

# Role Analysis of Cooperative Business at Serba Guna Indah Lestari Binjai.

Joan Berlin Damanik, S. Si., MM; Nurlinawati Simanjuntak

Lecturer of Sisingamangaraja XII University Tapanuli

Email : consuljoan2@yahoo.co.id

Email : linajuntak451@gmail.com

**Abstract**—One of the developments economies is the development of cooperatives. Cooperatives contain the meaning of "cooperation". From an economic point of view, "cooperation" can be "profit oriented" and can also be "non-profit oriented". Profit-oriented cooperation is cooperation in capital. This partnership grow up as business entities whose main purpose is to foster capital to gain maximum profit as applicable to the company. While non-profit oriented is the cooperation that forms a business entity that is not solely emphasized to profit but more strived to serve or demands of its members. Because the cooperative is a business entity consisting of people, a cooperative or legal entity, with the basis of its activities based on the principle of cooperatives as well as the people's economic movement, which is based on the principle of kinship. That obliges its members to work together . The internal controls applied to the Multifarious Business Koperasi of Binjai City and the crediting system has been effective. Internal controls applied have been effective and adequate. With the effectiveness of internal controls composed of elements. The crediting system implemented in the Multipurpose Business Koperasi Indah Lestari of Binjai city has been effective.

**Keywords**—Cooperative Business, Koperasi Serba Guna Indah Lestari Binjai.

## I. INTRODUCTION

Indonesia is a developing country where some residents in rural areas so that the national development aims to improve the welfare of the people, then the rural areas get priority as the field of development. This is not only about the problem of equitable development, but considering in rural areas there are many potential development resources. These potential resources are in the form of Human Resources or Natural Resources , both of them should be involved and utilized optimally, so they can be efficient and effective for the community.

Part of the development sector that absolutely must be held or enhanced is the development in the economic sector that will greatly affect the progress of the state and the people of Indonesia because it is directed to the

realization of an independent national economy and reliable based on economic democracy. One of economy developing is the development of cooperatives. Cooperatives contain the meaning of "cooperation". From an economic point of view, "cooperation" can be "profit oriented" and can also be "non-profit oriented". Profit-oriented cooperation is cooperation in capital.

This partnership built business entities whose main purpose is to foster capital to gain maximum profit as applicable to the company. While non-profit oriented is the cooperation that forms a business entity that is not solely emphasized to seek profit but more strived to serve or meet the needs of its members. Because the cooperative is a business entity consisting of people, a cooperative or legal entity, with the basis of its activities based on the principle of cooperatives as well as the people's economic movement, which is based on the principle of kinship. That obliges its members to work together and help.

## The Problems of the Study

From the description above the problems of the study can formulated as follows:

1. How is the effort of Multifarious Business Sustainable by Koperasi Lestari Binjai City to develop of society through savings and loan?
2. What is the role of Koperasi Serba Usaha Indah Lestari Binjai to develop of members and society?
3. How is the mechanism saving and loan at Koperasi Serba Usaha Indah Lestari Binjai City?

## The Objectives of the Study

In relation to the problems of the study, the objectives of this study are.

1. To know the effort of Multifunctional Business Koperasi Lestari Indah Binjai City to develop of society through savings and loans.
2. To know the role of Koperasi Serba Usaha Indah Lestari Kota Madya Binjai to develop of members and society.

3. To find out how the influence of Koperasi Serba Usaha Indah Lestari Binjai city to develop community.

### The Significances of the Study

1. For writer, as a way to train, to write and to think scientific in the field of cooperative management.
2. For Koperasi Serba Usaha Indah Lestari Binjai city, it is hoped that this research result can be used as input to pay more attention to cooperatives.
3. For other researchers, as a reference in research on the object of the same problem in the future.

## II. REVIEW OF LITERATURE

### Definition Cooperative based on of Law No.25/1992

Cooperative is a business entity consisting of persons or a body corporate or a co-operative, with the bases activities based on the principles of economic cooperation as well as the people's movement, which is based on a family basis. The purpose Cooperative In Law No.25/1992 regarding cooperatives Article 3 states that , the cooperative aims to promote the welfare of its members in particular and the society in general , as well as help build the national economy , in order to realize an advanced society , just and prosperous based on Pancasila and the 1945 Constitution .

### Platform and Cooperative Principles

The foundations of cooperatives in Indonesia are rooted in what is known as Rochdale principles. (Sagimun. MD 1983: 59)

1. The foundation of an idiative Indonesian cooperative is Pancasila. Pancasila is an ideological foundation of the Republic of Indonesia and serves as a guide for the life of all Indonesians. The five principles of Pancasila become the foundation in the life of Indonesian cooperatives.
2. The structural foundation of the Indonesian Cooperative is the 1945 Constitution this is also the case with Pancasila which is nothing but the structural foundation of the Republic of Indonesia is the 1945 Constitution. The Indonesian cooperative movement should be appropriate and should not conflict with Pancasila and the 1945 Constitution.
3. The operational base of Indonesian cooperatives, The operational base of Indonesian cooperatives is as follows:
  - a) Article 33 of the 1945 Constitution and its explanation
  - b) Decree of MPR number II / MPR / 1983 on GBHN

- c) Law No.12 of 1967 on the Principles of Cooperatives
- d) Articles of Association and Bylaws of Cooperatives. Indonesian cooperatives are based on kinship. This is clearly stated in the provisions of Chapter II, the first part, Article 2 of Law No.25 of 1992 on Cooperatives. This principle of kinship is a principle that is in accordance with the soul and personality of the Indonesian nation and has been entrenched in the soul of the Indonesian nation. Cooperative efforts that run cooperatives with the principle of kinship is usually referred to mutual cooperation, which reflects the spirit of togetherness. In cooperatives, what is meant by joint effort here is based on kinship. (Sutantya Rahardjo H. 2000: 39)

### Cooperative functions under Law No.25/1992:

1. Build and develop the potential economic viability members in particular and the society at large to improve the economic and social welfare.
2. Play an active role in efforts to enhance the quality of human life and society
3. Strengthen the economy of the people as the basis of the defense forces and the national economy.
4. Trying to establish and develop the national economy which is a joint venture on the basis of the principle of kinship and economic democracy.

### Cooperative principles

#### Cooperative principle by Munker

The cooperative principles are the principles of social science formulated from experience and a major clue in doing something .

### Rochdale Principles, among others:

Democratic oversight.

1. Membership is open.
2. Interest on capital is limited.
3. SHU distribution of services to members proportional to each member.
4. Entirely with cash sales.
5. The goods sold must be genuine and not faked.
6. Provide education to the members of the cooperative principle.
7. Neutral to politics and religion.

**Principles of Raiffeisen**

1. Non
2. Limited working area
3. SHU for backup
4. Responsibility of members is not limited
5. Administrators to work on a voluntary basis
6. Effort only to members
7. Members on the basis of character , not money

**The principle of ICA (International Cooperative Alliance)**

1. Cooperative membership is open without any restriction made-up.
2. Democratic leadership on the basis of one person one vote.
3. Capital received limited interest, and even then if there is.
4. SHU for public reserves and a portion is returned to the members in accordance with their respective services.
5. All cooperative education should run continuously.
6. Cooperative movement should carry out close cooperation both regionally, nationally and internationally.

**Elements of cooperation**

1. Cooperatives are business entities
2. Cooperatives are a collection of people and entities cooperative.
3. Indonesian Cooperative is a cooperative work by " cooperative principles
4. Cooperative Indonesia is "economic movement "
5. Indonesian cooperatives based on principle family.

**The Role of Cooperatives**

Role is closely related to social status. Because every social status is translated into a social role. Both can not be separated, because one depends on the other and vice versa. No status without role and no role without status. That role is very important because it can regulate individual behavior. As William Shakespeare cited by James M. Henslin: The whole world is a stage all men and women are just players ,they came out and went inside in turn someone plays many rolest that the individual provides them "entrance" and "way out" in the stage of his life. In short, the role is very effective for curbing individuals, telling them when they should "go in" and when they should "get out", or what to do between them.

The role of a fence. Roles allow every individual to be free, but for most individuals, that freedom is limited.

Because the role is governed by the prevailing norms. Suppose that a woman or a man decides that she will not wear shoes. In most situations, they cling to their decisions. But when a formal event arrives, like going to school, they will tend to give up on the norms that make them feel over helmed. Roles are essential to social life. When individuals are born, roles, attitudes, obligations, and rights attached to status, have been determined. The role attached to each individual must be distinguished from the social position of society. The position of the individual in society is a static element that shows the place of the individual in society. More role shows the function, adjustment and as a process. It can be said that the individual can occupy a status, but play a role. Since the role is a dynamic aspect of the status, that is, if the individual exercises his / her rights and obligations according to his / her status, then he has performed a role. A role at least includes three things:

1. Roles include norms associated with the position or place of individuals in society. The role in this sense is the set of rules that guide individuals in the life of society.
2. Role is a concept of what can be done by individuals in society as an organization.
3. Roles can also be regarded as individual behaviors that are important for the social structure of society.

The significance of the role is exposes what is expected of people. For example, a buyer is your status, but your expectation of receiving the item you want from the seller, as well as the salesperson's expectation that you will pay for the goods you buy, is all part of your role.

**III. RESEARCH METHODOLOGY****Research Design**

The collected data analyzed through descriptive qualitative method. In descriptive qualitative method, the data were systematically and accurately analyzed based on the theory applied in the study. According Gay and Eurasian (2000), Qualitative approach is based on the collection data and analysis of non numerical data such as observations, interviews, and other more discursive sources of information. Additionally, Moleong stated (2009) "Qualitative research is the research that's means to understand the phenomenon about what is the subject research undergone by using natural method". It means that Qualitative research is the research which understanding the phenomenon based on the collection data and analysis of non-numerical data.that is obsevation to the role undertaken by savings and loan Koperasi in Binjai City to develop of community efforts. As a

research step in this study, the author uses descriptive analysis method.

### Place and Time of Research

This research takes place in the Binjai City area. The time of this study was conducted from May to July in 2018.

### Population and Sample

Population is used as a sample because the population is relatively small (Sugiyono, 2003: 78). The sampling technique used is the survey where the data of Koperasi Serba Usaha Indah Lestari Binjai city since 2017-2018.

### Source of Data

The data were collected based on purposive sampling technique as stated by Sugiyono (2013: 218) "purposive sampling is the technique of collecting data based on certain consideration". In addition, according to James (1999: 76) "purposive sampling is the selection of particularly informative or useful subjects. The research that the authors do is field research and literature research, then data source studied are classified:

- a) Primary Source: data obtained directly from the field through interviews with some leaders of the Multipurpose Business Koperasi Lestari Indah Binjai City.
- b) Secondary source: to support data source and to complete this research is taken from independent bank documentation, literature review in the form of books and other media written by economic experts, especially in the field of cooperatives

## IV. FINDINGS AND DISCUSSION

Koperasi Serba Usaha Indah Lestari Binjai always try to comply with all rules and laws that apply especially regarding the rules of lending established by the Office of Cooperatives to prevent the occurrence of sanctions, in addition to the management with integrity and ethical values that have been given a good example for its Personnel by carrying out their duties according to their responsibilities and authority.

This is evident from the inadequacy of internal controls applied that can be seen from the effectiveness of internal control elements, namely: environment control, risk assessment, activities control, information and communication, and monitoring, and achievement of internal control objectives. Despite the limitations of internal controls that do not enable the full effectiveness of the crediting system, there are also other untested factors that also play a role in supporting the effectiveness

of the crediting system, but the internal control of the Koperasi Serba Usaha Indah Lestari Binjai Municipality has supported the effectiveness of small and medium enterprise credit system that is application of healthy crediting principles and procedures, adequate guarantee and collateral, interest and smooth credit repayment, credit giving selectively prioritized in the sectors of small and medium enterprises, and credit has been in accordance with designated. Thus, the internal controls applied to Koperasi Multipurpose Indah Lestari Binjai City has been effective and supporting the effectiveness of small and medium enterprise credit system, which plays a role in encouraging operational efficiency and effectiveness, encourage the reliability of financial statements, and encourage compliance with laws and regulations .

## V. CONCLUSION

Based on the research that the authors in the Multipurpose Business Koperasi Indah Lestari Binjai City, the authors can conclude that the internal controls applied to the Multipurpose Business Koperasi Indah Lestari Binjai City and the crediting system has been effective. That derived as follow :

- A. Internal controls implemented have been effective and adequate. with the effectiveness of internal control which consists of the elements:
  1. Control Environment
    - a) The existence of the rules that are applied regarding the personnel procedure in the form of ethics and behavior.
    - b) The existence of adequate organizational structure completed job description, assign responsibility and clear delegation of authority so that each employee can know their respective duties.
    - c) The existence of separation of duties and responsibilities of the crediting system.
  2. Determination of risk management the existence of risk estimates so that it can follow any developments in the event of a change.
  3. Control Activities
    - a) The existence of separation of duties and responsibilities of the crediting system.
    - b) The existence of authorization from the authorized official to the crediting transaction.
    - c) The availability of adequate documents and records.

- d) The existence of physical control of documents / guarantees required for credit files.
  4. Information and Communication the existence of the implementation of information and communication systems supported by adequate procedures and documents.
  5. Monitoring
    - a) Monitoring is carried out by the Multipurpose Business Koperasi Lestari Binjai city to establish the quality of internal control and follow up to the deviation that happened.
    - b) Has made a branch performance report as a management information tool in monitoring branch operations including the development of loans.
  6. The effectiveness and efficiency of operations seen from the caution of savings and credit cooperatives avoids the possibility of demands from customers by controlling strict credit procedures for crediting systems in accordance with applicable regulations.
  7. Reliability of financial statements supported by the validity of report data due to proper authorization of each transaction.
  8. Compliance with applicable laws and regulations with due regard to guidance from the head office and the board of directors.
- B.** The crediting system that is applied at Koperasi Serba Usaha Indah Lestari Binjai city has been effective. This is supported by the effectiveness of the crediting system with support from:
- a) The lending system that occurs in the Business Solution of Serba Usaha Indah Lestari Binjai City has been in accordance with the principles and procedures and regulations, so there is no misunderstanding or manipulation of customer data.
  - b) The existence of adequate guarantee in accordance with the amount of credit provided to the customer so that it can be used as security guarantee credit.
  - c) In every credit given to the customer always provides benefits to the company in the form of interest, and credit repayment from the customer has been in accordance with the time applied so that the risk of bad loans becomes very small.
  - d) Giving credit has been targeted and productive that is prioritized to help the small and medium business sector.
  - e) The use of credit by customers has been in accordance with the original plan in addition to capital.
- C.** The role of internal controls in supporting the effectiveness of the crediting system. This is supported by the questionnaire results related to the role of internal controls to support the effectiveness of the crediting system of 92.97%. And can be seen from:
- a) Effective Internal Control helped maintain the wealth of the Multifunctional Business Koperasi Lestari Binjai City so that security of credit funds is maintained.
  - b) Good internal controls have encouraged the thoroughness and scandal of accounting data so that there will be no case of data engineering.
  - c) Good internal controls have encouraged compliance with management policies, so that there is no violation of the prevailing provisions that have been set up by the Multipurpose Business Koperasi Indah Lestari Binjai City.
  - d) Effective internal control helped operational efficiency. The effectiveness of the crediting system has been achieved by the implementation of the principles and procedures for the provision of sound credit and smooth repayment of principal and interest payable, credit conformity with the allocation also shows that the credit is worth to be disbursed because the debtor uses the existing funds in accordance with the agreement. In addition, the customers are indeed eligible to receive credit supported by the customer's ability and support from the level of business, so that internal controls at Koperasi Multipurpose Indah Lestari Binjai City has been able to prevent abuse of authority, so the credit system is really through analysis and precise calculation so that the credit disbursed can be minimized the risk of stalled.

#### REFERENCES

- [1] Budiman, A. (1995). *Teori Pembangunan Dunia Ketiga*. Jakarta : PT. Gramedia Pustaka Utama.
- [2] Bogdan, R and Biklen,S. (1992). *Qualitative Research for Education*. Boston: Allyin and Bacon.
- [3] Deliamov, B. (2007). Ilmu Pengetahuan Sosial Ekonomi. Penerbit:Erlangga.37
- [4] Edilius dan Sudarsono. (1996). *Koperasi Dalam Teori dan Praktek*. Jakarta: PT. Rineka Cipta.
- [5] Hadhikusuma, R.T. (2000). *Hukum Koperasi Indonesia*. Jakarta : PT Raja Grafindo Persada.
- [6] Harsono, Y. (2006). *Ideologi Koperasi Menatap Masa Depan*. Yogyakarta: Pustaka Widyatama.
- [7] Henslin, J. M. (2006). *Sosiologi dengan Pendekatan Membumi (Cetakan ke enam)*. Jakarta : Erlangga.
- [8] MD, Sagimun. (1984). *Koperasi Indonesia*. Jakarta : Departemen Pendidikan.
- [9] Moleong, Lexy J. (2002). *Metode Penelitian Kualitatif*. Bandung: PT. Remaja Rosda Karya.
- [10] *Undang-Undang Republik Indonesia Nomor 25 Tahun 1992 Tentang Perkoperasian*