Multicollinearity test results**

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients a</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>B std. Error</td>
<td>Betas</td>
<td>Q Sig.</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>-1918.392</td>
<td>516.229</td>
<td>-3.716</td>
</tr>
<tr>
<td></td>
<td>Principal savings</td>
<td>006</td>
<td>001</td>
<td>.664</td>
</tr>
<tr>
<td></td>
<td>Mandatory Savings</td>
<td>-.514</td>
<td>.260</td>
<td>-.191</td>
</tr>
<tr>
<td></td>
<td>Voluntary Savings</td>
<td>076</td>
<td>.023</td>
<td>.329</td>
</tr>
</tbody>
</table>

According to the table, the tolerance values are 0.727, 0.873 and 0.795 respectively. Then the VIF (Variance Inflation Factor) values were 1.375, 1.146 and 1.257 respectively for all independent variables. Thus it can be concluded that there is a multicollinearity problem between the independent variables in the regression model. Because the criteria used in the multicollinearity test are if the VIF is around 1 or has a TOL value close to 1, there is no multicollinearity problem.

**Heteroscedasticity Test**

To find out the occurrence of Heteroscedasticity, it can be seen in the plot of the predicted value of the independent variable (ZPRED) and residual (SRESID) with the criteria if there is a regular pattern of dots (wavy, widened, then narrowed), then heteroscedasticity occurs and if there is no pattern if the data is clear and the points are spread, there is no heteroscedasticity. Based on the test, it can be concluded that there is no heteroscedasticity problem because the data forms a clear pattern and the points are spread (Müller et al., 2018).

**Autocorrelation test**

The autocorrelation test aims to determine whether there is a correlation between the independent variables and the dependent variable. Autocorrelation deviations in the study were tested with the Durbin-Watson test (DW-Test). The results of the autocorrelation test can be shown in Table 4.3:

**Table 3. Autocorrelation Test Results**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.835 a</td>
<td>.697</td>
<td>.673</td>
<td>328.725253</td>
<td>1862</td>
</tr>
</tbody>
</table>

Removing the four variables in the table describes a Durbin-Watson value of 1.862 DL from Durbin Watson 1.295. After being analyzed, it turns out that Durbin Watson is in the interval DW > DL or 1.862 > 1.295, this indicates that the model used has no autocorrelation.

**Hypothesis Testing**

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Based on the results in the t test (Partial Test)

To find out the independent variables on the dependent variable, namely member participation (principal savings) and the remaining business results, the t test is used. The results of the t test are shown in table 4 below:

<table>
<thead>
<tr>
<th>Model</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>B</td>
<td>std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td></td>
<td>-1918.392</td>
<td>516.229</td>
<td>-.664</td>
<td>6.257</td>
</tr>
<tr>
<td>Principal savings</td>
<td></td>
<td>.006</td>
<td>.001</td>
<td>.664</td>
<td>.000</td>
</tr>
<tr>
<td>Mandatory Savings</td>
<td></td>
<td>-.514</td>
<td>.260</td>
<td>-.191</td>
<td>-1.973</td>
</tr>
<tr>
<td>Voluntary Savings</td>
<td></td>
<td>.076</td>
<td>.023</td>
<td>.329</td>
<td>3.246</td>
</tr>
</tbody>
</table>

1. Hypothesis testing (H1). It is known that the significant value for the effect of principal savings (X1) on the remaining results of operations (Y) is 0.00 < 0.05 and the value of \( t_{\text{count}} \) is 6.257 > \( t_{\text{table}} \) 1.687, it can be concluded that H1 is accepted so that there is an effect of principal savings (X1) on the remaining operating results (Y).

2. Hypothesis testing (H2). It is known that the significant value for the effect of mandatory savings (X2) on the remaining results of operations (Y) is 0.056 > 0.05 and the value of \( t_{\text{count}} \) is 1.973 > \( t_{\text{table}} \) 1.687, it can be concluded that H1 is accepted so that there is an effect of mandatory savings (X2) on the remaining operating results (Y).

3. Hypothesis testing (H3). It is known that the significant value for the effect of voluntary savings (X3) on the remaining results of operations (Y) is 0.02 < 0.05 and the value of \( t_{\text{count}} \) is 3.426 > \( t_{\text{table}} \) 1.687, it can be concluded that H1 is accepted so that there is an effect of voluntary savings (X3) on the remaining results of operations (Y).

F test

The F test in this study was conducted to determine whether there is a significant effect simultaneously between the three independent variables on the dependent variable. Based on the calculation results Simultaneously Effect of Principal Savings, Compulsary Savings and Voluntary Savings on the Remaining Results of Operations at the Mandiri Credit Union Cooperative.

1. \( H_{4} : \) There is a positive and significant effect on Principal Savings, Compulsory Savings and Voluntary Savings on the Remaining Results of Operations at the Mandiri Credit Union Cooperative.

2. \( H_{4} : \) There is no positive and significant effect of Principal Savings, Compulsory Savings and Voluntary Savings on the Remaining Results of Operations at the Mandiri Credit Union Cooperative.

Table 5. Simultaneous Hypothesis Testing (F Test)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>MeanSquare</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>9203371.990</td>
<td>3</td>
<td>3067790.663</td>
<td>28,390</td>
<td>.000</td>
</tr>
<tr>
<td>residual</td>
<td>3998230.791</td>
<td>37</td>
<td>108060.292</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>13201602.780</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Residual Results of Operations
b. Predictors: (Constant), Voluntary Savings, Mandatory Savings, Principal Savings

The table data above can be seen that the \( F_{\text{table}} \) value is 28,390. If the test is carried out at \( \alpha = 5\% \), then the calculated \( F \) value is 3.24 Then \( H_{4} \) is accepted which reads Effect of Principal Savings, Compulsory Savings, Voluntary Savings on the Remaining Results of Operations at the Mandiri Credit Union Cooperative (Association, 2020).

R test ²

To find out how much the dependent variable can be explained by the independent variable, we can look for the value of \( R^{2} \). In the test, it was obtained that the value of \( R^{2} \) (or the coefficient of determination) was 0.697 or 69.7%, the remaining results of the business can be explained by the independent variable, namely member participation.
Discussion

The purpose of this study was to analyze the effect of the variable principal savings (X1), mandatory savings (X2) and voluntary savings (X3) on the residual income variable (Y) in independent credit union cooperatives using multiple linear regression analysis methods and processed using SPSS software. which results show there are no problems in testing the classical assumptions.

Through this research, it reflects that ups and downs, the level of remaining operating results is determined by how many new members become members of the independent credit union cooperative. The results of this study, when compared with previous studies. Then it can be explained (1) the similarity of results from this with Hasnawati (in Dai et al., 2020) with the title "The effect of member participation on the remaining business results in the Samudra Prosperous Cooperative Samarinda” member participation has a positive and significant effect on the remaining business results. The difference is that the analysis tools use regression statistics and product moment correlation coefficients, while researchers now only use regression statistics. (2) research similarities with Suskaniah, Jonathan, and Elfreda (in Gonzalez-UrIBE & Leatherbee, 2018) with the title "Effect of Principal Savings and Compulsory Savings on Residual Operating Results at Mitra Sejahtera Cooperative Samarinda” with the research results of principal savings (x) having a positive and significant effect on the remaining operating results (Y) (Trivellas et al., 2019). while the difference is in the sampling method on the financial statements of Samarinda Prosperous Partner Cooperatives from December 2008-December 2013 while with the current researcher the sampling method is on the financial reports of Mandiri Credit Union Cooperatives from November 2018-November 2021.

4. CONCLUSION

Based on the results of the discussion that has been stated previously, the following conclusions can be drawn: There is an influence between principal savings on the remaining operating results of the Mandiri CU cooperative of 6.257 and it is significant. There is an effect of mandatory savings on the remaining operating results of the Mandiri CU cooperative of 1.973 and is not significant. There is influence between Voluntary savings on the Remaining Results of Operations of the Mandiri CU cooperative of 3.246 and it is significant. There is an influence between Member Participation on the Remaining Results of the Mandiri Credi Union Cooperative of 69.7% and is significant.

5. REFERENCES


Chen, S.-C., & Lin, C.-P. (2019). Understanding the effect of social media marketing activities: The mediation of social identification, perceived value, and satisfaction. Technological Forecasting and Social Change,


