Analysis of The Effect of Governance and CSR on Member Welfare Mediated by Performance at Credit Union Cooperatives

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ABSTRACT
This study aims to determine the welfare of members of the Bererod Gratia CU Cooperative and Madani Cooperative KSP through governance and CSR dimensions mediated by performance. The questionnaire concluded that the welfare of cooperatives depends on good and sustainable governance and CSR mediated by professional performance. Good Corporate Governance is manifested in transparency, accountability, independence, equality and fairness in every financial transaction, the level of commitment of the management, the quality of cooperative work, and decision making involving all members. Research also shows the existence of cooperative social responsibility for the welfare of members and the surrounding community which has a positive influence in the form of social, economic, environmental, obedience to the law, and health-education. Finally, research shows that quality professional performance by having work motivation, responsible financial flexibility, a conducive work environment, opportunities for self-development, strong teamwork, and sustainable financial stability can help ensure the welfare of cooperative members and the sustainability of the cooperative. The results showed that both cooperatives have succeeded in working on the welfare of their members.

Introduction
Cooperatives play an important role in Indonesia's economic growth, meaning cooperatives formed to improve welfare. The existence of cooperatives is a symbol of the struggle of the lower economic class, because it has various efforts to improve the standard of living of members, especially savings and loan cooperatives (KSP) (Silva & Morello, 2021). According to experts, savings and loan cooperatives are vital in improving the economies of countries affected by the covid-19 pandemic, acting as an alternative to MSMEs, because of flexibility in providing financing (tenor, loan interest, loan amount). This financing is called "self-help", which deals with helping its members optimally match their goals (Arda et al., 2021).
And in (Dwiputri et al., 2022), they identified the influence of savings and loan cooperatives in improving community welfare, showing that the use of cooperative savings and loans can have a positive effect in improving community welfare. This research can be used as a basis for formulating community policies in an effort to improve community welfare through cooperatives. Similarly, if members are committed together, they will be able to obtain the maximum benefit and welfare through transparency, accountability, responsibility, independence, equality and fairness in accordance with applicable ethics and regulations, accompanied by the application of effective governance models to help ensure sustainability, social health, finance, and the cooperative economy (Brandi, 2015).

(Messabia et al., 2023), governance that is not based on the principles of good cooperative governance has the potential to have a negative impact on cooperative health and cooperative survival, this is the experience of the Haitian community at the time of providing new contributions to SACCO's resilient and sustainable governance and management model as the key to successful prosperity of its members.

Cooperatives create sustainable businesses that produce jobs, welfare that can be seen from economic and social factors that will be capital for cooperatives, this needs good and optimal performance mediation. This capital also has an impact on sustainable national development (Dwiputri et al., 2022). Social capital in cooperatives has become an important capital to achieve its goals in addition to material capital.

For the continuity and sustainability of cooperatives with social responsibility / CSR, namely how to increase company profits in a responsible way in a sustainable manner. This is by setting aside profits/budgets for donations and philanthropy, donations that are obligations of the company/institution to stakeholders (Radyati, 2014). CSR expectations effectively show accountability that has an impact on economic, environmental, and social, performance, and governance, so as to improve the welfare of members/stakeholders (Barbier & Burgess, 2017).

Governance

Community welfare is considered important for improving the economy, which is the basis for why cooperatives appear and develop and compete with competitors, so cooperative governance is needed that creates a good, professional, responsible, transparent, and sustainable cooperative atmosphere. Cooperative governance is a framework in the form of roles, rules and patterns of relationship of cooperative organs in directing and controlling efforts to realize the goals and objectives of the cooperative (Abdurahman & Waworuntu, 2017).

Governance cannot be separated from the basic principles of good governance, according to Kaihatu, 2006, among others: 1). Transparency: is openness in carrying out the decision-making process and openness in expressing material and relevant information about cooperatives. 2). Accountability is the clarity of functions, structures, systems, and accountability of cooperative organs so that cooperative management is carried out effectively. 3). Responsibility is conformity (compliance) in the management of the company to sound corporate principles and applicable laws and regulations. 4). Independency (independence), is a condition where the cooperative is managed professionally without conflict of interest and influence / pressure from management that is not in accordance with applicable laws and regulations and sound corporate principles. 5). Fairness (Equality and fairness), is fair and equal treatment in fulfilling the rights of stakeholders arising based on agreements and applicable laws and regulations (Henock, 2019).
Social Responsibility (Corporate Social Responsibility or CSR)

Social and environmental responsibility (TJSL) is an organization's commitment to participate in sustainable economic development in order to improve the quality of life and the environment that is beneficial, both for the organization itself, the local community, and society in general (Article 1 point 3 of the Law). CSR is a form of corporate social responsibility to the surrounding community, by implementing various programs that are beneficial and have an impact on members and the surrounding community (Hatak et al., 2016).

CSR is an integral activity by integrating the company's management system, so that CSR is carried out by all individuals in the company. CSR is also a business organization strategy, with responsibility and accountability at all levels, both in decision making, and in the implementation of operational activities through practical actions (Radyati, 2014).

CSR is expected to be able to make innovations that help an organization create superior value to create sustainable change. According to (Crane et al., 2018) in Radyati, 2014, CSR is voluntary in bearing costs or managing the externalities of stakeholders-oriented institutions, synchronizing social, economic, cultural responsibilities practiced in companies and beyond philanthropy.

"The Triple Bottom Line" (TBL) CSR found by John Elkington in his book "Cannibals with Forks: The Triple Bottom Line of 21st Century Business," is a CSR framework that combines three dimensions of performance: economic, social, and environmental. Economic Dimension: according to TBL theory is the most important for companies to achieve continuous profits in the long run (sustainable). Social dimension: The business should pay attention to its ongoing social affairs, such as: unemployment rate, labor force participation, education services, health services, etc. So in order for a business to be stable in the long run, the social activities of business enterprises must meet the needs of the surrounding community as much as possible. Environmental dimension: environmental sustainability by taking into account environmental changes and complying with the new environmental law (Javed et al., 2019).

In this study, it is an indicator of social responsibility/CSR from the dimensions: social, environmental, economic, legal, education and health, which can improve the welfare of members in ways: access to savings/loans, financial contributions (education, health), training and self-development, and access to financial services/services, being involved in decision making, and being legally aware. This in cooperatives is positively related to member satisfaction related to the size and degree of homogeneity in membership and the size and complexity of the cooperative business. And this dimension has an important role in achieving the goals of the cooperative, namely the welfare of members (Mathuva & Kiweu, 2016).

Performance

Employee performance is a result of the work of a person or group in a company, which is successfully achieved in its duties and responsibilities to a job. The results of this work are closely related to the achievement of company goals (in quality and quantity in accordance with predetermined standards based on the responsibilities given). Performance is the result of the work or activities of a person or group in a company that is influenced by various factors to achieve goals in a certain period (Tika, 2006). As for the factors that affect employee performance, according to Robert L. Mathis and John H. Jackson, 2001 as follows:
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1. Work motivation, which is the drive that arises in oneself that is realized or not to produce the best performance.
2. Salaries and incentives, the amount of salary and incentives received can affect employee performance.
3. Work environment (support, relationship with the company) the need for a conducive and comfortable and healthy environment that will affect physical and psychological conditions.

The problems that affect employee performance: a) Communication patterns, b) Conflicts between employees, c) Decreased work productivity, d) Lack of discipline levels (realtime and reward - punishment systems), e) Low performance satisfaction with the company. To anticipate existing problems, an organization uses performance appraisal standards to develop an organization effectively and efficiently. Performance appraisal is very beneficial for the dynamics of overall organizational growth and with performance can be known the true condition of how employees are performing (Satar, 2018).

The purpose of this study is to analyze how transparency, accountability, responsibility, independency, fairness, and social responsibility / CSR have an influence on cooperative performance in improving the welfare of cooperative members.

Research Methods

This study uses descriptive qualitative methods to analyze the role of cooperative governance in improving member welfare. In addition, this study also analyzes the role of CSR carried out by cooperatives from social and economic dimensions. The object of research is the Pererod Gratia Savings and Loans Cooperative (CU) and the Madani Savings and Loans Cooperative (CU). Respondents in this study were administrators, administrative management, and cooperative members for 3 years or more. This research was analyzed using Content Analysis (Content Analysis). Primary data were obtained from the results of interviews and questionnaires distributed to members, administrators, and administrative management who were respondents. Meanwhile, secondary data is taken from the Annual Member Meeting Report (2020-2022).

Data Collection Methods

The source of data obtained for this study was taken from primary data and secondary data. Primary data were obtained from direct interviews with cooperative administrators and written interviews using structured and closed questionnaires collected from administrators and cooperative members whose members were more than three years or older. With regard to variables and indicators, the questionnaire is divided into the first three parts: respondent profiles, second part: respondent part, third part: to measure member welfare through governance and CSR dimensions from a social and economic perspective. Secondary data is also collected from the Financial Statements disclosed in the 2020-2022 Annual Member Meeting (RAT) Documents, journals and other information obtained from their respective websites and articles in the media.

The analysis method used is content analysis:
1. Compile a list of questions for the questionnaire according to variables and indicators
2. Questionnaires are distributed to members and administrators
3. Questionnaire data processing
4. Qualitative analysis using content analysis of the collected questionnaire results
5. Collect secondary data to strengthen and verify the analysis of findings
6. Formulation of conclusions, implications, limitations, and suggestions
Results and Discussions

Transparency Analysis

There is openness between the management and members, especially in terms of financial statements as outlined in the annual member meeting report (RAT) at the Madani credit union cooperative as many as 122 people from a total of 125 respondents with a percentage of 77.6%, as well as the openness stated by Bererod Gratia credit union cooperative members, the majority have a similar view regarding openness in the financial statements outlined in the RAT report as many as 122 people with the same percentage value as the Madani credit union cooperative of 77.6%. Financial disclosure, namely: in all financial transactions, the purpose of lending, including cooperative financial management with a percentage of 98.4%. In addition, members also received information related to cooperative finances and operational costs, this statement was revealed by members of the Madani credit union cooperative as many as 118 people from a total of 125 respondents, then the same thing was also expressed by Bererod Gratia credit union cooperative members as many as 110 people from a total of 125 respondents.

Accountability Analysis

Regarding accountability, almost all members of the Madani credit union cooperative were 124 people or 99.2% of the total members of 125 people, which as respondents stated that there was ease of accessing finance or credit, while members of the Bererod Gratia credit union cooperative amounted to 121 people or 96% of the total 125 people also stated the same thing as the ease of accessing finance or credit.

Responsibility Analysis

Studies related to responsibility variables in aspects of responsibility for duties and obligations, such as loan payments, participating in cooperative activities, participating in training/skills carried out professionally and responsibly, are also involved in increasing cooperative membership. This statement was supported by respondents from Madani credit union cooperative members as many as 123 people or 98.4% of 125 people and from Bererod Gratia credit union cooperative members as many as 124 people or 99.2% of the total respondents 125 people. From the results of the data collection, it shows that 99.2% of respondents of CU Bererod Gratia have committed to carrying out their duties and responsibilities, members of the Madani credit union cooperative including members, management, and employees as much as 98.4% have also carried out their responsibilities to participate in activities, training / skills and education for the progress of the cooperative.

Independency analysis

The results showed that as members of the cooperative in terms of finance, the creation of independence for members and in togetherness dare to bear risks, and dare to manage their own finances, members are encouraged to have the ability to be independent, confident and able to try themselves. This is supported by respondents from Madani credit union cooperative members as many as 120 (96%) people from 125 people and from Bererod Gratia credit union cooperative members as many as 118 (94.4%) people from a total of 125 respondents, so it can be concluded that the independence of members of the two cooperatives has been successful. In addition to financial independence, members also have a high commitment in accounting for their rights and obligations independently or managing independently, the success rate achieved is above 96%. The results also showed that 98% created member independence and cooperation in advancing the cooperative. And there is mutual independence in a cooperative environment that above 90% of respondents have a mutual agreement to bear the risk.
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Including the application of membership that is voluntary and open to the whole community, above 98% of respondents who expressed agreement.

**Equality and Reasonability Analysis (Fairness)**

The next basic principle, fairness, as a whole with a percentage value above 80% reveals that since becoming a member of the cooperative, everyone has the opportunity to be involved in joint decision making. In voicing rights, each member of the cooperative has one vote and has the right to participate in decision-making in member meetings, above 89% of respondents expressed agreement with the indicator. Above 99% of members have the same rights and obligations in transacting and getting economic benefits in cooperatives. Another aspect is the concern of the board and members for the community and the surrounding environment, showing that above 93% of respondents have the same view on the statement.

From the results of data collection, it illustrates that the Madani credit union cooperative with a percentage of 98% carries out all activities professionally and responsibly efficiently and effectively, as well as the Bererod Gratia credit union cooperative carries out the same. This finding is supported by the (Kaihatu, 2006). In addition, all management, members and employees always actively participate in activities and uphold the basic value of kinship with the percentage value of involvement of each cooperative as much as 98%. Furthermore, member involvement above 92% to increase cooperative membership by actively attracting people to become new members. This description is supported by research by (Adler & Kwon, 2002).

**Social Responsibility Analysis (CSR)**

Analysis of social responsibility / CSR variables, there are several aspects that are of concern to the Madani credit union cooperative and Bererod Gratia credit union cooperative to organizational social responsibility, namely social, environmental, economic, legal, and education-health aspects. From the social aspect, it shows that 98% stated that the Madani credit union cooperative has tolerance and strong social ties in a familial manner which is manifested in the form of joint activities, while the Bererod Gratia credit union cooperative above 99% also applies the same thing in joint activities within the cooperative environment. On the environmental aspect, the majority of respondents stated that each member is increasingly confident in implementing and informing the benefits of cooperatives for the surrounding community. Furthermore, in the economic aspect within the two cooperatives, both the Madani credit union cooperative and the bererod Gratia credit union cooperative, all members support mutual sharing which is realized economically with savings and loan services. Likewise, in the activities carried out, cooperatives adjust to existing laws and rules referring to sources of funds, loan procedures and capital in accordance with applicable laws in cooperatives. Another positive impact is the existence of the Madani credit union cooperative and the Bererod Gratia credit union cooperative in terms of education and health. Since the community has become part of a cooperative or cooperative members, there has been an increase in RT opinions that greatly help members in meeting education and health needs. The presentation shows that the values in the cooperative embraced by each member and seven core subjects have been successfully implemented and support the success of the cooperative, the results of this study are supported by the study of (Messabia et al., 2023).

**Performance Analysis**

Furthermore, related to cooperative performance variables, the results of the study revealed that there is a strong commitment between management and members to increase growth and business sustainability for the common good of both cooperatives and
cooperative members. Of the members of the Madani credit union cooperative as many as 122 people (97.6%) of the total members of 125 people, and of the members of the Bererod Gratia credit union cooperative as many as 121 people (96.8%) of the total 125 people. Form joint activities for progress between the board and members of the cooperative and the cooperative itself through the provision of soft skills in the form of training or skills for all resources including members, management, supervisors, including administrative personnel.

Another aspect related to performance, from the results of the study illustrates that the existence of such a large commitment with a percentage value between 98.4% to 99.2% shows a continuous commitment and improving mutual welfare between the board and members to continue to be involved in achieving the success of the cooperative. The achievement of mutually agreed performance is formed due to mutual commitment between management and members, including a mutually supportive work environment, the relationship between management and members is always built through good and interactive communication so that members can feel the environment of the two cooperatives is conducive, comfortable and healthy, the findings of this study are supported by a study by (Hasibuan, 2018).

In terms of performance analyzed in this study related to work motivation, salary and incentives, work environment, ability to develop themselves, teamwork, and financial stability and sustainability of cooperatives. The majority of respondents above 98% of respondents from both the Madani credit union cooperative and the Bererod Gratia credit union cooperative stated that the loans provided by the cooperative were useful to help members’ income and increase business capital, which ultimately had an impact on work motivation. Furthermore, respondents also revealed that each member has flexibility in using deposits, loans and SHU for personal interests which has a very helpful impact in financial terms.

In addition, the work environment at the Madani credit union cooperative and Bererod Gratia credit union cooperative is felt conducive, so that every member feels free to act and give opinions. This encourages the ability of members to be encouraged to develop themselves, because the environment also provides opportunities and facilitates each member to improve their insights and skills through various activities and trainings held by the cooperative. The results showed that 98% of respondents revealed that the team in the Madani credit union cooperative and Bererod Gratia credit union cooperative have excellent cooperation, and strong cooperation in providing effective services for their members. The next factor relates to financial stability. Based on the results of the study, 98% of respondents stated that the Madani credit union cooperative and Bererod Gratia credit union cooperative formed reserves and internal financial control with continuous services for the welfare of members.

Based on this description, it shows the success of the Madani credit union cooperative and the bererod Gratia credit union cooperative. The results of this study are supported by (Bernardin, 2023) that performance is very beneficial for the dynamics of overall organizational growth to know the actual conditions of how cooperative employees perform.

The description describes that governance and CSR that are currently running are good, reflected in participatory between management and governance members including the application of existing principles in the credit union forum mediated with professional performance.
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This exposure is supported by a study by (Messabia et al., 2023) which revealed that the success of cooperatives is closely related to good governance, effective management, willingness, transparency, participation, commitment, access to financial information and so on which was also revealed in (Messabia et al., 2023). The results of this study are also in line with seven core subjects in ISO 26000 including organizational governance, fair operational practices including the development and involvement of cooperative members National Standardization Agency., 2013.

Conclusion

Based on the results of research on the Bererod Gratia credit union cooperative and Madani credit union cooperative in examining how the influence of governance and social responsibility (CSR) on cooperative performance on improving member welfare. The results of the study concluded that:

The implementation of transparency has been implemented and is running very well, this is shown by the openness of the management and members to share relevant information, dialogue, provide suggestions and suggestions at each meeting and in terms of financial statements, members know the financial/operational situation as outlined in the Annual Member Meeting Report (AMMR) starting from financial transactions, the purpose of the loan, including the financial management of the cooperative, operational costs, in terms of meetings, procedures, registers and including the application of principles in the credit union forum.

Strengthening accountability is always built by providing services so that members can easily access finance or credit, a democratic atmosphere and freedom of expression are always built, as well as between management and members have high involvement and commitment to always grow and be sustainable in advancing the cooperative. This form of commitment is manifested in the form of the availability of training for all ADMs, both members, management, supervisors, including administrative personnel. Another commitment of all members has always been the effort to build a democratic atmosphere and freedom of expression. And from members and administrators have a strong commitment to increase growth and business sustainability for the common welfare of both cooperatives and members and administrators of cooperatives.

Success in implementing responsibility has an impact on aspects of responsibility and duties of each individual member, especially in terms of compliance with loan payments and participating in cooperative activities such as training or skills in education for the progress of the cooperative. The tasks carried out in each activity are carried out professionally, efficiently and effectively. And all members including the board actively participate in joint activities and uphold the principle of kinship. Another support that is always carried out by all cooperative members, employees and administrators related to the sustainability of the cooperative is the willingness to be involved in increasing cooperative membership by attracting people to become new members.

The successful implementation of transparency, accountability, and responsibility affects the formation of independence. The level of independence of cooperative members can be seen in terms of finances, members are able to stand alone, confident and strive for themselves. Other successes are more committed and bolder members manage rights and obligations independently. Cooperative membership is voluntary and open to the entire community, independent involvement of all members and cooperation to expand networks to advance the cooperative including in terms of bearing mutual risks.
The next success, namely fairness, overall succeeded in creating fairness as seen from the expressions of respondents that since becoming a member of the cooperative, everyone has the opportunity to be involved in joint decision making, the concern of the board and members for the community and the surrounding environment, each member of the cooperative can voice one voice and has the right to participate in decision making in member meetings, has the same rights and obligations in transact and obtain economic benefits in cooperating.

Referring to the analysis of social responsibility (CSR) from the social aspect, it shows that all members, employees and administrators including supervisors are increasingly tolerant and have strong familial social ties manifested in every joint activity. Likewise, in the environmental aspect that allows, respondents are increasingly confident in informing the benefits of being a member of a cooperative to the surrounding community, while in the economic aspect there are sharing activities realized economically and savings and loan services. Furthermore, in terms of law, all activities are in accordance with existing laws and rules. Next from the factors of education and health, with increasing household income manifested in the form of activities in helping meet needs and health.
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