

The Role of Financial Management in Supporting The Effectiveness of Revenue in The Employee Service Cooperative of The Republic of Indonesia (Koperasi Jasa Pegawai Republik Indonesia) University of Brawijaya

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INDEXING	ABSTRACT
Keywords: Keyword 1; Financial Management Keyword 2; Effectiveness Keyword 3; Revenue Keyword 4; Employee Service Keyword 5; Cooperative	The purpose of this study was to find out how financial management supports the income effectiveness of the Employee Services Cooperative of the Republic of Indonesia at the University of Brawijaya Malang., Method: Three informants, general managers, general workers, and financial employees, participated in this qualitative investigation. The results of the interviews were used to collect research data. Data analysis: The chosen approach is descriptive data analysis. The collected data is analyzed by classifying, combining, and displaying the results of interviews to explain the phenomenon that occurs. Results and discussion: The results of the study show that regular recording of daily transactions and the preparation of monthly financial reports are two aspects of the implementation of financial management of the Employee Service Cooperative of the Republic of Indonesia that support the effectiveness of income at the University of Brawijaya Malang.

Article History

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INTRODUCTION

The Indonesian economy is a family-based cooperative business whose main goal is to prioritize the prosperity of the wider community above the interests of certain people or business entities. Cooperatives are positioned as the backbone of the national economy because they are considered the most appropriate form of business (Czternasty, 2014). Although cooperatives play an important role in various economic ventures, the interests of their members must always take precedence. The presence of cooperatives is very important to improve the economic welfare of the community, especially for micro, small, and medium enterprises (MSMEs). Cooperatives are the main source of capital for MSMEs in developing their companies. Cooperatives strive to encourage economic development and increase their role in improving the living standards of their members to improve welfare through various initiatives (Kumar et al., 2015).

Based on their position, cooperatives play an important role in realizing a democratic economic life with the characteristics of openness, kinship, and unity as well as in expanding and developing the people's economic potential. Cooperatives have not fully demonstrated their ideal function in rapid economic growth and need to be strengthened to facilitate the formation of a more equitable and inclusive economic system. The Employee Cooperative of the Republic of Indonesia (KPRI) is an institution managed by civil servants that seeks to improve the welfare of members and

their families through the fulfillment of basic needs, such as housing, food, clothing, health, and education. KPRI must carry out a number of successful initiatives to improve the welfare of its members in a sustainable manner to achieve these goals.

Civil workers are part of the Employee Cooperative of the Republic of Indonesia (KPRI), a large cooperative that functions as a joint venture to improve the welfare of its members and the general public. The success of a company, like KPRI, depends on many factors, such as effective financial management, good management, and credible leadership. Failure to meet any of these requirements can hinder the achievement of organizational goals. The main goal of the organization is to become better known in the community, so it needs to make a number of strategic efforts to grow and solidify its position.

The actions of an organization are what make it what it is now, and its main goal is for every activity to be successful. Financial management is one of the many variables that must be taken into account to carry out tasks effectively. While a lack of money does not necessarily mean that a company cannot operate, finances play a crucial role in ensuring that operations run smoothly. Nonetheless, there's no denying that having enough money can make the action easier, but not having enough money can make it harder or even prevent it from happening. Therefore, in order for any action to go according to plan, effective financial management is essential. The efficacy of operations can only be achieved with efficient financial management, therefore those who possess these skills must handle financial management in a company.

As a business entity, cooperatives always create and develop various types of businesses with the main goal of improving the welfare of members and the community. Nadeau stated that cooperatives not only create businesses, but also strive for each business unit to grow every year (Nadeau, 2012). Successful development will provide benefits for cooperatives, so that the main goal of improving welfare can be achieved. In addition, members can benefit directly from the income generated from cooperative business activities, so being a member of the cooperative is a real benefit.

Any business activity related to how to raise funds, spend funds, and manage assets in accordance with the main goals of the organization is considered financial management. Management of how to acquire, finance, and manage assets to achieve business goals is known as financial management. To gain confidence in the efficacy and fairness of the audited financial statements, the company's audit practices must also evolve. These changes should go beyond financial audits and include methodical and objectively oriented evaluations. Company leaders need financial management that includes management operations.

Finance in more general in addition to information related to finance and accounting. As part of the control role, financial management serves as a tool to measure and assess completed tasks. The presence of effective control over all business operations is essential for a company's ability to generate the highest possible profits (Mwai, 2024). The efficacy and efficiency of savings and loan cooperative credit distribution operations are important determining factors for the long-term sustainability of cooperatives. After conducting operational audits in cooperatives, the number of non-performing loans decreased every year, which shows the usefulness and efficiency of financial management as a tool for credit operations. The improvement of credit efficiency and effectiveness is greatly influenced by the implementation of quality financial management stages, especially when cooperatives follow up on recommendations and conclusions made by financial management (Mwai, 2024). In addition, good financial management is essential to support the efficiency of cooperative income. The results of financial audits can be assessment data for

collaborative management when making decisions, especially when formulating plans to increase revenue in a sustainable manner.

The success of an organization is determined by its operational success which determines its existence, including in cooperatives. Financial management that ensures that money is managed correctly so that every activity can run well is one of the key elements that support this success (Turner, 2011). Cooperatives often face a variety of problems in practice, such as ineffective money management, lack of transparency, and inadequate cost control, all of which can hinder revenue development. Furthermore, corporate diversification as a means to increase revenue requires good financial management to minimize the risk of investment failure. At KPRI Universitas Brawijaya, the stability of cooperatives in the face of competition from contemporary financial institutions and changes in member requirements is highly dependent on the implementation of an effective financial management plan. The purpose of this study is to find out how operational audit contributes to the income effectiveness of the Employee Cooperative of the Republic of Indonesia Universitas Brawijaya with this background.

LITERATURE REVIEW

A cooperative business entity always establishes various business entities to improve the welfare of its members and the community. Cooperatives not only concentrate on the establishment of business entities, but also strive to ensure that the business entities they manage continue to grow every year. The benefits of a well-managed business entity will help the cooperative achieve its main goal, which is to improve the welfare of its members and the community. Cooperative members will be able to share the profits from each business they manage. One of the important elements that affects a company's ability to continue operating and achieve its goals is revenue. To maximize revenue, the company's full potential is focused on the resources it has. As a result, one of the most important factors that affect the performance of a business entity is its revenue. Based on the findings of the income evaluation, the cooperative management can draw up an operational plan for the following year and evaluate the success of previous initiatives. To ensure that the revenue generated can be handled appropriately and provide maximum profits to cooperative members in this situation, an operational audit is required. Cooperative income, as defined by Iltiham, is money received from member donations to cover various operational costs of the cooperative (Iltiham, 2016).

RESEARCH METHOD

This study uses a descriptive qualitative methodology as an effort to gain a deep understanding of the phenomena that occur in the field. By focusing on specific situations relevant to the research issue, the research design is a case study. This research was carried out from January to March 2023 at the Employee Services Cooperative of the Republic of Indonesia (KJPRI) University of Brawijaya Malang. Using purposive sampling, the sampling strategy selects informants who meet the subject's relevance requirements. The selected informants were interviewed in depth, and the financial reports and records of the cooperative's activities were used as documentation for the data collection process. To identify relevant themes or patterns, interview data and documentation are grouped and compiled as part of the inductive data analysis process. Data reduction is the first step in the analysis process. Next, the data is presented in the form of a narrative or table, and finally, conclusions are drawn to characterize the events that occurred. Data verification during the research process

results in reliability, while source triangulation ensures data validity.

RESULT AND DISCUSSION

The data analysis process of this study provides information on how financial management supports revenue effectiveness by understanding the planning, implementation, supervision, and financial reporting of the Employee Service Cooperative of the Republic of Indonesia, especially at Brawijaya University in Malang.

Planning

Cooperative financial planning is the process of planning, compiling, and managing cooperative finances. Cooperative financial planning aims to provide direction, estimate opportunities, and become a standard of work. The results of the research were presented on financial management planning in supporting the effectiveness of income at the Employee Services Cooperative of the Republic of Indonesia, University of Brawijaya Malang, according to Mrs. Menik as the general manager explained that:

"In my opinion, financial management plays an important role in increasing the effectiveness of cooperative income, because with good financial management planning, all financial expenditures and income are easy to determine". (Interview, January 22, 2025).

The results of the interview with Mrs. Heni Wahyuning as a general sector employee explained the role of financial management planning in supporting revenue effectiveness, namely:

"In my opinion, the role of financial management is to help and control the financial activities of cooperatives. The benefits of financial planning are to ensure that the cooperative's finances are in good condition, so that it is able to meet the needs of its members". (Interview, January 22, 2025).

The results of the interview were supported by the opinion of Mrs. Nurhayuni as an employee in the financial sector explaining about financial management planning in supporting the effectiveness of income, namely:

"In my opinion, financial management plays an important role in supporting the effectiveness of revenue, a form of financial management planning such as compiling operational general cost standards, managing finances with cooperative financial standards and using an application-based financial system". (Interview, January 15, 2025).

The results of the interview show that at the Employee Services Cooperative of the Republic of Indonesia, Universitas Brawijaya, Malang, financial management planning is very important to support sales performance. The form of financial management planning set by the Employee Services Cooperative of the Republic of Indonesia, University of Brawijaya Malang, such as compiling general operational cost standards, managing finances with cooperative financial standards and using an application-based financial system. The benefits of financial planning are to ensure that the cooperative's finances are in good condition, so that it is able to meet the needs of its members.

Organizing

The implementation of cooperative finance is carried out by looking for funds profitably and using funds efficiently. Cooperative financial management must also be carried out in a transparent, open, and accountable manner. The findings of this study show how financial management is used to improve the efficiency of cooperative income generation. As the general manager, Mrs. Menik explained that:

"Cooperative financial implementation activities such as providing loans to

members, setting credit interest rates and savings interest rates, actions so that the implementation of financial management runs well, namely controlling loan circulation". (Interview, January 15, 2025).

The results of the interview with Mrs. Heni Wahyuning as a general sector employee explained the implementation of financial management in supporting revenue effectiveness, namely.

"In my opinion, the implementation of financial management is to record daily transactions regularly and make monthly financial reports, so that financial information can be known periodically". (Interview, January 15, 2025).

The results of the interview were supported by the opinion of Mrs. Nurhayuni as an employee in the financial sector explaining the implementation of financial management in supporting the effectiveness of income, namely.

"In my opinion, the implementation of financial management in cooperatives is such as preparing a long-term plan, making a monthly budget, fulfilling obligations on time, observing cash flow, evaluating expenses, preparing financial statements, looking for funds in a profitable way, using funds in an effective and efficient way". (Interview, January 15, 2025).

Based on the results of the interviews, the cooperative implements financial management to improve its revenue efficiency by frequently documenting daily transactions and creating monthly financial reports that allow periodic access to financial data. Long-term planning, monthly budgeting, timely commitment payments, cash flow monitoring, expense evaluation, preparation of financial statements, search for profitable funds, and effective and efficient use of funds are the first steps in the process of implementing financial management in cooperatives. In addition to financial implementation operations carried out by cooperatives administratively, such as managing loan circulation.

Supervising

Cooperative financial supervision is carried out by the Cooperative Supervisory Functional Officer and the Financial Services Authority (OJK). This supervision is carried out to ensure that the cooperative carries out its activities in accordance with applicable regulations. The findings of the study show that regular recording and review carried out by financial management supervisors supports revenue efficiency in cooperatives.

The general manager, Mrs. Menik, stated that the purpose of this step is to ensure correctness and openness in financial management.

"Cooperative financial supervision activities are carried out by internal auditors. The duties of internal auditors are such as conducting inspections and evaluations of the company's operations and finances". (Interview, January 15, 2025).

The results of the interview with Mrs. Heni Wahyuning as a general sector employee explained about financial management supervision in supporting revenue effectiveness, namely.

"In my opinion, financial management supervision is carried out by internal auditors, where they control and supervise the financial condition of the cooperative. All financial control matters are carried out by internal auditors". (Interview, January 15, 2025).

The results of the interview were supported by the opinion of Mrs. Nurhayuni as an employee in the financial sector explaining about financial management supervision in supporting the effectiveness of income, namely.

"The procedure for supervising financial management in cooperatives is carried out by internal auditors. The auditor's duties are to examine financial transactions and

fixed assets, ensure the implementation of the company's systems and procedures run well, provide suggestions for improvement, make audit reports and monitor the follow-up of improvements that have been suggested". (Interview, January 15, 2025).

According to the findings of the interviews, internal auditors oversee financial management to ensure correctness and openness while improving the effectiveness of cooperative revenues. Internal auditors' duties include conducting inspections and evaluations of the company's operations and finances, ensuring that the implementation of the company's systems and procedures runs well, providing suggestions for improvement, making audit reports and monitoring the follow-up of improvements that have been suggested. Auditors are also tasked with identifying and assessing the risk of misstatements in financial statements.

Reporting

Based on the results of the interviews, financial management reporting is carried out regularly and methodically to support income efficiency in cooperatives. This includes recording assets, liabilities, income, expenses, and profit and loss to provide a clear picture of the cooperative's financial situation.

"Reporting on cooperative financial management through the annual member meeting (RAT). The benefits of RAT are to provide opportunities for members to express their opinions, proposals, suggestions, and questions, as well as uphold the accountability of administrators and supervisors to members". (Interview, January 15, 2025).

The results of the interview with Mrs. Heni Wahyuning as a general sector employee explained about financial management reporting in supporting the effectiveness of income, namely.

"In my opinion, financial management reporting is a form through the Annual Member Meeting (RAT). The RAT aims to submit an accountability report on the management of cooperatives for the past financial year and prepare a work plan for the current year, as well as establish strategic policies to improve the performance of cooperatives in the future". (Interview, January 15, 2025).

The results of the interview were supported by the opinion of Mrs. Nurhayuni as an employee in the financial sector explaining financial management reporting in supporting income effectiveness, namely.

"form of cooperative financial reporting through the Annual Member Meeting (RAT). The Annual Members Meeting (RAT) is an obligation of every cooperative, because it is a manifestation of the responsibility of the management and supervisors to members for the performance of the cooperative. The implementation of the RAT is carried out at the beginning of the time, namely between January and March". (Interview, January 15, 2025).

The results of the interview show that the Annual Member Meeting (RAT) is a means of reporting financial management that supports the effectiveness of cooperative income. RAT serves as a place for strategic planning for cooperatives as well as a review of the performance of managers and supervisors. The opportunity for members to voice their opinions, increase openness, and decide on policies to improve cooperative performance are some of the advantages. The annual accountability and planning process includes the RAT, which runs from January to March.

Revenue Effectiveness

Actions to find out the effectiveness of cooperative income by looking at the revenue and net profit charts of cooperatives.

Table 1. Financial Condition of the Employee Services Cooperative of the Republic of Indonesia, University of Brawijaya Malang

Tahun	Pendapatan	Laba bersih
2019	Rp 23.022.422.537	Rp 2.414.236.697
2020	Rp 24.569.187.392	Rp 3.003.058.111
2021	Rp 24.363.156.276	Rp 3.089.832.765
2022	Rp 27.930.162.355	Rp 4.301.140.877
2023	Rp 28.459.258.921	Rp 4.362.195.461

Source: Employee Services Cooperative of the Republic of Indonesia, University of Brawijaya Malang (2025).

The results of the study are known that the annual income has increased in 2019 as much as Rp. 23,022,422,537, in 2020 as much as Rp. 24,569,187,392, in 2021 as much as Rp. 24,363,156,276 has decreased due to the impact of the Covid-19 pandemic.

Implementation of Financial Management in the Employee Services Cooperative of the Republic of Indonesia, Universitas Brawijaya

The results of the analysis that have been presented prove that the implementation of financial management in supporting the effectiveness of the established income is to record daily transactions regularly and make monthly financial reports, so that financial information can be known periodically. Long-term planning, monthly budgeting, timely fulfillment of obligations, cash flow monitoring, expenditure evaluation, and preparation of financial statements are steps in the process of implementing cooperative financial management. Furthermore, cooperatives utilize finance effectively and efficiently and seek funds in a profitable way. To maintain the financial health of cooperatives, the implementation of finance also includes the management of loan circulation in addition to administrative tasks.

Level of Revenue Effectiveness of the Employee Service Cooperative of the Republic of Indonesia, Universitas Brawijaya

The results of the analysis that have been presented prove that the effectiveness of the income of the Employee Services Cooperative of the Republic of Indonesia Universitas Brawijaya is declared effective, because the amount of income has increased every year. Revenue in 2019, 2020, 2022 and 2023 has increased, while in 2021 it has decreased due to the impact of Covid-19. Showing that financial management contributed to the success of increasing cooperative income, net profit data showed annual growth.

The results of the study are known that the revenue of the Service Cooperative has increased every year in 2019 as much as Rp. 23,022,422,537, in 2020 as much as Rp. 24,569,187,392, in 2021 as much as Rp. 24,363,156,276 has decreased due to the impact of the Covid-19 pandemic, while in 2022 it has increased to Rp. 27,930,162,355, and in 2023 it has increased to Rp. 28,459,258,921. The increase in revenue was due to high income from credit transactions. Net profit in 2019 amounted to Rp.2,414,236,697, in 2020 amounted to Rp.3,003,058,111, in 2021 amounted to Rp.3,089,832,765, in 2022 amounted to Rp.4,301,140,877 and in 2023 amounted to Rp. 4,362,195,461, meaning that operating profit every year has increased.

Supriyadi & Jatmika research explains that cooperative income is important because it can improve the welfare of cooperative members (Supriyadi & Jatmika, 2021).. The profits obtained by the cooperative will be distributed to cooperative members in accordance with its principle, namely the welfare of members. Income is useful for increasing the progress of the cooperative, the higher the income, the more funds are distributed to cooperative members.

The Role of Financial Management in Supporting Revenue Effectiveness in the Employee Services Cooperative of the Republic of Indonesia, Universitas Brawijaya

Based on the results of the research, financial management plays an important role in supporting the success of cooperative sales. This function includes the implementation of an application-based financial system, the preparation of operational cost guidelines, and financial management in accordance with cooperative norms. The role of financial management is to ensure that the cooperative's finances are in good condition, able to increase income so that it is able to meet the needs of its members.

Research by Petri et al., explained that financial management plays an important role in increasing cooperative income (Petri et al., 2020). The objectives of financial management are to improve the bookkeeping and financial recording system, make and analyze financial statements, manage cash with proper financial management and monitor financial-related data. Cooperative financial management is useful for strengthening cooperative capital, increasing profits, ensuring adequate and regular funding, utilizing funds optimally and ensuring investment security. Cooperatives that are able to manage their finances well will have the ability to increase sales and income. Financial management can help increase revenue by maximizing profits, reducing expenses, and optimizing operational efficiency.

CONCLUSION

At the Personnel Service Cooperative of the Republic of Indonesia, Universitas Brawijaya, Malang, financial management plays an important role in supporting revenue effectiveness. The practice of recording daily transactions and making monthly financial statements ensures that the needs of cooperative members can be met while supporting the effectiveness of income that increases every year.

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