



## JOURNAL

### **Analysis of Media Group Employee Cooperative Development Strategy in Increasing SHU**

**Amira Yasmin Zayyan**

Faculty of Economics, Jakarta State University, Indonesia

Email: amirazoel15@gmail.com

**Prof. Dr. Sri Indah Nikensari, M.Si**

Faculty of Economics, Jakarta State University, Indonesia

Email: indah\_nikensari@unj.ac.id

**Aditya Pratama, S.Pd., M.Pd**

Faculty of Economics, Jakarta State University, Indonesia

Email: adityapratama@unj.ac.id

#### **Abstract**

This study aims to find out how SWOT analysis is used as a strategy for developing Media Group Cooperatives in increasing SHU. The research method used is the method of field research (field research) in the form of descriptive qualitative. Data collection techniques in this study were interviews and literature and the population was the management of the Kokarmindo cooperative and a comparison also conducted interviews with the management of several other employee cooperatives, on the conditions prevailing in the cooperative. As well as SWOT analysis in the form of descriptive analysis and SWOT Matrix. The results of this study are that the strategy used is in accordance with what it should be, namely earning income through the members themselves and collaborating with outsiders as well as policies and operations taken by the management based on plans and objectives that have been set through the Annual Member Meeting (RAT) with the rules and Standard Operating Procedure (SOP).

Keywords: Cooperative, Development, Strategy

#### **Introduction**

Cooperatives have an important role in realizing the achievement of welfare for members in particular and society in general. Cooperatives in their activities are more socially oriented than business, and prioritize education, solidarity and self-help as the main pillars of their development. As an organization carrying out a social mission, to achieve the ideals of welfare for its members, the business aspect must receive serious attention and be studied properly by the people who develop cooperatives. The business aspect concerns the cooperative's ability to earn profits that will be enjoyed by members and also as a component for developing institutional capital.

The Indonesian government is currently making improvements in various development sectors as an effort to achieve the goals of the State as stated in the fourth paragraph of the 1945 Constitution, namely advancing public welfare, educating the nation's life and participating in



carrying out world order based on eternal peace and social justice. Republic of Indonesia Government Regulation No. 7 of 2021, Cooperatives are business entities consisting of individuals or cooperative legal entities with activities based on cooperative principles as well as a people's economic movement based on the principle of kinship.

Cooperative business is a business that is directly related to members and increases business and welfare. Although seeking profit is not the main goal of a cooperative business, the business managed by the cooperative must obtain a decent profit margin (SHU) so that the cooperative can maintain its survival and improve its business capabilities (Munir, 2011). According to Wigati and Cornelio (2003) in Widiartin, et al (2016), Remaining Results of Operations (SHU) is a cooperative's income obtained from its activities or business during an accounting period after deducting costs.

The amount of residual business results obtained by cooperatives every year is also an indicator of the success of cooperative management. The ability of cooperatives to manage all their potential in an effort to earn profits is the most basic thing.

According to Firdaus and Susanto (2004) in Raidayani, et al (2017), the number of cooperative members is a determining factor in the life and sustainability of cooperatives. Members have a very significant role in determining the direction and development policies for the cooperative. In accordance with article 17 paragraph 1 of the Law of the Republic of Indonesia Number 25/1992 it is stated that cooperative members are owners and at the same time users of cooperative services, paragraph 2 cooperative membership is recorded in a register of members.

Research related to the determinants of the acquisition of Remaining Profits (SHU) has been carried out a lot. Widiartin, et al (2016) with his research entitled "The Influence of Loan Capital and Business Volume on Remaining Business Results" shows that loan capital and business volume have a significant positive effect on the remaining operating results. A large number of members will of course be able to encourage a large SHU, but on the other hand an increase in the number of members can also reduce the SHU obtained by the cooperative, if the new members are passive. The inactivity of cooperative members can be caused by the lack of member participation in information in cooperatives, so that cooperatives are still experiencing difficulties developing (Ayuk, 2013).

Strategy evaluation or strategy assessment is the final stage in the strategic management process where managers try to ensure that the selected strategy is implemented and appropriate (Ridwan and Yuli, 2018: 246).

In carrying out operations, Kokarmindo has carried out according to cooperative principles by distributing Business Profits (SHU) to its members, according to table 1.1 SHU Report Position

**Table 1.1 Position of SHU report**

<b>Information</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>



	Rp.	Rp.	Rp.	Rp.	Rp.
<b>Revenue (Net)</b>	1,382,528	1,791,248	1,788,148	1,746,255	1,218,784
<b>Operating Costs</b>	577,166	552,089	601,789	644,509	705,718
<b>Gross Operating Profit (SHU).</b>	806362	1,239,158	1,186,359	1,101,746	513,066
<b>SHU is divided</b>	285,055	419,274	405,703	380,000	350,000
<b>Profit (SHU) Net</b>	521,307	819,884	780,656	721,746	163,066

Source: Kokarmindo Report 2016-2020

(Rp. In

thousands)

It can be seen that Kokarmindo's Remaining Results of Operations (SHU) from 2016 to 2020 experienced fluctuating movements, this can be seen in table 1.1, the position of the SHU report, which in 2016 shows the gross SHU amount of Rp. 806,362 million, in 2017 it increased to Rp. 1,239,159 million or an increase of 37% and in 2018 decreased to Rp. 1,186,359 million or decreased by 5%, in 2019 it still fell to Rp. 1,101,746 million or decreased by 7%, until 2020 it will still decrease to Rp. 513,066 million and in 2020, the gross SHU decreased by around 50% compared to 2019.

Remaining Business Results (SHU) or profits are information on the performance of a business that is needed to assess potential changes in economic resources that may be controlled in the future (Sastradipoera, 2004). The development of a strategy to increase the Remaining Results of Operations (SHU) has been carried out by the Media Group Employee Cooperative (Kokarmindo). By carrying out various innovations in managing the resources owned, both funds and connectivity to business units within the scope of the Media Group, as well as connectivity with outside parties.

## Theoretical Studies

### 1. Cooperative

Based on Law no. 25 of 1992 and amendment No. 17 of 2012 Chapter I Article 1 paragraph 1, cooperatives are business entities consisting of individuals or cooperative legal entities with the basis of their activities based on cooperative principles as well as a people's economic movement based on the principle of kinship.

Cooperative according to Prof. RS Soeriaatmadja is referred to in Hendrojogi (Hendrojogi, 2004) is an association of people who on the basis of equality as human beings, regardless of religious and political directions voluntarily enter, to simply fulfill the common material needs of the joint responsibility.

Cooperative according to Prof. Marvin. A. Schaars is referred to in Hendrojogi (Hendrojogi, 2004) is



a business entity voluntarily owned and controlled by its members who are also its customers and operated by them and for them on a non-profit or fee basis.

## **2. Development Strategy**

Strategy is a pattern of goals, policy aims or objectives, and major plans for achieving those goals, expressed in such a way as specifying the business a company is in and what kind of company it is or is to be. (Laudon & Laudon, 2014). Whereas (Sule & Saefullah, 2006) said that the strategy as a comprehensive plan to achieve organizational goals. So the strategy is a way to achieve the goals of the company or related agencies. So it can be decided whether the business should exist or not exist.

According to Nilasari (2014: 2), "the word strategy comes from the Greek, namely Strategos which means military commander". So that the word strategy used to be more often used in connection with war or competition in the field of sports. But now the word strategy is used in various fields, including within the scope of business.

According to Porter in Nilasari (2014: 3), "strategy is the creation of a unique and valuable position that is obtained by carrying out a series of activities". Based on this opinion, it can be explained that a business organization must be able to create something unique, unique means different from the others and has more value, of course, than products, both goods and services owned by competing companies.

## **3. Remaining Business Results**

Based on Law no. 25 of 1992 and amendment No. 17 of 2012 concerning cooperatives article 45 paragraph 2 that, the remaining operating results after deducting reserve funds, are distributed to members in proportion to the business services carried out by each member with cooperatives, and are used for cooperative education purposes and other needs of the cooperative, in accordance with the decision of the meeting of members. In his explanation it was stated that the determination of the amount of distribution to members and the type and amount of other needs, was determined by the meeting of members.

The year-end calculation that describes the receipt of cooperative income and the allocation of its use for cooperative costs based on article 45 paragraph (1) of Law no. 17/2012 can be formulated as: Remaining Results of Operations = Revenue – (Expenses + Depreciation + Other Liabilities + Taxes).

According to Sitio and Tamba (Sitio & Tamba, 2001), in general, the remaining results of cooperative operations are divided into: Cooperative Reserves, Member Services, Management Funds, Employee Funds, Education Funds, Social Funds and Work Area Development Funds.

## **4. SWOT analysis**

Fredi Rangkuti (Rangkuti, 2004) explained that SWOT analysis is a systematic identification of various factors to formulate corporate strategy. This analysis is based on logic that can maximize strengths and opportunities, but simultaneously minimize weaknesses and threats.



### **Research methods**

The research was conducted at the Media Group Employee Cooperative (KOKARMINDO) located in West Jakarta using field research methods in the form of qualitative descriptive. As well as SWOT analysis in the form of descriptive analysis and SWOT Matrix.

The data collection technique in this study, by taking secondary data sources in this study, namely documents in the form of Financial Report data and Calculation of the Remaining Results of the Media Group Employee Cooperative (Kokarmindo) from 2016-2020 and conducting interviews with the management of the Kokarmindo cooperative.

As a comparison, they also conducted interviews with the management of several other employee cooperatives, regarding the conditions prevailing in the cooperative. The results of interviews with all of these cooperatives were summarized in the form of a SWOT matrix analysis. In conducting interviews with several aspects, namely: Organizational Structure, Duties and functions of cooperative management and cooperative employees, Membership requirements, The basis of cooperative regulations in operations, the efforts made in earning income.

### **Results and Discussion**

#### **Analysis of Data Sources and Internal Policies**

In the operational activities and running of the Media Group Employee Cooperative (KOKARMINDO) and several other cooperatives as a comparison for their daily operational activities both for income and current policies. After it is known based on the results of interviews and the author's review of several cooperative administrators, the analysis is obtained based on the SWOT classification according to table 4.1 Results of the SWOT Matrix Analysis, it can be described strategies that can be used to increase competitiveness:



<p><b>Internal factors</b></p>	<p><b>Strengths</b></p> <ol style="list-style-type: none"> <li>1. Potential members are already available</li> <li>2. Clear rules and SOPs in operational policies</li> <li>3. The organizational structure goes according to operations</li> <li>4. Supervision of operations runs periodically</li> <li>5. There are opportunities for training and coaching</li> <li>6. Adequate work tools and computer system support</li> </ol>	<p><b>Weaknesses</b></p> <ol style="list-style-type: none"> <li>1. The presence of management and supervision is not running as it should</li> <li>2. Limited capital</li> <li>3. Lack of awareness of members in cooperatives</li> <li>4. Prone to bad credit</li> <li>5. Not supported by an adequate computer system</li> </ol>
<p><b>External Factors</b> <b>Opportunities</b></p> <ol style="list-style-type: none"> <li>1. There is parent company support both from policy assistance and as a source of income</li> <li>2. There is a loan from a bank</li> <li>3. Requests from members for the needs that members need, both cash loans and loans for purchasing goods.</li> <li>4. Competition is not too big and can be limited</li> </ol>	<p><b>SO strategy</b></p> <ol style="list-style-type: none"> <li>1. Utilize and make rules for employees who can become members (S1, S2, O1)</li> <li>2. Policies carried out by supervisors, administrators, both in operations, including to increase revenue according to rules and SOPs (S2, S3, S4, O1, O2, O3 O4)</li> <li>3. With training and coaching in order to improve the performance of management and employees which has an impact on improving services to members. (S3 S4, S5, S6 O3,)</li> <li>4. Maintain service quality and continue to increase sales volume to business units (S2, S3, S4, S5, S6, S7, O1, O3, O4)</li> </ol>	<p><b>WO strategy</b></p> <ol style="list-style-type: none"> <li>1. Clarifying the organizational structure, for each task in operations both seeking income and day-to-day administration (W1, W3, W4, O1, O2, O3)</li> <li>2. Analyze member credit applications according to the adequacy of available capital and member profiles (W2, W3, W4, W5, O1, O2, O3,)</li> <li>3. Establish strict sanctions for violations. (W3, W4, O1, O2, O3 )</li> </ol>
<p><b>Threats</b></p> <ol style="list-style-type: none"> <li>1. There is competition</li> </ol>	<p><b>ST Strategy</b></p> <ol style="list-style-type: none"> <li>1. Providing services with good quality and competitive prices. (S2, S3, S5, S6, T1)</li> </ol>	<p><b>WT Strategy</b></p> <ol style="list-style-type: none"> <li>1. Minimizing risk, both in terms of capital and increasing member participation and awareness (W2, W4, W5, O1)</li> </ol>

**Table 4.1 Overall SWOT Matrix Analysis Results**

Source: Interviews with several cooperative administrators



**A. Strategy Strengths Opportunities (SO)**, a strategy that prioritizes internal strengths and takes advantage of external opportunities:

1. Cooperative members; By utilizing the parent company's employees to become members of the cooperative with the rules and requirements. Of course, this is very potential because the member can already know the personal data including the member's source of income, it's just a matter of how the cooperative can receive it according to the rules that apply in the cooperative. Because the more members, of course, the potential for revenue from business results is expected to be greater.

2. Rules and System Operational Procedures (SOP): The existence of structured rules and SOPs is very important as a basis for making good decisions for the management of the cooperative and all its staff, including the members of the cooperative itself. For Management, with clear and transparent rules to be able to make decisions, be it rules for decisions on management policies, decisions to earn income as well as for other operations as well as rules on the rights and obligations of members.

3. Organizational Structure: The need for an organizational structure in cooperatives, because with a structured management it can make it easier for administrators to make decisions according to the position where they are. Such as the duties of the Supervisory Board with the Cooperative Chair, as well as the Cooperative Chair with several other administrators, and how the management with the cooperative employees themselves. Because each position has different duties and obligations as well as authority.

4. Supervision of Cooperatives: The course of supervision when looking at the organizational structure of cooperatives is not only in the Supervisory Board, but how all levels of management, both the Cooperative Chair, Secretary and Treasurer and cooperative employees, must be able to supervise each other according to the rules and SOPs that apply in the cooperative. The Supervisory Board functions more to be able to supervise the Management of the Cooperative and see in general the course of the cooperative in accordance with existing rules and mutually agreed upon at the Annual Member Meeting (RAT). The Supervisory Board can participate in viewing the details of a transaction, unless it is absolutely necessary

5. Training and Development: With the existence of good training and coaching followed by Cooperative Management (Supervisory Board, Cooperative Chair, Secretary and Treasurer) as well as Cooperative employees, in order to improve the performance of management and employees which has an impact on increasing knowledge, increasing income and services to member. Training and coaching, of course, this activity is very good because of the development and knowledge, as well as the conditions are very fast, if you are late or don't know about these developments, it means that there is lost potential.

6. Working Devices and Computer System Support: Improved work for now is unavoidable that the need for data accuracy as well as speed and accuracy is very much needed, therefore the need for computers to speed up and to provide information is very necessary.





7. External Opportunities: For opportunities owned by Employee Cooperatives, where the Parent Company where the members become employees is a very big potential, because the Company can act as a guarantor for employees to become members of the cooperative, and can also be a market for the purpose of earning income, where the Cooperative Employees become partners or suppliers for the needs required by the Parent Company.

Apart from the Parent Company, there are also other parties, namely banks and other partners, with whom mutually beneficial cooperation can be carried out, both from cooperatives, banks or other third parties and also members of the cooperative. The most important thing is that operations and cooperation must be followed by clear rules, so that no losses occur to each party.

**B. Weakness Opportunities (WO) Strategy**, a strategy that minimizes internal weaknesses by taking advantage of external opportunities to improve internal conditions:

1. Attendance of the Management: The presence of the management must be regulated according to the regulations in force in the cooperative, the presence of the management is not consistent in the daily life of the cooperative, this is unavoidable because the status of the management aside from being a cooperative administrator is also an employee at the parent company, it is better to be able to rely on a manager efforts to monitor day-to-day operations according to predetermined directions, so that the presence of the management does not become an obstacle.

2. Limited Capital: The capital structure is certainly an obstacle in operations both to increase income and to finance operational needs. One alternative is to rely on a third party, be it the parent company or other parties, such as capital from bank loans or becoming a partner with a bank to distribute loans for the needs of members in need. Of course, by strengthening the system, how can the conditions for members who want to borrow be evaluated so that monthly installment payments can be fulfilled?

3. Lack of Awareness in Membership: Constraints on members' awareness of their obligations to the cooperative are of course an obstacle to the progress of the cooperative itself, by consistently applying rules and SOPs, and the existence of penalties or penalties for members who do not comply this can help. And you can also use the parent company to provide education, that the growth of cooperatives is one of the awareness of members in fulfilling their obligations, and also the parent company can also impose penalties on these members, such as not being able to be included as members of the cooperative anymore.

4. Prone to Bad Credit: This is closely related, one of which is with the awareness of members in cooperatives, with cooperatives making clear rules on the rights and obligations of members in applying for loans and how to pay them, this problem can certainly be minimized. By utilizing the parent company, where the cooperative can make an agreement with the parent company that each cooperative member's loan, for monthly installment payments will be billed to the parent company, thereby reducing the risk of default on loan repayments.





Because by deducting salaries by the parent company, members can no longer avoid not paying the loan installments that are their obligations.

5. Not Supported by a Computer System: For now it cannot be denied that the need for work aids using a computer is very vital. Because using a computer can speed up the process and is also quite accurate. Because there are already many work programs that can be accessed only by using a computer, such as an accounting system, a loan program system or a payroll system. With these programs, in addition to fast processing, the results are quite accurate and detailed.

6. External Strengths: By utilizing external strengths, such as holding companies, banks and other external parties, the internal deficiencies that occur above can be maximized.

**C. Strategy of Strengths Threats (ST)**, strategies by utilizing strengths to overcome existing challenges: To get income cooperatives can carry out several strategies to be able to develop, namely:

1. By utilizing the internal strength itself, where by utilizing the capital owned and members as the main consumers. By carrying out various methods, which do not only rely on the results of interest income on loans from members, but also the profit difference from the sale of goods needed by the members themselves, such as basic food needs, electronic goods that are easily purchased by employees, and so on. other. So that competitors from outside cannot enter if the needs that are required by members can be fulfilled by the cooperative.

Of course it cannot provide all the needs of members, because the needs of each member are different from one another, but at least the general needs can be provided, because this is a potential margin for sales.

2. By taking advantage of external forces, which can be a supplier of office needs to the parent company, and can also use banks to lend capital for the lack of funds owned by cooperatives, the important thing is that it can be calculated so that no losses occur to the cooperative. In this case the cooperative must be professional in managing, of course with quality goods and also prices that are at least the same as external suppliers, so that the parent company is not disadvantaged either.

**D. Weakness Threats (WT) Strategy**, a strategy that minimizes internal weaknesses in order to survive in facing challenges: minimizing risks to competition, both with the availability of capital and the participation and care of members and also by continuing to take advantage of external strengths, such as the head office and banking.

### **Business Development Strategy Analysis**

In obtaining cooperative income, employees must carry out a strategy of internal strength and external strength. Where internal strength is by utilizing the potential of members as a source of income that benefits both parties, such as providing loan facilities, where for each loan to members, the Cooperative gets returns on interest on loans made, providing basic needs that are in great



demand by members with various choice, because members have the potential to become a source of income.

Strengthening the rules that apply in the cooperative, both to the management and to the members. Strengthening on the internal side is very well balanced with adequacy of working capital, and good and correct financial management, so that the expected margin potential can be better maintained. While external is by collaborating with other parties, be it the company where the cooperative is located or with other parties such as banks and other parties that can benefit each other.

### **Internal Strengths and Weaknesses Factors**

In terms of internal strengths and weaknesses in management to obtain and increase the remaining results of operations (SHU), namely strength is the existence of good and scheduled interaction or communication between management, with supervisors and employees, then coaching and training for both management and employees to broaden insights about cooperatives, infrastructure that has been supported by a computer system while the weakness is that it has not utilized the parent company much as a potential for increasing revenue.

### **Analysis of Policy Making by Cooperative Management**

Policy is one of the guidelines carried out by the management in making decisions. These policy makers cannot be separated from the strategies that have been announced and other tools. In carrying out operational activities, relying on plans that have been announced and mandated at the Annual Member Meeting (RAT) and existing rules or adjusted to operational conditions, both to get income as well as for expenses or costs.

### **Conclusion**

Based on the results obtained in this study it can be concluded as follows:

1. Sources of income for cooperatives are obtained by 2 strategies, namely the first strategy to get income is carried out to members such as providing loans and the second strategy is to get income from outside parties such as working with the company where the cooperative is located or with other parties
2. In terms of operations and policies adopted by the management based on plans and objectives that have been determined through the Annual Member Meeting (RAT) and also strengthen the rules or System Operational Procedure (SOP).
3. The rules on the rights and obligations of members, especially regarding the conditions for granting loans and how to repay them, must be given special attention, because unclear rules can result in losses to the cooperative, possibly also the bank if the loan is through a bank.
4. Managers in carrying out their daily operations are still unable to focus on daily operations, because apart from being administrators, they are also still active as employees at the parent company, this is an obstacle to the progress of the cooperative itself.



## Bibliography

- Ayuk, Ni Made Taman and Utama, I Made Suyana. 2013. "The Effect of the Number of Members, the Number of Savings, the Number of Loans and the Number of Working Capital on the Remaining Results of Operations (Shu) of Savings and Loans Cooperatives (Ksp) in Badung Regency, Bali Province". Udayana University E-Journal of Economics and Business Volume.02.No.09
- Hendrojog. (2004). *Cooperatives: Principles, Theory and Practice (Empa Edition)*. Jakarta: PT Raja Grafindo Persada.
- Indonesia, PR (2021). Republic of Indonesia Government Regulation Number 7 of 2021 concerning Convenience. Protection and Empowerment of Cooperatives and Micro, Small and Medium Enterprises. *Cooperatives: Theory and Practice*. Jakarta: Erlangga.
- 2016-2020 Annual Report Media Indonesia Employee Cooperative (Kokarmindo)
- Laudon, K. ., & Laudon, J. . (2014). *Management Information Systems Managing Digital Enterprises (13th ed.)*. Jakarta: Salemba Empat.
- Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia. (1992). Law of the Republic of Indonesia Number 25 of 1992. Concerning Cooperatives, 1–28.
- Munir, Misbachul. (2011). Analysis of the Health Level of Cooperatives in Savings and Loan Cooperatives "Cendrawasih" Gubug District for the 2011 Fiscal Year. *Journal of Economics*. Widya Manggala College of Economics.
- Nilasari.2014. *Strategic Management Is Easy*. Jakarta: Smart World.
- Raidayani, Muhammad, Said, and Faisal. (2017). Factors Affecting Remaining Profits (SHU) in Cooperatives in West Aceh District. *Journal of Darussalam Economic Perspectives*, 3(2), 101-116
- Rangkuti, F. (2004). *SWOT Analysis Techniques for Dissecting Business Cases*. Jakarta: Gramedia Pustaka Utama.
- Ridwan and Yuli. (2018). Strategy in Compilation of Business Plan. Formulation, Implementation and Evaluation of Strategies in Preparing Business Plans at Pt. Bosowa Propertindo, 244–253.
- Sastradipoera, K. (2004). *Banking Business Management Strategy*. Bandung: Kappa-Sigma.
- Sitio, A., & Tamba, H. (2001). *Cooperatives: Theory and Practice*. Jakarta: Erlangga.
- Widiartin, Putu Indira, Suwendra, I Wayan, and Fridayana Yudiaatmaja. (2001).