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# Cooperative Development Strategy to Increase Surplus Business Results (SHU) at the Republic of Indonesia Employee Cooperative, State University of Makassar

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The author(s) declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.



**Abstract**

**Purpose:** This research aims to determine effective cooperative development strategies that can improve the Surplus Business Results (SHU) of the Republic of Indonesia Employee Cooperative at the State University of Makassar (KPRI UNM).

**Research Design and Methodology:** This study adopts a qualitative descriptive method. Data were collected through interviews, observations, and documentation. The validity of the data was ensured using credibility tests, source triangulation, technical triangulation, and time triangulation.

**Findings and Discussion:** The study finds that increasing SHU can be achieved through capital strengthening, business diversification, service quality enhancement, and the use of digital technology. The implementation of these strategies contributes to operational efficiency, market expansion, and improved member satisfaction.

**Implications:** The findings highlight the need for structured management, technology integration, and member participation in enhancing cooperative performance.

## Introduction

Cooperatives are one of the key pillars of the Indonesian people's economy, aiming to improve the welfare of their members. Over time, cooperatives have evolved from merely functioning as savings and loan institutions to becoming economic entities that contribute significantly to local economic development. One such institution is the Republic of Indonesia Employee Cooperative at the State University of Makassar (KPRI UNM), which focuses on enhancing the economic well-being of its members through the distribution of Surplus Business Results (SHU). However, KPRI UNM has recently faced several challenges, including a decline in SHU, shifting economic dynamics, and intensified competition. These issues highlight the necessity for a comprehensive and adaptive development strategy to maintain and improve cooperative performance. The cooperative’s ability to sustain its operations and provide value to its members is contingent upon how effectively it can respond to internal and external pressures.

Several recent studies have investigated the factors influencing cooperative performance. These include internal factors such as leadership, member involvement, and organizational structure, as well as external elements such as government regulation, economic conditions, and technological advancement (Fauziyyah et al., 2024; Silalahi, 2021). Nevertheless, much of the literature still focuses on cooperatives as single-sector institutions, without examining how diversification, transparency, and digital innovation can work synergistically to boost SHU and ensure sustainability.

This study identifies a research gap in the practical implementation of integrated development strategies that combine financial management, member engagement, and technology utilization. While existing studies acknowledge the potential of such strategies, few have examined them in the context of university-based cooperatives or documented their effects in terms of increased SHU.

The purpose of this research is to formulate effective development strategies for KPRI UNM by analyzing internal and external factors that influence its performance. The novelty of this study lies in its holistic approach that combines organizational planning, business innovation, and cooperative values to address SHU growth challenges. It contributes to both cooperative theory and practical management by offering insights into how educational institution-based cooperatives can maintain their relevance and competitiveness.

## Literature Review

Cooperatives are recognized as unique business entities that combine social and economic objectives. According to Law No. 25 of 1992 on Cooperatives in Indonesia, cooperatives are business entities composed of individuals or legal entities based on the principles of cooperation, mutual assistance, and shared ownership. Unlike profit-oriented enterprises, cooperatives are designed to serve the common economic, social, and cultural needs of their members.

Historically, Mohammad Hatta, known as the "Father of Indonesian Cooperatives," emphasized that cooperatives are not established for the pursuit of profit, but to meet the collective needs of the people at minimal cost. This aligns with the definition of cooperatives by the International Cooperative Alliance (ICA), which describes them as autonomous associations of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

Furthermore, the International Labour Organization (ILO) defines cooperatives as organizations formed by individuals—particularly those economically disadvantaged—to achieve common objectives through the establishment of a democratically managed business entity. Members contribute capital and share profits and risks fairly, based on the principles of equity, participation, and transparency (Maulana & MM, 2020).

Types of cooperatives vary based on their economic functions, commodities, and membership. The Indonesian legal framework classifies cooperatives into several types, including consumer cooperatives, producer cooperatives, savings and loan cooperatives, marketing cooperatives, and service cooperatives. Each type addresses distinct member needs and economic contexts (Fauziyyah et al., 2024).

The performance of cooperatives is influenced by both internal and external factors. Internal factors include management capacity, human resources, organizational structure, and member participation. External factors involve macroeconomic conditions, government regulations, and technological development (Sihombing & Sinaga, 2022; Silalahi, 2021). The government, through the Ministry of Cooperatives and SMEs, plays a vital role in regulating and supporting cooperatives via education, funding, digital transformation, and oversight.

A well-functioning cooperative must also adapt to changing market dynamics. Innovation through business diversification and digital transformation can enhance operational efficiency, increase competitiveness, and ultimately boost Surplus Business Results (SHU). Transparent financial management and participatory governance are also essential in fostering member trust and sustainable growth.

Within the academic context, university-based cooperatives like KPRI UNM have the potential to serve as models of inclusive and adaptive cooperative development. However, they must confront challenges such as fluctuating demand, limited capital, and regulatory shifts. Consequently, research on development strategies that incorporate innovation, financial transparency, and member-centric planning remains highly relevant and needed.

## Research Design and Methodology

This study employs a **qualitative descriptive approach** aimed at obtaining a comprehensive understanding of the development strategies implemented by the Republic of Indonesia Employee Cooperative at the State University of Makassar (KPRI UNM) in improving its Surplus Business Results (SHU). The qualitative method was chosen to explore the depth and complexity of organizational practices through detailed observation, contextual analysis, and participant perspectives.

Data were collected through three main techniques: **interviews**, **observation**, and **document analysis**. Semi-structured interviews were conducted with cooperative leaders, staff, and selected members to obtain insights into strategic planning, financial management, and member engagement. Observations were carried out in cooperative offices and business units to understand operational procedures and service delivery. In addition, cooperative documents such as financial reports, strategic plans, and evaluation records were reviewed to triangulate the data and support analytical consistency.

To ensure the **credibility** and **validity** of the findings, the study applied multiple triangulation techniques. These included **source triangulation** (interviewing various stakeholders), **technical triangulation** (combining interview, observation, and documentation), and **time triangulation** (collecting data over multiple visits). Data validation was also supported through member checks and peer debriefings.

The analysis process followed a thematic approach, where data were coded, categorized, and synthesized into meaningful patterns. Themes were derived inductively from the empirical data, focusing on four major areas: internal and external influencing factors, strategic planning and execution, technology utilization, and SHU improvement outcomes. This analytical framework aligns with the view of Abdussamad and Sik (2021), who assert that qualitative research aims to portray reality through words and experiences rather than numerical generalizations.

This methodological framework allows the researcher to capture a holistic understanding of cooperative development, explore the lived experiences of stakeholders, and provide grounded recommendations for enhancing cooperative performance.

## Findings and Discussion

### *Findings*

The study identified several key strategies implemented by KPRI UNM to enhance its Surplus Business Results (SHU). These strategies include **capital strengthening**, **business diversification**, **service quality improvement**, and **technological optimization**. The cooperative has expanded its business units beyond savings and loans to include retail stores, UKM Mart, photocopy services, bottled water production, and other micro-enterprises. This diversification has significantly increased revenue streams and reduced financial dependency on a single business model.

Internally, the cooperative has adopted transparent and accountable financial management practices. It utilizes low-interest rates and flexible repayment schemes, which have led to high levels of member satisfaction and loyalty. The use of digital technologies, such as accounting software and online member service portals, has improved operational efficiency and data accuracy. These innovations have allowed the cooperative to offer faster and more reliable services.

In terms of external influences, the cooperative benefits from structured evaluation practices and collaborative governance among management units. Regular supervision from the supervisory board enhances accountability and builds trust among members. The research also found that member participation, especially in planning and evaluation processes, plays a pivotal role in reinforcing cooperative credibility and financial sustainability.

Compared to previous studies that primarily focused on mono-sector cooperatives, this study highlights the advantage of an integrated, multi-sector strategy. It also underscores the importance of internal restructuring and digital adaptation in achieving consistent SHU growth.

***Discussion***

The results of this study provide empirical support for the proposition that diversified business models and digital innovation significantly contribute to cooperative resilience. By expanding its business lines, KPRI UNM is better positioned to manage financial risks and meet the diverse needs of its members. This finding aligns with the observations of Silalahi (2021), who emphasized the positive impact of diversification on cooperative performance.

Furthermore, the cooperative's transparent and member-centered financial management approach promotes trust and loyalty, which in turn contributes to SHU improvement. These findings corroborate the principles of participatory governance and cooperative accountability discussed by Ikhsan (2013) and Fauziyyah et al. (2024).

Technology adoption has also played a critical role. The cooperative's use of digital systems for administration and financial tracking has improved decision-making and service delivery. This confirms previous research by Sihombing & Sinaga (2022), which emphasized the effectiveness of technology in increasing cooperative competitiveness.

From a strategic management perspective, both **internal drivers**—such as leadership, organizational structure, and human resources—and **external factors**—such as macroeconomic conditions and government regulation—must be addressed simultaneously. KPRI UNM's success demonstrates that a **holistic development strategy**, one that integrates governance, technology, diversification, and active member participation, is key to improving SHU and sustaining cooperative growth.

## Conclusion

This study concludes that the development strategy implemented by the Republic of Indonesia Employee Cooperative at the State University of Makassar (KPRI UNM) has been effective in increasing Surplus Business Results (SHU). The cooperative's efforts in capital strengthening, product and service innovation, operational efficiency, human resource development, and risk management have collectively contributed to performance improvement. Business diversification, enhancement of member services, and digital technology integration have also played significant roles in strengthening financial sustainability and member satisfaction.

From a theoretical and practical standpoint, this research demonstrates that cooperatives must adopt a strategic approach that combines transparency, innovation, and inclusive governance. The study underscores the importance of collaborative leadership, member engagement, and technology utilization in maintaining competitiveness in a dynamic economic environment. It also supports cooperative management theories that emphasize accountability, diversification, and adaptive capacity as key success factors.

Despite its contributions, the study is limited by its scope, which focuses on a single cooperative within a university setting. Therefore, future research is recommended to include comparative analyses across different cooperative types and regions. In addition, longitudinal studies could be conducted to assess the long-term impact of development strategies on SHU and overall cooperative sustainability. Future research might also explore the role of digital transformation and member education in accelerating cooperative innovation.

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