

Research.

## Factors Affecting the Success of Cooperative Businesses

Jubaidah Ritonga, Indra Cahya Kusuma dan Ade Budi Setiawan

Accounting Study Programme, Faculty of Economics, Universitas Djuanda Bogor

[jubaidahritonga1996@gmail.com](mailto:jubaidahritonga1996@gmail.com); [indra.cahya.k@unida.ac.id](mailto:indra.cahya.k@unida.ac.id); [ade.budi.setiawan@unida.ac.id](mailto:ade.budi.setiawan@unida.ac.id)

corresponding author<sup>1</sup>

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**ABSTRACT.** *The success of the cooperative can be measured through the role that has been given to the community or the surrounding environment. The purpose of this research is to determine the effect of the internal control system, size, type, and education level of employees on the success of cooperative businesses in Bogor City using quantitative qualitative research methods, conducted on active cooperatives registered at the Department of Cooperatives and SMEs of Bogor City, namely 456 cooperatives, with 1 cooperative only 1 management person as a respondent. The research used a saturated sample technique (census), so that the study population was 528 or a minimum of 46 respondents. Data analysis using multiple linear regression with hypothesis testing through the F test and t test. The results showed that the internal control system, size, type and level of employee education simultaneously affect the success of cooperative businesses in the Bogor City. Partially, the internal control system, the type and level of education of cooperative employees have a significant effect on the success of cooperative businesses in the Bogor City. While the size of the cooperative has no effect on the success of the cooperative business in the Bogor City.*

**Keywords:** *Business Success, Employee Education Level, Internal Control System, Size, and Type.*

### INTRODUCTION

As an organisation, cooperatives must be managed and developed properly like any other business entity. In managing its business, the cooperative should be run professionally.

Good and professional business management requires information that is relevant to the accountability system, as well as adequate employee potential so that it can be relied upon and cooperative businesses must really be able to guarantee the purpose of cooperatives, namely success that can provide convenience and satisfaction in meeting the needs of its members and succeed in advancing cooperatives that can finance their own businesses and can support and improve the welfare and quality of life of the community, both members and non-members, so cooperatives are expected to succeed in their business without any acts of fraud from certain parties. The development and growth of the economy in Indonesia cannot be avoided from the function of cooperatives as the support of people's businesses. Cooperatives deserve to be developed as an important business entity that is not the last alternative, one form of business entity that is in accordance with the personality of the Indonesian nation (Hutasuhut, 2001).

Cooperatives are an integral part and actor in the economic system in addition to State-Owned Enterprises and private companies. According to Law Number 17 of 2012 concerning Cooperatives states that a Cooperative is a legal entity built by individuals or cooperative legal institutions, with the separation of wealth by its members as capital to run a business, which achieves common aspirations and needs in the social, cultural, economic fields and in line with cooperative values and principles.

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Cooperatives purpose to improve the welfare of society in general and members in particular, as well as an integral part of a fair and democratic national economic order. The situation as above encourages the government to develop a specialised financial institution that is expected to help fulfil the need for funds in supporting the smooth economic development.

Basically, the collection of funds comes from the members themselves and the distribution of funds for the members themselves. In running its business, cooperatives often experience problems that arise, requiring cooperatives to continue to strive to maintain their economic stability in order to survive and compete with other similar institutions.

In reality, cooperatives as organisations in the social and economic sectors are very vulnerable to the risk of loss, both external and internal. The problems that hinder the pace of life of the Cooperative include the lack of an internal control system, human resources, management capabilities, and limited capital. The internal control system is a method, and measures of a system that includes an organisational structure that is coordinated to check accuracy, encourage efficiency and safeguard organisational assets, the reliability of accounting data and encourage compliance with management policies (Mulyadi, 2009).

Without a control system, it is likely that many company losses will arise due to fraud committed by company employees and will certainly greatly affect the sustainability of the cooperative business. The size of the company provides an overview of the size and size of the company can be seen from the business field that can be run (Seftianne and Handayani, 2011).

Companies that apply SAK ETAP must explicitly present full compliance with SAK ETAP in making financial statement notes, so that the internal control of a company can be implemented properly. In the Financial Accounting Standards for Entities without Public Accountability (SAK-ETAP) it is also described about the need for internal control in a business entity. The use of SAK ETAP is expected that small, medium-sized companies are able to prepare their own financial statements and can be examined so that they can use their financial statements to obtain business development funds.

Determining the size and scale of a business can be determined according to overall sales, total assets, average sales level, and average total assets. The size of the company is the average total net sales for the year concerned up to the next few years. In this case, sales must be greater than fixed costs and variable costs, then the amount of income before tax will be obtained. Conversely, if business sales are less than fixed costs and variable costs, the company will experience losses (Brigham and Houston, 2001). Another factor that affects the success of a cooperative is the type of cooperative that is managed, so there must be strong planning about what type of cooperative is suitable in a particular area.

According to Law No. 17 of 2012 concerning cooperatives, the types of cooperatives can be divided into four, namely consumer cooperatives organising service business activities in the field of supplying goods and the needs of members and non-members, producer cooperatives organising business activities and services in the field of procurement of production facilities along with marketing of production that can be produced by members to members and non-members, service cooperatives carrying out business actions of non-savings and loan assistance services needed by members and non-members and savings and loan cooperatives managing savings and loan businesses as the only business activity that nurtures its members. In particular, the personal quality of human resources is the level of education of the direct management concerned.

On 31 December 2021, it was recorded at the Bogor City Cooperatives and SMEs Office that out of 956 cooperatives only 456 cooperative units were declared active, while 500 of them were known to be inactive (Diskominfo Jabar, 2023). Quoted from (<http://REPUBLIKA.co.id>.) The Head of the Bogor City Cooperatives and SMEs Office (6/7/2017) stated that the reasons for unhealthy cooperatives include problems of neglect, small SHU, RAT, and so on, from the many cooperatives that were declared inactive, some of them came from cooperatives owned by government agencies and also Regionally Owned Enterprises (BUMD) in Bogor City, such as PDAM Cooperatives and Bogor City Regional Hospital Cooperatives, and the Head of the Bogor City Cooperatives and SMEs

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Office mentioned that the Bogor City PDAM cooperative needed a new board of directors policy to improve its performance. On 14 November 2017, the Head of the Bogor City Cooperative and UKM Office admitted that out of 814 cooperatives, 100 units had been dissolved because the cooperatives were considered unproductive (<http://garuda.news.id>).

In order to survive and be able to compete with other companies, the cooperative must be able to determine a strategy and policy that continues to be improved and developed. Some possible policies that can be taken to help the development and success of cooperatives are to increase the effectiveness of the internal control system, the size of the cooperative, the type of cooperative and the education level of the cooperative employees. The growth rate of cooperatives in the Bogor City has increased, but of these there are still many cooperatives that are declared inactive from year to year. The number of cooperatives registered with the Bogor City Cooperative and SME Office in 2017-2021 is as follows:

**Table 1.1. Number of cooperatives in Bogor City**

Year	Registered Cooperative	Active Cooperative	Non-active Cooperative	Percentage
2017	849	347	502	59.12 %
2018	856	355	501	58.52 %
2019	932	432	500	53.64 %
2020	933	433	500	53.59 %
2021	956	456	500	52.30 %

Source: Open Data Jabar, Diskominfo, West Java, 2023

From the above data, it can be concluded that in the 2017-2021 timeframe, every year the number of inactive cooperatives in Bogor City is still greater than the active ones, so it can be concluded that the root cause of the large number of inactive cooperatives in Bogor City has not been fully found. The phenomenon of problems that appear in cooperative organisations in the Bogor City is the lack of good management governance, resulting in many cooperatives that are unable to survive and some are even forced to be frozen because they are not in accordance with Indonesian cooperative principles. Management governance cannot be separated from the internal control system which is the culmination of an organisation that regulates and oversees all organisational activities if internal control is good, all elements in the organisation will be under control and the possibility of fraud committed by parties who are unable to take responsibility and errors in making decisions will be very small.

## LITERATURE REVIEW

Julyanda and Rejeki, 2018 with the title *The Effect of Education Level, Business Size, Business Duration and Educational Background on the Use of Accounting Information on Business Success (Case study on SMEs in PIK Pulogadung)*, stated that the variable level of education on the use of financial information has no positive and insignificant effect on business success, and the variable size of the business on financial information has no positive and insignificant effect on business success.

Frima and Surya, 2018 with the title *The Effect of Education Level and Use of Management Accounting Information on the Performance of MSMEs in Padang City*, stated that in their research, the education of most MSME owners was S1 / D4 by 40%, and SMA / SMK / Equivalent by 36% of the total respondents. The ratio of the influence of the independent variable on the dependent variable is 34.8%, which means that education and the use of Management Accounting Information have an influence on performance reaching 28.9%. Education has no effect on performance, because the significance value is greater than 0.05, namely 0.151 and the use of Management Accounting Information has

a positive effect on performance, because the significance value is less than 0.05, namely 0.023 and has a positive coefficient direction.

Alinda et al, 2017 with the title *The Effect of Member Participation, Business Environment, and Internal Control Structure on Cooperative Business Success* states that member participation, business environment, and internal control structure have a positive and significant influence together on the success of cooperative businesses.

Anggoro, 2017 with the title *The Effect of Member Participation, Management Leadership, and Lending Principles on the Business Success of the Republic of Indonesia Employee Cooperative (KPRI) Rasa Doro District, Pekalongan Regency* concluded that as a result of the research there was a positive and significant influence together from the variables of member participation, management leadership, and credit granting principles on the variable business success of the Republic of Indonesia Employee Cooperative (KPRI) Rasa by 80.9%.

Khikmah dan Zuriyah, 2017 dengan judul *Efektivitas Sistem Pengendalian Intern dan Kualitas Sumb Human Resources on the Success of Cooperative Businesses in Magelang District* states that the Internal Control System and the Quality of Human Resources have no effect on the success of cooperative businesses.

Saputra and Mulasari, 2015 with the title *Factors Affecting the Success of the Waste Collection Business in Yogyakarta City*, stated that of the 39 respondents studied, respondents who had a high level of education and were successful in the waste collection business were 23 people (58.97%), respondents who had a high level of education and were not successful in the waste collection business were 2 people (5.12%), Respondents who had a low level of education and were successful were the same as respondents who had a low level of education and were not successful in the waste collection business, namely 7 people (17.94%). According to the Fisher Exact Test,  $H_0$  is rejected and  $H_a$  is accepted, which means that there is an effect of education level on the success of the waste collection business in Yogyakarta City.

Nursyamsi et al, 2015 with the title *The Effect of the Internal Control System, Management Experience and Accounting Knowledge on the Success of Cooperative Businesses in Agam District*, states that a significant value of  $0.021 < \alpha 0.05$ , so the decision is  $H_0$  is rejected and  $H_1$  is accepted so it can be concluded that the internal control system has a positive effect on the success of cooperative businesses in Agam District.

Giyanto, 2010 with the title *The Influence of Business Capital, Labour, Education Level, Business Experience, Marketing Reach and Economic Crisis on the Success of Batik in Batik Village Kliwonan Sragen District*, states that simultaneously the level of education, business capital, labour, business experience, economic crisis and marketing reach affect the profit of batik business in Kliwonan Village, Masaran Subdistrict, Sragen District.

Syahidah, 2019 with the title *The Effect of Member Participation, Quality of Human Resources, and Quality of Credit Services on the Success of the Sukabumi City Republic of Indonesia Employee Cooperative*, states that member participation, quality of human resources, and quality of credit services simultaneously affect the success of the Sukabumi City republican employee cooperative.

Kusuma et al, 2019 with the title *Cooperative Success According to Entrepreneurship, Capital, Accounting Knowledge And Participation Members*, stated that there is an influence from the aspects of capital, cooperative knowledge, and member participation on the success rate of cooperatives, while the entrepreneurial aspect has no effect on the success of cooperatives.

## **RESEARCH METHODS**

The object of this research is cooperatives registered in the Office of Cooperatives and MSEs of Bogor City. The research location used is a cooperative under the auspices of the Office of Cooperatives and MSEs of Bogor City. The characteristics of the sample in this study are all active cooperatives in Bogor City, cooperatives that have conducted RATs, and cooperatives that have been operating for more than one year. Data collection can be done using primary sources which are data sources directly provided to data collectors,

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and secondary sources that are not given directly to data collectors Sugiyono (2016: 23). In this research, the independent variable (X) is the cooperative internal control system (X1), cooperative size (X2), type of cooperative (X3), education level of cooperative employees (X4) and the dependent variable is the success of the cooperative business (Y). The population in this study were cooperatives under the Bogor City Cooperative and UKM Office.

According to the data collected, there are 956 registered cooperatives in the Office of Cooperatives and SMEs in Bogor City with 456 active cooperatives. Of the 456 active cooperatives in Bogor City in 1 cooperative only 1 management is the respondent, so the population in this study is 456 people. Sampling in this research uses Saturated Samples (Census). Arikunto (2012: 104) if the population is less than 100 then the sample size is taken as a whole population, but if the population is greater than 100 respondents, then the sample size can be taken 10-15% or 20-25% of the total population. According to the research population, which totaled 456 respondents, the sample in this research also totaled the same amount, namely 456 or at least 46 respondents. The form of data used is primary data, which is data obtained or taken directly from the research site (research location). Primary data in this research is in the form of answers to questionnaires sent to respondents. And secondary data in this research is in the form of documents obtained from the Office of Cooperatives and SMEs of the Bogor City regarding cooperative data such as the number of registered cooperatives that are active and inactive and about the stature of cooperatives in the Bogor City, and other information that provides additional explanations for this research such as the history of the Bogor City and about the vision and mission of the cooperative office and SMEs of the Bogor City which can be obtained from the official website of the Bogor City and the Cooperative Office of the Bogor City.

### Instrument Testing

The **Validity Test** shows that the average score of the Cooperative Internal Control System variable is 0.529, the Cooperative Size variable is 0.704, the Cooperative Type variable is 0.719, the Cooperative Employee Education Level variable is 0.715 and the Cooperative Business Success variable is 0.514, all of which show a calculated value of more than 0.3 so that it can be stated that all statement instruments used are valid, and are suitable for use.

In the **Reability Test**, the average Conbach Alpha score of the Cooperative Business Success variable is 0.882, the Cooperative Size variable is 0.787, the Cooperative Type variable is 0.685, the Cooperative Employee Education Level variable is 0.810 and the Cooperative Business Success variable is 0.787, all of which show a calculated value of more than 0.6 so that all statement instruments used are reliable, and feasible to use.

In the **Normalisation Test** with one samplekolmogorov-smirnov test, the Asymp. Sig. (2-tailed) is 0.2. indicates that the data is normally distributed because the Asymp.Sig value. (2-tailed) is greater than 0.05, so this research is worth continuing.

**Multicolonierity test** all variables have a VIF value of less than 10 ( $VIF < 10$ ) and have a tolerance value of more than 0.1, it can be concluded that the regression model does not occur multicollinearity or non-multicollinearity symptoms.

**Table 2.1. Multiple Linear Regression Equation Test**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	8.798	3.799		2.316	.023
SPI	.243	.042	.412	5.834	.000
Size	.144	.104	.094	1.379	.172
Type	.723	.185	.290	3.903	.000
Education Level	.315	.088	.286	3.574	.001

Source: Data processing output using SPSS 22, 2023

$$Y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + E \quad Y = 8,798 + 0,243X_1 + 0,144X_2 + 0,723X_3 + 0,315X_4 + E$$

The interpretation of the regression is that from the results of the regression equation, a constant value of 8.798 is obtained, this value means that if all independent variables, namely the Cooperative Internal Control System, Cooperative Size, Cooperative Type and Cooperative Employee Education Level are 0, then the Cooperative Business Success is worth 8.798 units or the value of Cooperative Business Success remains.

The result of the regression equation for the Cooperative Internal Control System variable is 0.243. This shows that for each increase in the value of the Cooperative SPI by one unit, assuming the variable Cooperative Size, Cooperative Type and Cooperative Employee Education Level is 0, it causes an increase in the value of Cooperative Business Success by 0.243 units.

The result of the regression equation for the Cooperative Size variable is 0.144. This shows that for each increase in the value of Cooperative Size by one unit, assuming the variable Cooperative Internal Control System, Type of Cooperative and Cooperative Employee Education Level is 0, it causes an increase in the value of Cooperative Business Success by 0.144 units.

The regression equation result for the Cooperative Type variable is 0.723. It shows that for each increase in the value of Cooperative Type by one unit, assuming the variable of Cooperative Internal Control System, Cooperative Size and Cooperative Employee Education Level is 0, it causes an increase in the value of Cooperative Business Success by 0.723 units.

The regression equation result for the Cooperative Employee Education Level variable is 0.315. It shows that for each increase in the value of Cooperative Employee Education Level by one unit, assuming the variable of Cooperative Internal Control System, Cooperative Size and Cooperative Type is 0, it causes an increase in the value of Cooperative Business Success by 0.315 units.

**Table 2.2. Multiple Colleration Coefficient Test Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.861 <sup>a</sup>	.741	.727	2.443

a. Predictors: (Constant), Education Level, Size, SPI, Type

b. Dependent Variable: Cooperative Business Success

Source: Data processing output using SPSS 22, 2023

The R value of 0.861 indicates that in the interval of the R value (0.801 - 1.000) so that there is a very strong influence between the independent variables on the success of the cooperative business. This means that the better the variables of the cooperative internal control system, the size of the cooperative, the type of cooperative and the education level of cooperative employees, the more it will increase the success of cooperative businesses in Bogor City.

**Table 1.4 Correlation and Regression Analysis**

Variable	Regression Coefficient (Beta)	Correlation Coefficient (r)
X1	0.412	0.719
X2	0.094	0.499
X3	0.290	0.669

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Variable	Regression Coefficient (Beta)	Correlation Coefficient (r)
X4	0.286	0.711

Source: Data processed, 2023

The effective contribution of the cooperative internal control system variable to the success of the cooperative business is 29.62%. The contribution of the cooperative size variable to the success of the cooperative business was 4.69%. Furthermore, the contribution of the cooperative type variable to the success of the cooperative business was 19.40%. And the contribution of the variable education level of cooperative employees to the success of the cooperative business by 20.33%. Thus it can be concluded that the variable internal control system of the cooperative has a more dominant influence on the variable success of the cooperative business.

**Table 2.3. F test ANOVA<sup>a</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1278.862	4	319.716	53.569	.000 <sup>b</sup>
Residual	447.625	75	5.968		
Total	1726.487	79			

a. Dependent Variable: Cooperative Business Success  
 b. Predictors: (Constant), Education Level, Size, SPI, Type  
 Source: Data processing output using SPSS 22, 2023

The Fcount value is 53.569, while the Ftable is 2.72. ( $53.569 > 2.72$ ) with a significance value of F of  $0.00 < 0.05$ , this indicates that (Ha) is accepted and (Ho) is rejected. This condition means that the variables of the cooperative internal control system, the size of the cooperative, the type of cooperative and the level of education of cooperative employees have a simultaneous and significant effect on the success of cooperative businesses in the Bogor City.

**Table 2.4. The t-test Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	8.798	3.799		2.316	.023
SPI	.243	.042	.412	5.834	.000
SIZE	.144	.104	.094	1.379	.172
TYPE	.723	.185	.290	3.903	.000
EDUCATION LEVEL	.315	.088	.286	3.574	.001

a. Dependent Variable: Cooperative Business Success  
 Source: Data processing output using SPSS 22, 2023

The cooperative internal control system variable with a tcount of  $5.834 > t$  table 1.665 with a significance of  $0.000 < 0.05$ , then (Ha) is accepted and (Ho) is rejected. This condition means that the variable internal control system of the cooperative partially has a significant effect on the success of the cooperative business in the Bogor City.

The cooperative size variable with a tcount of  $1.379 < t$  table 1.665 with a significance of  $0.172 > 0.05$ , then Ha is rejected and Ho is accepted. This condition means that the cooperative size variable partially does not have a significant effect on the success

of cooperative businesses in the Bogor City.

The variable type of cooperative with a tcount of 3.903 > ttable 1.665 with a significance of 0.000 < 0.05, then  $H_a$  is accepted and  $H_o$  is rejected. This condition means that the type of cooperative partially has a significant effect on the success of cooperative businesses in Bogor City.

The variable education level of cooperative employees with a tcount of 3.574 > ttable 1.665 with a significance of 0.001 < 0.05, then ( $H_a$ ) is accepted and ( $H_o$ ) is rejected. This condition means that the level of education of cooperative employees partially has a significant effect on the success of cooperative businesses in the Bogor City.

## RESULTS AND DISCUSSION

Data collection was conducted on 19 August-06 September 2023. A total of 80 questionnaires were obtained from 6 sub-districts located in Bogor City with the list attached to the attachment of the research questionnaire data tabulation. The characteristics of the respondents in this study were dominated by men as many as 53 people (66.25%), and women with a total of 27 people (33.75%) with an age range of 36-45 years and the average respondent's position was as a cooperative secretary with the highest level of education D3 / S1.

**Table 3.1 Recapitulation of Respondents' Responses**

No	Variable	Average Value	Value of Respondents' Responses
1	Co-operative Internal Control System (X1)	<b>4.25</b>	Very Agree
2	Cooperative Size (X2)	<b>4.12</b>	Agree
3	Cooperative Type (X3)	<b>4.11</b>	Agree
4	Education Level of Cooperative Employees (X3)	<b>3.91</b>	Agree
5	Cooperative Business Success (Y)	<b>4.17</b>	Agree

Source: Data processed, 2023

Respondents' responses in this research to the variables of cooperative size, type of cooperative, education level of cooperative employees and cooperative business success were on average agreed, only the variable of the cooperative internal control system received an average response strongly agreeing to the statements submitted by the researcher.

The cooperative internal control system, the size of the cooperative, the type of cooperative and the level of education of cooperative employees have a simultaneous and significant effect on the success of cooperative businesses in the Bogor City. The cooperative internal control system, the type of cooperative and the level of education of cooperative employees have a partial and significant effect on the success of cooperative businesses in the Bogor City, but the size of the cooperative has no partial effect on the success of cooperative businesses in the Bogor City.

According to the simultaneous test results, the cooperative internal control system, the size of the cooperative, the type of cooperative and the education level of cooperative employees simultaneously and significantly affect the success of the cooperative business in the Bogor City.

Supporting these results, the size of the cooperative is certainly one of the tangible manifestations of the performance of the cooperative which is accompanied by the type of business being conducted and the success of the cooperative business certainly cannot be separated from the quality of its human resources which can be seen from the level of education received by its employees.

The Department of Cooperatives and SMEs of Bogor City has been trying to improve the success of cooperative businesses by conducting training to the management and conducting health assessments of cooperatives in Bogor City. In running its business, the cooperative is required to involve all elements of both the management and members so that the success of the cooperative business can be achieved.

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The results of this research are in line with research conducted by Alinda (2017) that member participation, business environment, and internal control structure have a positive and significant effect simultaneously on the success of cooperative businesses and Syahidah (2019) that member participation, quality of human resources and quality of credit services simultaneously affect the success of cooperative businesses.

According to the partial test results, it states that the cooperative internal control system has a partial and significant effect on the success of cooperative businesses in the Bogor City.

In accordance with the respondents' responses, requests for cash expenditures must be approved by superiors who have authorisation and check the accuracy of cash records, are very efficient and effective in internal control efforts and have the highest score in cooperative internal control efforts. The internal control system has an important role in running a cooperative business because it is a system or procedure designed to direct, supervise, and control the organisation in order to achieve a goal. The system can be used to control and plan cooperative operations, help provide reliable accounting information and ensure compliance with applicable laws and regulations. The internal control system basically includes organisation, measures and methods that are coordinated to safeguard the assets of the organisation, check the accuracy and reliability of the data presented.

The results of this research support research conducted by Nursyamsi et al, 2015 which states that the internal control system has a positive effect on the success of cooperative businesses in Agam District.

According to the partial test results, there is no influence between the size of the cooperative on the success of the cooperative business in the Bogor City. The size of the cooperative is growing or successful as indicated by the increase in members, employees, total capital, business volume and total assets since the year of establishment of the cooperative.

From the perspective of membership management theory, it is a way for cooperatives to gain members continuously. The increasing number of cooperative members will affect the magnitude of the cooperative's competitive advantage. Therefore, the implementation of membership management is theoretically related to competitive advantage. The benefits of cooperative membership management through member participation and trying to provide suggestions and advice to the management and supervisory bodies so that the cooperative can succeed well (Gemina Dwi, et al 2013). Although the theory shows that the more employees of a business shows that the business is progressing, but in this research, because it is dominated by cooperatives that are in a government or private agency, the business circle only focuses on members and the addition of members tends to occur only when the agency or company recruits new employees. So a cooperative can be said to be successful not from how many employees or the number of members but a cooperative that is said to be successful is able to meet the needs and complaints of each of its members.

According to the partial test results, the type of cooperative has a partial and significant effect on the success of cooperative businesses in Bogor City. Before establishing a cooperative, the founders are required to clearly determine the membership and business activities to be conducted. The basis for determining the type of cooperative is by looking at the similarity of activities, interests and economic needs of its members. The more members of a cooperative, the more likely it is to add the type of cooperative being run because the needs of members will be more diverse and will certainly support the development and success of the cooperative business, such as an example of an advanced cooperative in the Bogor City, namely the Goodyear Cooperative with 884 members, because of the diverse needs of its members this cooperative not only runs 1 type of cooperative but provides consumer cooperatives, savings and loans and other services for its members.

This research is in accordance with research conducted by Nengsi (2018) which states that the type of business has a positive influence on earnings smoothing.

According to the partial test results, the level of education of cooperative employees partially and significantly affects the success of cooperative businesses in the Bogor City.

With an increase in the level of education, it will definitely be accompanied by a significant increase in work productivity. According to Gemina et al 2013, what influences membership management on competitive advantage are: 1) Education is the key to modernisation; 2) Ability, the board has experience in managing cooperatives; 3) Leadership, a cooperative board is not only an organisational leader but also a business leader.

In this research, the education level of D3 / S1 administrators is more dominant, namely 47.5%, followed by the equivalent high school education level, namely 38.75% and the rest of the S2 / S3 education level. According to the data, it illustrates that a relatively higher level of education should have an impact on the knowledge and speed of understanding of administrators of new inputs that can increase their work productivity.

These results support research conducted by Saputra and Mulasari, (2015) which states that there is an effect of education level on the success of the waste collection business in Yogyakarta City. Syahidah, (2019) states that the quality of human resources has a significant positive influence on the success of the business of all KPRI cooperatives in Sukabumi City.

These results also support research conducted by Kusuma et al, (2019) which states that there is an influence from the cooperative knowledge aspect on the level of cooperative success.

According to the results of the partial determination test, it shows that the one that has the greatest influence on the success of cooperative businesses in Bogor City is the cooperative internal control system variable with a coefficient value of 29.62%.

## **CONCLUSIONS AND SUGGESTIONS**

According to the results of testing, processing and data analysis that has been conducted and the discussion described in the previous chapter, as well as the objectives of this study, namely to determine the characteristics and responses of cooperative management in the Bogor City and to determine the effect of the cooperative internal control system, cooperative size, type of cooperative and the level of education of cooperative employees on the success of cooperative businesses in Bogor City. It can be concluded from the results of the research, namely the characteristics of the respondents in this research are dominated by men with an average age range of 36-45 years and the average position of the respondent is as a cooperative secretary with the highest level of education D3 / S1. Respondents' responses in this study to the variables of cooperative size, type of cooperative, education level of cooperative employees and cooperative business success received an average response of agree, only the variable of the cooperative internal control system received an average response strongly agreeing to the statements submitted by the researcher.

Cooperative internal control system, cooperative size, cooperative type and cooperative employee education level simultaneously and significantly affect the success of cooperative business in Bogor City. The cooperative internal control system, the type of cooperative and the education level of cooperative employees have a partial and significant effect on the success of cooperative businesses in the Bogor City, but the size of the cooperative has no partial effect on the success of cooperative businesses in the Bogor City.

According to the results and discussion as well as some of the weaknesses that have been described, there are several suggestions that can be given by the author, namely the Bogor City Government Agency needs to focus its attention on the condition of the cooperative business, considering that cooperatives are one of the pillars of national development, such as by continuously supervising the implementation and assessment of the health of cooperative businesses, so that it will be easier to identify and provide advice to cooperatives that are considered less healthy and will certainly be very useful in suppressing the number of inactive cooperatives in the Bogor City.

**Ritonga, J; Kusuma, IC; Setiawan, AB.** Factors Affecting the Success of Cooperative Businesses

According to the research findings, the cooperative's internal control system, the type of cooperative, and the level of education of cooperative employees greatly affect the success of cooperative businesses in the Bogor City, therefore it is advisable for administrators and members who are cooperative business owners to fully understand this, so that cooperatives as one of the people's economic platforms can play a role in competitive advantage with other similar businesses.

Given that cooperatives are very potential for the development of the national economy, the government and cooperatives need to seek coordination and cooperation functions in order to empower cooperatives with an interest in community services.

Related to the size of cooperatives that have no effect, cooperatives in the Bogor City should make innovations both in products and in human resource management in order to compete with modern retail that has spread widely. And with the increase in the number of members or employees of the cooperative, it is expected that the cooperative will be more advanced or developed.

Further researchers are advised to add independent variables that affect the success of cooperative businesses so that they can have a greater influence on the success of cooperatives, especially in Bogor City.

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