



From Numbers to Profits: How Member Count and Savings Drive Cooperative Success

Azhari^{*1}, Win Konadi², Denny Sumantri Mangkuwinata², Sri Yanna¹

Universitas Islam Kebangsaan Indonesia, Indonesia¹

Universitas Almuslim, Indonesia²

*Corresponding Email: azhari@uniki.ac.id

Abstract: Cooperatives as economic organizations based on member participation have an important role in improving the social and economic welfare of the community. However, the primary challenge facing cooperatives is how to maximize profitability while upholding the fundamental principles of cooperatives. This study aims to analyze the effect of the number of members and total deposits on cooperative profitability, using the remaining results of operations (SHU) as a performance indicator. The method used in this research is quantitative to examine the relationship between the independent variables, namely the number of members and deposits of cooperative members, while the dependent variable is SHU in cooperatives. The data used is secondary data from the Ministry of Cooperatives of the Republic of Indonesia from 2000 to 2023. The results showed that both the number of members and deposits have a positive and significant influence on the SHU of cooperatives, which indicates the importance of member and deposit management in driving the financial success of cooperatives. The implications of these findings provide insights for cooperative managers to increase member engagement and deposit management efficiency to improve profitability. Separating cooperatives based on their type is of particular interest for future research.

Article History:

Submitted: May 18, 2025

Revised: July 09, 2025

Accepted: July 17, 2025

Published: 27 August, 2025

Keywords:

Cooperatives

Members

Profit

Savings

Azhari., Konadi, W., Mangkuwinata, D. S., & Yanna, S. (2025). From Numbers to Profits: How Member Count and Savings Drive Cooperative Success. *Almana : Jurnal Manajemen dan Bisnis*, 9(2), 254-261. <https://doi.org/10.36555/almana.v9i2.2846>

INTRODUCTION

Cooperatives play an important role in driving the economy, especially in local and rural communities, by providing access to capital, strengthening purchasing power, and improving the welfare of their members (Krisnawati & Alfiandri, 2019; Lal, 2018). In contrast to conventional business entities, cooperatives are established, owned, and managed collectively by their members, who directly participate in the decision-making process and profit sharing (ICA, 2024). These structures make cooperatives unique because they place the welfare of members as the primary goal, not just profit. (Azhari, 2024). Within this context, the financial success of a cooperative is greatly influenced by the active participation and economic support of its members, including the number of members and the total savings they contribute.

However, while cooperatives are globally recognized as inclusive and sustainable business models, many still face challenges in achieving stable and sustainable profitability (Mazzarol et al., 2018). Profitability depends not only on operational efficiency



This work is licensed under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License.

<https://creativecommons.org/licenses/by-nc-nd/4.0/>

and marketing strategies but also on the social and financial capital that comes from members (Iliopoulos et al., 2019). In most cases, cooperatives with a large member base have the potential to gain economies of scale and stronger bargaining power in the market. However, this can only be achieved if members actively participate, both through financial contributions in the form of savings and involvement in decision-making (Mazzarol et al., 2018). One of the biggest challenges is ensuring strong and consistent member engagement, both financial and participatory. A large number of members should be a major strength of the cooperative, providing advantages in terms of economies of scale, social capital, and market bargaining power.

Profitability has an impact on the financial performance of a cooperative. (Paudel, 2024; Pokharel et al., 2020; Safiyuddin et al., 2021; Tambunan, 2023). In the context of cooperative businesses, profitability is not just an indicator of financial success, but also reflects the overall well-being of its members. However, the factors that influence cooperative profitability remain a poorly understood topic, especially in terms of how membership structure and financial contributions affect financial performance. Given that cooperatives are member-based organizations, understanding how the number of members and their total savings contribute to profitability is crucial to strengthening the foundation of cooperative businesses. (Kenani & Bett, 2019).

In addition to the number of members, the total savings held by members also play a crucial role in determining the financial stability of the cooperative. Member deposits are not just working capital, but also a reflection of the level of trust and commitment of members towards the cooperative. (Firmansyah et al., 2022; Sailana et al., 2023). However, despite the obvious importance of this financial contribution, many cooperatives still fail to utilize member savings as a strategic resource to increase profitability. This raises an important question: to what extent do the number of members and their savings actually contribute to cooperative profitability, and how can these two factors be optimized to achieve better financial performance?

Some previous studies tend to focus on managerial aspects, operational efficiency, or marketing strategies in determining the success of cooperatives, while the role of members as key stakeholders is often ignored, and this is a research gap that can be addressed. Like the research conducted by Paudel (2024) and Safiyuddin et al., (2021) Both of these studies highlight the importance of leverage and liquidity management in improving cooperative profitability, showing that internal financial factors greatly affect cooperative performance. Likewise, Onah et al., (2024), showed that access to credit and financial literacy of cooperative members contribute significantly to the financial performance of cooperatives, emphasizing the importance of financial education in the management of cooperative savings and investments.

Another case with Ingutia & Sumelius (2024) Who conducted research on the financial performance of cooperatives on profitability in Kenya, this study shows that good corporate governance practices contribute positively to the performance of cooperatives, highlighting the importance of organizational structure and management in the success of cooperatives. Furthermore, research conducted by Purnami et al., (2024) They found that service quality has a positive and significant influence on the financial performance and satisfaction of cooperative members, emphasizing the importance of service in increasing profitability. Tambunan (2023) Conducting research in Simalungun revealed the significance of asset management and operational efficiency in increasing SHU cooperatives. In contrast to research conducted by Yanita et al., (2023) Business diversification can affect cooperative profitability.

Cooperative members are the main resource that determines the sustainability of the cooperative through their active involvement in strategic decisions and financial contributions. Furthermore, the number of members and the total deposits they make reflect not only the strength of the cooperative's capital, but also the members' level of trust and commitment to the organization. Thus, understanding the relationship between

the number of members, savings, and profitability of the cooperative is important to strengthen the financial foundation and business sustainability of the cooperative.

The novelty of this study lies in the fact that cooperative members are a variable that plays an important role in the success of cooperatives. Previous studies have only focused on managerial aspects, such as assets, turnover, capital, and cooperative management. As is well known, the fundamental difference between cooperatives and non-cooperatives is the existence of the dual function of members as owners and users of cooperative businesses.

This study aims to identify the relationship between the number of members, member savings, and cooperative profitability, and analyze how significant the influence of these two factors is on the financial performance of cooperatives. More specifically, this study aims to answer several main questions: (1) Is there a significant relationship between the number of members and cooperative profitability? (2) How much influence does total member savings have on cooperative profitability? and (3) Does the combination of these two factors have a synergistic effect in determining cooperative profitability? By answering these questions, this research is expected to provide deeper insights into how cooperatives can maximize the financial potential of their members to achieve sustainable profitability.

In addition, this research also provides practical contributions for cooperative managers and policy makers in formulating more effective financial strategies. By understanding the critical role of members as key stakeholders, cooperatives can develop business models that focus more on managing members and their savings as strategic resources. As such, the results of this study are expected to not only enrich the academic literature on cooperatives but also provide practical guidance to improve the financial performance of cooperatives in various economic contexts.

METHODS

This study uses a quantitative design with a causal approach to analyze the effect of the number of members and total deposits on the remaining results of operations (SHU) of the cooperative. This approach was chosen because it is suitable for testing the causal relationship between the independent variables (number of members and total deposits) and the dependent variable of the remaining results of operations. The data used in this study were sourced from the Ministry of Cooperatives of the Republic of Indonesia from 2000 to 2023. The variables in this study can be seen in the following operational table of variables.

Table 1. Operational of Variable

Variable	Definition	Source Data
Members	Total number of registered and active members in the cooperative during the observation period	Ministry of Cooperatives
Saving	The accumulated amount of deposits of cooperative members, which reflects the financial capital owned by the cooperative, and the potential for business development	Ministry of Cooperatives
Profit	Total cooperative profits earned from 2000 to 2023	Ministry of Cooperatives

Source: Data processed by the author (2025)

Data analysis was conducted using multiple regression to measure the simultaneous effect of the number of members and total savings on cooperative SHU. The multiple regression model was chosen because it is able to capture the combined effect of several independent variables on the dependent variable, thus providing more accurate

results in understanding the dynamics of cooperative finance. The regression model used in this study is formulated as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon$$

Where Y is proxied by profit, β_0 is a constant, β_1 is the regression coefficient for the number of members, β_2 is the regression coefficient for total savings, X_1 is the number of members, X_2 is total savings, and ϵ is the error term.

RESULTS AND DISCUSSION

The statistical description data displayed in Table 2 shows that the highest number of cooperative members in Indonesia in 2017 reached 37.7 million people, and the lowest was 11.8 million people in 2016. Furthermore, in 2023, the amount of savings of cooperative members in Indonesia was the highest, reaching Rp254.1 billion, and in 2000, the lowest was only Rp19.2 billion. Finally, the largest amount of SHU obtained in 2013, as much as IDR 8.1 trillion, and in 2000, amounting to IDR 694.5 billion, is the lowest total SHU generated by cooperatives in Indonesia.

Table 2. Statistic Descriptive Variables

	Members (people)	Savings (IDR-thousands)	Profit (IDR-millions)
Mean	27.464.457	106.232.080	5.677.347
Std. Dev	5.735.628	79.926.447	806.381
Max.	37.783.160	254.175.865	7.997.668
Min.	11.842.415	19.290.354	694.502

Source: Data processed by EViews 12 (2025)

Furthermore, the regression results shown in Table 3 found that the number of members has a positive and significant influence on the profitability of the cooperative, which is measured through the remaining results of operations (SHU). This is evidenced by the resulting P-value of 0.0033, which is smaller than 0.05. This finding is in line with social capital theory, which states that larger communities have stronger economic potential due to wider social networks, greater capital capacity, and the ability to share risks (Malinda, 2015; Pasca, 2021). However, in contrast to research conducted by Haqiqi et al., (2020) and Siambataon et al., (2023) That cooperative members have no influence on cooperative profitability, this can be influenced by many cooperative members who leave, especially cooperatives whose notables are employee cooperatives (Anindyatama et al., 2019). In terms of cooperative management, more members mean more capital contributions, increased internal transactions, and wider market potential. Thus, this result supports the hypothesis that the number of members is one of the key factors in determining the financial success of cooperatives.

The results of the analysis show that total member deposits also have a positive and significant effect on cooperative SHU. Member deposits not only serve as working capital, but also reflect the level of trust members have in their cooperative. Strong internal capital allows cooperatives to expand their operations without depending on more expensive external financing, thereby increasing profitability. (Anggraeni & Gunawan, 2020; Mbulu et al., 2019; Sailana et al., 2023). This finding is consistent with the financial capital theory that emphasizes the importance of internal capital in maintaining financial stability and expanding the operational capacity of the organization. Therefore, member savings must be optimized in various ways by the cooperative management. (Anggraeni & Gunawan, 2020).

Table 3. Result regression

Variable	Cooficient	P Value
-----------------	-------------------	----------------

From Numbers to Profits: How Member Count and Savings Drive Cooperative Success
Azhari*¹, Win Konadi², Denny Sumantri Mangkuwinata², Sri Yanna¹

Constant	-4.750,78	0.0251**
Member	0,2446	0.0033***
Saving	0,0349	0.0002***
R ²	0,7815	
R ² Adjust	0,7607	
F-Stat		0.0000***
Note: ***indicate significant at 1%, and **significant at 5%		

Source: Data processed by the author (2025)

Simultaneously, the effect of the two variables of the number of members and deposits on cooperative profitability was 76.1 percent with a significance level of 0.000, smaller than 0.05. Further analysis revealed that the combination of total members and total savings has a significant synergistic effect on cooperative profitability (Ferline & Yolamalinda, 2014). This suggests that cooperatives with a large member base and strong savings capital are better able to leverage economies of scale and market bargaining power. This combination allows cooperatives to reduce operating costs per member, improve financial efficiency, and expand distribution networks, ultimately contributing to increased SHU. This finding confirms the importance of an integrated member and capital management strategy in improving cooperative profitability.

However, while this relationship is strong and significant, it should be noted that the effect of membership size on profitability may not always be linear. At some point, too large a number of members may create managerial challenges, such as increased communication complexity, conflicts of interest, and administrative costs. Therefore, cooperatives need to carefully manage their member growth to ensure that economies of scale remain in line with managerial capacity and organizational structure. Furthermore, cooperatives must ensure that an increase in the number of members does not come at the expense of service quality or fairness in profit distribution. Inequities in profit distribution and member participation can undermine member trust and loyalty, ultimately threatening organizational stability (Mazzarol et al., 2018).

As such, good governance and fair policies should be a priority to ensure that all members benefit proportionally. In addition, it is important to consider that member deposits serve not only as financial capital, but also as a form of commitment and trust to the cooperative (Azhari, 2024). This trust must be maintained by ensuring that member funds are managed responsibly and transparently. Failure to maintain financial transparency can damage the cooperative's reputation and lead to massive withdrawals of deposits, which can disrupt the financial stability of the organization. In addition, it is important to consider that the effect of total deposits on profitability may vary depending on economic stability and member confidence levels. Member deposits tend to fluctuate with changes in economic conditions, interest rates, and local market dynamics. This suggests that cooperatives need to maintain a close relationship with their members to maintain internal capital stability and strengthen member loyalty. Another implication of the results of this study is the importance of member education about their roles and responsibilities in the cooperative. By improving financial literacy and members' understanding of the benefits of savings as well as their rights and obligations, cooperatives can strengthen internal relationships and enlarge potential profitability. (Oliveira et al., 2024). This not only strengthens the financial position of the cooperative but also increases members' participation in strategic decision-making.

Overall, the results of this study confirm that cooperatives that are able to effectively manage their membership and savings have a greater chance of achieving long-term profitability. This suggests that the financial success of cooperatives depends not only on external factors such as market conditions or regulations, but also on the quality of

internal relationships between cooperatives and their members. As such, this study provides a solid foundation for understanding the financial dynamics of cooperatives and the importance of member management in determining organizational success.

CONCLUSION

This study reveals that the number of members and total member deposits play a crucial role in determining the level of cooperative profitability. The results of the multiple regression analysis show that both the number of members and deposits have a positive and significant influence on the cooperative's residual income (SHU). This confirms the importance of member and savings management as key factors in the cooperative's financial sustainability strategy. This finding is consistent with existing literature, which suggests that cooperatives with a large member base and strong internal capital are better able to achieve economies of scale and improve operational efficiency, which in turn supports their profitability. However, the analysis also shows that the relationship between the number of members and cooperative profitability may not always be linear. For example, at some point, a very large increase in the number of members may introduce significant managerial challenges, such as more complex management and increased administrative costs. Therefore, it is important for cooperatives to manage the growth of their membership numbers wisely in order to maximize profit potential without compromising managerial quality. In addition, active member engagement and efficient deposit management are key to maintaining the stability and sustainability of the cooperative. Cooperatives need to develop programs to increase active member participation in decision-making and management. This will not only increase member commitment and loyalty but also help in more transparent and accountable cooperative management. Cooperatives that integrate digital technology can accelerate communication and increase transparency for members. In addition, growing cooperatives need to plan their growth carefully to avoid managerial problems that may arise due to a large number of members. Therefore, it is important for cooperatives to adapt their organizational structure and management systems to be more efficient, including improving managerial capacity and using technology to improve internal processes.

REFERENCES

- Anggraeni, I., & Gunawan, R. (2020). Pengaruh Pinjaman Anggota Dan Simpanan Anggota Terhadap Sisa Hasil Usaha Pada Koperasi Mina Karya Di Dinas Ketahanan Pangan Dan Perikanan Kabupaten Bandung Tahun Periode 2010 - 2018. *Jurnal Akuntansi Fakultas Ekonomi UNIBBA* 55, 11(Desember), 66–79.
- Anindyatama, M. D., Kusmayadi, K. K., & Anugrahwati, L. M. (2019). Analisis Pengaruh Jumlah Anggota, Simpanan Anggota, Dan Piutang Anggota Terhadap Sisa Hasil Usaha Pada Primkopkar Manunggal Damatextimatex Salatiga. *Jurnal Aktual Akuntansi Keuangan Bisnis Terapan (AKUNBISNIS)*, 2(2). <https://doi.org/10.32497/akunbisnis.v2i2.1660>
- Azhari, A. (2024). Increase in Profit Based on Internal Capital and Business Volume in Cooperatives in Indonesia. *Almana : Jurnal Manajemen Dan Bisnis*, 8(1), 119–126. <https://doi.org/10.36555/almana.v8i1.2461>
- Ferline, A., & Yolamalinda. (2014). Pengaruh Jumlah Anggota dan Simpanan Anggota Terhadap Peningkatan Sisa Hasil Usaha (SHU) Pada PKP-RI (Pusat Koperasi Pegawai Republik Indonesia) Propinsi Sumatera Barat. *ECONOMICA: Journal of Economic and Economic Education*, 2(2), 116–125.
- Firmansyah, H., Gosali, I., Mukaromi, C., Rahmatika, W., & Mulyana, Y. (2022). Pengaruh Simpanan Anggota dan Pembiayaan terhadap SHU pada KSPPS BMT Sinergi

- Cendekia Indonesia. *Jurnal Maps (Manajemen Perbankan Syariah)*, 5(2), 106–115. <https://doi.org/10.32627/maps.v5i2.438>
- Haqiqi, F., Alkausar, N. R., Yusmalina, & Azmia, L. (2020). Analisis Pengaruh Simpanan Anggota dan Pinjaman Anggota Terhadap Perolehan Sisa Hasil Usaha (Studi Kasus KSP Kredit Union Jembatan Kasih Tanjung Balai Karimun Periode Tahun 2016-2018). *Jurnal Cafetaria*, 1(2), 56–63. <https://media.neliti.com/media/publications/332607-analisis-pengaruh-sistem-informasi-akunt-c829ca3d.pdf>
- ICA. (2024). <https://ica.coop/en/cooperatives/facts-and-figures>. ICA.Coop.
- Iliopoulos, C., Värnik, R., Filippi, M., Völli, L., & Laaneväli-Vinokurov, K. (2019). Organizational design in Estonian agricultural cooperatives. *Journal of Co-Operative Organization and Management*, 7(2), 100093. <https://doi.org/10.1016/j.jcom.2019.100093>
- Ingutia, R., & Sumelius, J. (2024). Does cooperative membership facilitate access to credit for women farmers in rural Kenya? *Journal of Agriculture and Food Research*, 18(August), 101425. <https://doi.org/10.1016/j.jafr.2024.101425>
- Kenani, I. M., & Bett, S. (2019). Corporate Governance and Performance of Savings and Credit Cooperative Societies in Kisii County, Kenya. *International Academic Journal of Economics and Finance*, 3(3), 61–79. [https://ir-library.ku.ac.ke/bitstream/handle/123456789/21011/Corporate governance....pdf?sequence=1](https://ir-library.ku.ac.ke/bitstream/handle/123456789/21011/Corporate%20governance....pdf?sequence=1)
- Krisnawati, N., & Alfiandri. (2019). Assessment of Factors Affecting Cooperative's Performance in Indonesia: The case of Credit Union Cooperatives. *Journal of Entrepreneurship, Business and Economics*, 7(2), 80–105.
- Lal, T. (2018). Impact of financial inclusion on poverty alleviation through cooperative banks. *International Journal of Social Economics*, 45(5), 808–828. <https://doi.org/10.1108/IJSE-05-2017-0194>
- Malinda, Y. (2015). Pengaruh Jumlah Anggota Dansimpanan Anggota Terhadap Peningkatan Sisa Hasil Usaha (Shu) Pada Pkp-Ri (Pusat Koperasi Pegawai Republik Indonesia) Propinsi Sumatera Barat. *Economica*, 2(2), 116–125. <https://doi.org/10.22202/economica.2014.v2.i2.224>
- Mazzarol, T., Clark, D., Reboud, S., & Limnios, E. M. (2018). Developing a conceptual framework for the co-operative and mutual enterprise business model. *Journal of Management and Organization*, 24(4), 551–581. <https://doi.org/10.1017/jmo.2018.29>
- Mbulu, Y., Kellen, B. P., Ndoen, M. L., & Marselinus, B. (2019). Pengaruh Jumlah Simpanan dan Jumlah Pinjaman Anggota Terhadap Sisa Hasil Usaha Pada Koperasi Kredit Handayani Bajawa. *Jurnal Akuntansi: Transparansi Dan Akuntabilitas*, 7(2), 165–172.
- Oliveira, B. S. C., Weymer, A., Piccoli, P., & Ramos, S. C. (2024). The relationship between training effectiveness and financial performance in cooperative organizations. *Social Enterprise Journal*, 20(3), 391–415. <https://doi.org/10.1108/SEJ-07-2023-0082>
- Onah, O. G., Enete, A. A., Okoye, C. U., Ume, C. O., & Onyia, C. C. (2024). Impact of credit access of farmers in cooperative societies on financial performance: the predictive effect of financial literacy. *International Journal of Social Economics*, 51(11), 1420–1433. <https://doi.org/10.1108/IJSE-10-2023-0837>
- Pasca, Y. D. (2021). Pengaruh Jumlah Anggota, Simpanan, Pinjaman Dan Modal Kerja Terhadap Shu Pada Koperasi Kpri Mitra Kabupaten Majalengka. *Eqien: Jurnal Ekonomi Dan Bisnis*, 8(2), 322–332. <https://doi.org/10.34308/eqien.v8i2.270>
- Paudel, G. P. (2024). A study on financial performance of cooperative societies in Nepal. *Journal of Contemporary Research in Business, Economics and Finance*, 6(2), 45–58. <https://doi.org/10.55214/jcrbef.v6i2.986>

-
- Pokharel, K. P., Archer, D. W., & Featherstone, A. M. (2020). The Impact of Size and Specialization on the Financial Performance of Agricultural Cooperatives. *Journal of Co-Operative Organization and Management*, 8(2), 100108. <https://doi.org/10.1016/j.jcom.2020.100108>
- Purnami, A. N. N., Suamba, K. I., & Dewi, K. R. (2024). The Effect of Service Quality on Financial Performance and Satisfaction of Cooperative Members in Gianyar Regency. *Journal of Sustainable Development Science*, 6(1), 36–42. <https://doi.org/10.46650/jsds.6.1.1544.36-42>
- Safiyuddin, F. S., Abd Wahab, N., & Maamor, S. (2021). An Analysis of the Financial Performance of Credit Cooperatives in Malaysia. *Journal of Accounting Research, Organization and Economics*, 4(2), 199–215. <https://doi.org/10.24815/jaroe.v4i2.20548>
- Sailana, S. A., Maro, Y., Tang, A. S., & Sabu, S. M. J. (2023). Analisis Pengaruh Simpanan Pokok Simpanan Wajib Dan Simpanan Sukarela Terhadap Sisa Hasil Usaha Anggota Di Koperasi Serba Usaha. *Jurnal Ilmiah Wahana Pendidikan*, 9(23), 1054–1071.
- Siambataon, A. L., Nasution, Y. S. J., & Syahriza, R. (2023). Pengaruh Jumlah Anggota, Jumlah Simpanan Dan Jumlah Pinjaman Terhadap Sisa Hasil Usaha (Shu) (Studi Kasus Pada Koperasi Karyawan Pt Indah Pontjan). *Jurnal Riset Akuntansi Tridinanti*, 4(2), 167 – 175.
- Tambunan, S. B. (2023). Analysis of financial statements to assess financial performance in savings and loan cooperatives CV. Maju Bersama Perdagangan in Simalungun Regency. *Enrichment: Journal of Management*, 13(2).
- Yanita, C. A., Sucipto, H., & Introduction, I. (2023). Financial Performance Analysis In The Multiple Business Cooperative " Bina Business Independent " Jombang District. *Jurnal Sains Dan Teknologi*, 5(1), 289–295.