

28. STRENGTHENING CAPACITY BUILDING EFFORTS TO DEVELOP BUSINESSES “KOPERASI”

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STRENGTHENING CAPACITY BUILDING EFFORTS TO DEVELOP BUSINESS “KOPERASI”

(Study On “ Koperasi Wanita Al-Firdaus” Village Damarsi Buduran subdistrict of Sidoarjo)

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Abstracts

“Koperasi” and small business is a business that can survive from the monetary crisis, yet there are also “Koperasi” that are not able to survive in the crisis, so they could no longer active. Thus we need a strategy to strengthen the capacity building of “Koperasi”, so that “Koperasi” could develop their business. The research objective was to determine how to strengthen the capacity building of “ Koperasi Wanita Al-Firdaus” Village Damarsi Buduran subdistrict of Sidoarjo.

The method employed in this research is descriptive qualitative. The data used primary, secondary data and source data from informants. Techniques of data collection using interviews, observation and documentation. Analysis of the data with data reduction, data presentation, and conclusion. The validity of the data include credibility, transferability; dependability; konfirmability focus of the research is human resource development, strengthening organizational and institutional reforms.

The results of research on the development of human resources find that the training done by the Department of Cooperatives is good enough, but there has been no regeneration of the board. Strengthening the organization include organizational network communication and incentive systems has made the effort to strengthen the organization. Changes in policies or regulations to support institutional strengthening. the Institutional strengthening efforts have been done by “Koperasi Wanita Al Firdaus”, however attention because it has not regeneration stewardship.

Keywords : Capacity Building, organizational development

INTRODUCTION

Indonesian economic system known to exist three main pillars that support the economy. The three pillars that include State-Owned Enterprises (BUMN), Private Owned Enterprises (BUMS), and Koperasi. Koperasi is synonymous with populist economic system is believed to be an alternative to resolve the social problems of the Indonesian economy.

Koperasi as people’s economic movement based on the principle of “kinship and mutual assistance”. Principle of mutual assistance is the reflection of humans as social beings, who always need other people to meet their needs.

Koperasi as one of the nation’s economic actors have different characteristics compared with other economic actors. Characteristic that distinguishes it is the Koperasi built based on the principle of kinship, meaning that Koperasi have an accent like a family in its implementation. Not profit or expected benefits but the main members of the Koperasi prosperity. Koperasi as a cornerstone of the economy of Indonesia which consists of individuals or legal entities with the bases Koperasi activities based on the principle of cooperation as well as people’s economic movement based on family principles.

Its development, Koperasi in Indonesia is considered quite fast, but many Koperasi are not able to survive so it is not active. There are several factors that cause Koperasi are not able to survive, for example, the lack of expertise in managing the Koperasi, the level of participation of members, the Koperasi venture capital is relatively low, and increased competition from enterprises or other financial institution. The following data is the development of Koperasi in Indonesia:

Table 1. The number of Koperasi in East Java per October 31

NO	Years	Aktive Cop.	Non-Active Cop	Total
1.	2012	25.462	3.710	29.172
2.	2013	26.802	3.710	30.512
3.	2014	27.044	3.177	30.221

Source: Dinas Koperasi dan UKM East Java 2015

The table shows, the growth of Koperasi ranged from 15% to 20%. But the Koperasi that includes inactive Koperasi category is also quite large, it should be a concern of the government. Some of the results of case studies on Koperasi shows that the presence of Koperasi is not only benefit the members of the Koperasi but has also been instrumental in employment and provide a level of prosperity.

Women's Koperasi is the most appropriate forum for women entrepreneurs commonly called productive groups in improving its business (Harsosumarto, 2007: 8). The existence and development of women's Koperasi in Indonesia has attracted the attention of government, because the Koperasi shows the development of good performance, in terms of organization and effort.

Women's Koperasi have become an integral part of the economic life of the community, developing into a container in

supporting the local economy and has been instrumental as well as employment which gives a better level of welfare for the community where the Koperasi is located.

East Java Provincial Government has great expectations in the construction sector of the economy of Koperasi and UMKM, it is proved by the program in the form of funding from the Regional Budget (APBD) amounting to Rp. 25,000,000 (Twenty Five Million) earmarked for achievement KOPWAN, KOPWAN as providing motivation to develop.

Women's Koperasi (KOPWAN) assessed more rapidly and consistently in implementing the principles and values of Koperasi. This can be observed in terms of quantity as the increase in the number of members, business volume and an increase in the SHU. Meanwhile, if viewed from the quality of management, women's Koperasi is more consistent and have a positive impact on improving the welfare of the family. The role of KOPWAN in the empowerment of women, among others, provide training, business consulting, skills improvement both in terms of technical businesses such as organization, management, administration or accounting business, and enhance the quality of products, access to productive resources, market information, business opportunities, also increase in education, health, increase women's awareness of their rights in the workplace as well as family, social, legal, and political. Women's Koperasi generally have activities oriented to meeting the needs and solving problems both consumptive women, the productive and reproductive health.

One of the Women's Koperasi that is developing is a Women's Koperasi "Al-Firdaus" established in 2009. The Koperasi is located in the Damarsih Village Buduran District of Sidoarjo regency by the number of initial members of 25 people, which now has

approximately as many as 158 members. During the period of its activity the Koperasi has been awarded two consecutive relief obtained from East Java provincial budget in 2010 and 2013.

The Koperasi has developed enough in quantity and quality for an increasing number of members, business volume and an increase in the SHU (Business Profits). Koperasi provides access to finance for women, especially for women who have a business. This Koperasi operational activity of implementing a system of "Joint liability" since 2010. "Joint liability" system is a member of the Koperasi form groups, consisting of 15 members and a maximum 30 members, it serves as an internal control structure in order to timely loan repayment for a loan individuals in the group are borne by all group members.

Need optimization efforts in order to improve the ability of Koperasi institutions that are expected to have an impact on the member's welfare. Many options can be used in efforts to strengthen the Koperasi institutions, one of which is to improve the institutional capacity of Koperasi through capacity building strategy. In general, the concept of capacity building can be defined as the process of building the capacity of individuals, groups or organizations that are reflected through the development of abilities, skills, potential and talent and mastery of the competencies so that the organization can survive and be able to overcome the challenges of change.

² Grindle (1997: 12) explains: "*Capacity building is intended to encompass a variety of strategies that have to with increasing the efficiency, effectiveness, and responsiveness of governance performance.* Institutional capacity building can be seen from several ways, according to Grindle there are three dimensions that can be seen through capacity building strategies are: 1.

¹ dimensions of human resources development, 2. dimensions of strengthening organization, 3. institutional reform.

Described by Grindle, in the context of human resource development, attention is given to the procurement or provision of professional and technical personnel. The activities carried out include education and training (training), salaries/wages, working conditions and environment settings and proper recruitment system. In connection with the strengthening of the organization, the center of attention is paid to the management system to improve the performance of the functions and tasks of the existing and setting microstructure. An activity to do is arrange the incentive system, the utilization of existing personnel, leadership, communication and managerial structures. And with regard to institutional reform, need to be given attention to changes in the system and the institutions that exist, as well as the influence of the macro-structure. In this context, the activity needs to be done is to change the rules of economic and political system that no policy changes and the rule of law, and reform the institutional system that can drive the market and the development of civil society. Based on some of the understanding that the development of capacity in an organization can be considered as a destination and can also be considered as a process. As a destination, for example: strengthening the quality of a decision within an organization and their involvement in the process, such as clarity of objectives of an organization. The focus is on the organization's mission, the analysis of external factors, structure and activity. Therefore, the criteria relates to the effectiveness of the mission that has been assigned to the right which has been met. Thus, the core organizational capacity development is a goal is the achievement of the organization's mission.

While the development of organizational capacity as the process is a process of adjustment to the organizational changes and improvements to the internal system of organization that enables organizations to face challenges with the based support organizational resources so that the organization can live sustainably. By using the strengthening of institutional capacity, it is expected the organization or body that can implement institutional strengthening. While in KOPWAN "Al-Firdaus" which is expected to have an impact on the welfare of members and the first expected to contribute to the economy in Indonesia.

Based on the background of the problems described above, it can be formulated research problem formulation is as follows: "How is Strategies of Strengthening Institutional Capacity of Women's Koperasi Al-Firdaus Damarsi village Buduran subdistrict of Sidoarjo regency?"

LITERATURE REVIEW

Management strategies can be defined as the art and science in formulating, implementing, and evaluating the cross-functional decision – making which enables an organization to achieve its objectives (David, 2006: 5)., Glueck and Jauch (2007: 75) explains, management strategies are a number of decisions and actions that lead to the formulation of a strategy or a number of effective strategies to achieve the target changes.

The strategy has three important roles in filling management purposes (Grant, in Rangkuti, 1999: 21), namely: 1) strategy as a decision support strategy as an element to achieve success. The strategy is a form or theme that gives unity relationship between the decisions taken by individuals or organizations. 2) strategies as a means of coordination and communication One of the important role

the strategy as a means of coordination and communication is to give equality of direction for the company 3) Strategy as a target concept of the strategy will be combined with the mission and vision to determine where the company is in the future. Goal setting is not only done to provide direction for the preparation of the strategy, but also to shape the aspirations for the company. Thus, the strategy can also serve as the company's target.

Koperasi

Koperasi etymologically derived from the word cooperation, consists of word *co* means together and *operation* means working or trying to. So cooperation means working together or joint venture for mutual interest. Koperasi generally understood as an association of people who voluntarily unite to fight for the improvement of their economic welfare, through the establishment of a democratically controlled enterprise.

According to Hatta in Resond Baswir (2000: 2). Koperasi is an association of people, usually have the limited economic capacity, which through a form of business organization supervised democratically, each contributing an equivalent to the necessary capital, and are willing to bear the risks and receive the rewards are well worth the effort they did.

The definition of Koperasi in Indonesia is contained in Law No. 25 of 1992 on Koperasi which states that the Koperasi is a business entity consisting of persons or legal entities with the bases Koperasi activities based on Koperasi principles, as well as people's economic movement based on the principle of kinship. A significant element of Koperasi, namely: 1) the Koperasi is a business entity, 2) Koperasi can be established by a person or legal entity Koperasi as well as Koperasi members concerned. 3) Koperasi is managed by the Koperasi

4 principles. 4) The Koperasi is managed based on the principle of kinship.

4 The purpose of Koperasi, as stipulated in Article 3 of Law No. 25/1992 on Koperasi, which is to promote the welfare of members in particular and society in general as well as help build national economic order in order to realize an advanced society, equitable, and prosperous based on Pancasila and the Constitution of 1945. Based on these descriptions can be concluded that the purpose of the Koperasi are: 1) To promote the welfare of members of Koperasi, 2) To promote the welfare of the community, 3) Establish national economic order.

Capacity Building

In theoretical studies about public management, capacity development is one of the basic concepts developed rapidly since the early 1990s, especially in line with the formulation of the carrying capacity (*resource*), both environmental degradation, inefficiency and ineffectiveness of development and its kind. *Capacity building* provides a good hope in particular within the framework of realizing the goal of governance, namely in order to increase the effectiveness and efficiency of public management toward the realization of the objectives expected before serving theoretical studies on *capacity building* in advance elaborated understanding of *capacity* or capacity itself.

Capacity building has the characteristics of a dynamic and continuous and covers a long period. *Capacity building* is defined as an internal process, but can be stimulated by external actors. *Capacity building* should ideally be *demand driven*. External parties should be a *catalyst* and *supplementary*, as well as focusing on capacity building that exist and provide support to the methodology. While implementation should be

incremental and modular. When there is capacity at various levels, capacity building becomes multidimensional, and can be described as components, levels, strategies, and interventions (Milen 2001). Because it is not singular and dynamic, there is not one single answer how to increase capacity (Imawan, et.al, 2006). Further understanding of the capacity was also raised by Brown were cited by GTZ (2003: 9)

that: "What Exactly is "Capacity" and how can it be measured? There is a multitude of concepts and definition about what exactly "Capacity" is Usually they refer to the abilities of individuals or organizations to perform functions and to achieve stated objective. However, capacity means more than technical competence, or the availability of sufficient financial or material resources. The capacity concept includes how such "inputs" area being applied and used to produce certain outputs, results and outcomes, may authors see capacity as something that is dynamic, multidimensional, and directly or indirectly influenced by contextual factors"

Actually, what is meant by capacity and how its capacity can be measured? There are a lot of concepts and definitions of what is called the capacity are in fact. In general, they all refer to the ability of individuals and organizations in demonstrating the functions and how they achieve its intended purpose. However capacity meant something more than just competency is technical, or only the financial capacity shortly inadequate resources and other materials. The concept of capacity includes the like-where inputs are applied and used to produce the outputs, results and earnings. Ordinarily also many writers see the bahwa capacity as something dynamic, multidimensional, and directly or indirectly influenced by contextual factors.

That definition underlines that capacity is very complex, not just focusing on the ability or technical competence but also about how to use or apply the source as "input" as qualified output. Further explained that: "Capacity is the ability of an individual, an organization or a system to perform functions and to meet objectives effectively and efficiently. This should be based on a continuing review of the framework conditions and a dynamic adjustment of functions and objectives". Capacity is the ability of an individual, organization or system in carrying out the functions and achieves goals effectively and efficiently. It should be based the ongoing review to various framework conditions, the dynamic adjustment of the various framework conditions, dynamic adjustment of the various functions and purposes. (GTZ, 2005: 11).

Grindle (1997: 12) explains that: "Capacity building is intended to encompass a variety of strategies that have to with increasing the efficiency, effectiveness, and responsiveness of governance performance (capacity development is an effort that is intended to develop a variety of strategies for improving efficiency, effectiveness, and responsiveness of government performance). Meanwhile, According Marison (2001: 42), see capacity building as a process for doing something, or a series of movements, changes in multi level within individuals, groups, organizations and systems in order to strengthen the adaptability of individuals and organizations so as to responsive to changes in the existing environment. According to Milen (2001: 142) Capacity Building viewed as a special task for the special tasks related to actors within an organization or system at any given time

In the capacity building has dimension, focus and types of activity. Dimensions, focus and type of these activities according to Grindle (1997: 1-

28), and Bappenas (2007) are: (1) the dimensions of human development, with a focus: professional personnel and technical capabilities as well as the types of activities such as: training, practice immediately, climatic conditions of employment and recruitment, (2) the dimensions of strengthening the organization, with focus on: governance management to improve the success of the role and functions, as well as the types of activities such as incentive systems, equipment personnel, leadership, organizational culture communication, managerial structure, and (3) institutional reform, with a focus on: institutional and systems as well as macrostructure, the types of activities: rules of economic and political, policy and regulatory changes, and constitutional reform. Correspondingly, Grindle (1997: 1-28) stated that if the capacity building into a series of strategies aimed at improving the efficiency, effectiveness and responsiveness, then the capacity building should focus on dimensions: (1) the development of human resources, (2) the strengthening of the organization, and (3) institutional reform.

Human resource development, attention is given to the procurement or provision of professional and technical personnel. The activities carried out include education and training (training), salaries/wages, working conditions and environment settings and proper recruitment system. In connection with the strengthening of the organization, the center of attention is paid to the management system to improve the performance of the functions and tasks of the existing and setting microstructure. Activities to do are arrange the incentive system, the utilization of existing personnel, leadership, communication and managerial structures. Institutional reforms need to be given attention to changes in the system and the institutions that exist,

as well as the influence of the macro-structure. In this context the activities that need to be done is to change the rules of economic and political system that no policy changes and the rule of law, as well as systems reforms institutional that can drive the market and the development of civil society (Grindle, 1997; Depdagri-Bappenas, 2000; Imbaruudin 2005; Soeprapto, 2007).

Dimensions and Capacity Development Focus

Capacity development is generally defined as an increase in the ability or competence of individuals, groups and organizations which include many components, resulting in the development of capacity, there are several dimensions and focus. Dimensions and focus are part an ongoing dynamic process. The dimensions and capacity development focus by (Soeprapto, 2003: 14) There are three levels, namely: 1) Rankings Individual, such as potential individuals, individual skills, work grouping and motivations of individual jobs within the organization; 2) Depth organizations, such as organizational structure, procedures and mechanisms work, decision-making processes within the organization, facilities and infrastructure arrangements, relationships and organizational networks; 3) Level System, such as the framework relate with regulations, policies and basic conditions that support the achievement of specific policy objectivity.

Capacity building has its own way to running activity that allows the development in an individual capacity, systems, or organizations, where such activities consist of some of the common steps. The stages or phases according Gandara (2008: 18) are: 1. Preparation Phase 2. Analysis Phase, 3. Planning Phase 4. Implementation phase. 5. Evaluation Phase.

RESEARCH METHODS

Types of research, including qualitative descriptive study with the intention to obtain a comprehensive overview and in-depth development model based Women's Koperasi *capacity building*. Theoretically, according to Denzin and Lincoln in Moleong (2011: 5) Qualitative research is research that uses natural background, with the intention of interpreting phenomena and done by involving a variety of methods.

The research location in the village Damarsi, Buduran sub-district, Sidoarjo regency at the Institute for Women's Koperasi Al-Firdaus. Researchers are interested in studying how Koperasi Wanita Al-Firdaus develop institutional capacity. The choice of location is done with consideration that KOPWAN Al-Firdaus is a Koperasi woman who has several times received a grant from the Governor of East Java. 2013 Women's Koperasi Al-Firdaus included in the category "HEALTHY".

The focus of research is the dimension, the focus and the type of the activity according to Grindle (1997: 1-28), and are: (1) the dimensions of human development, with a focus: professional personnel and technical capabilities as well as the types of activities such as: training, direct practice, condition work climate, and recruitment, (2) the dimensions of strengthening the organization, with focus on: governance management to improve the success of the role and functions, as well as the types of activities such as incentive systems, equipment personnel, leadership, organizational culture, communication, managerial structure, and (3) institutional reform, with a focus on: institutional and systems as well as macro-structure, the types of activities: rules of economic and political, policy and regulatory changes, and constitutional reform.

Withdrawal informants technique in this study with the sampling method is *purposive sample* is informant drawn with consideration of the intended person will know and be able to provide necessary information in the study. *Purposive sample* is a sampling technique with a certain considerations (Sugiyono, 2009: 85).

The key informant was the Chairman of KOPWAN Al-Firdaus: Hj. l'anatus Sholihah; KOPWAN Secretariat and members of KOPWAN Al-Firdaus. Documents related to the research focus among other Statutes and Bylaws KOPWAN Al-Firdaus, Annual Report KOPWAN Al-Firdaus, the Work Plan of KOPWAN Al-Firdaus, regulations set KOPWAN Al-Firdaus and photos of activities.

Data ¹⁰ Collection Techniques, hereinafter described by Sugiyono (2009: 225) that the collection of data can be obtained from the observation, interviews, documentation, and joint/triangulation. In this study, researchers used data collection techniques by observation, documentation, and interviews.

Data Analysis Techniques, according to Bogdan and Biklen in Moleong (2011: 248) data analysis is the effort made by working with the data, organize data, sifting sort them into units that can be managed, synthesizing it, search and find patterns, identifying what is important and what is learned, and ¹⁷ decide what can be told to others. So in this study in accordance with the form of data analysis methods of Miles and Huberman.

Data analysis methods used in researching the institutional capacity of KOPWAN Al-Firdaus is a method developed by Miles and Huberman (2014: 8). Where qualitative data analysis is done in several stages: Condensation Data (*Data condensation*), Presentation of data (*Data display*), inference or verification (*Conclusion drawing or verification*).

RESULTS & DISCUSSIONS

³¹ Based on the findings in the field of research done on the site as well as documentation of the photo documents owned by KOPWAN Al-Firdaus Damarsi Village Buduran District of Sidoarjo, relates to objects, focus and objectives of research studies and techniques of interviews with key persons and informants.

1. Human Resources Development (HRD)

Human resources development for employees is a process of learning and practicing a systematic way to improve their competence and their performance on the job now and prepare for roles and responsibilities that will come (Ruky, 2006: 227). Institutional capacity development in KOPWAN Al-Firdaus through the development of human resources is quite good, there are accounting and accountancy training conducted by the Dinas Koperasi. Training aims to increase the ability of KOPWAN especially the ability of existing human resources. Training is able to deliver good results in the management of the Koperasi.

According Ruky (2006: 227) the purpose of development is to improve the level of effectiveness of employee performance in achieving the result set. Personality development is the development of knowledge, skills development, changing attitude. Human Resources Development aim to improve the quality of professionalism and skills of civil servants in carrying out its duties and functions optimally. By developing employee skills intended as any attempt of the leadership to increase the job skills of each employee so that in carrying out its duties more efficiently and productively. Therefore, organizations need to continue to develop human resources, due to investment in human resource development is the expenditure aimed at

improving productive capacity of human beings.

One manifestation of human resource development could be training, training is one kind of learning process to acquire and improve skills outside the education system prevailing in a relatively short time and with a method that is more about practice than theory (Sastradipoera, 2002: 46) , In accounting training provided by the Dinas Koperasi, trainees are taught how to keep the books in the correct format, they will be taught until they understand exactly how to do the bookkeeping.

Training helps employees understand practical knowledge, to enhance the skills, skills, attitudes needed by the organization in order to achieve objectives. In addition to human resource development training to do with regeneration or replacement trustee. With the regeneration it is expected that the change towards a more modern and advanced. Because regeneration is expected to provide encouragement and new shades to keeps the organization running. Although considered quite trivial but regeneration impact of the extraordinary survival of the organization.

However, circumstances are very necessary so the attention is on the development of human resources through the regeneration or replacement of management is in KOPWAN AI-Firdaus. During this KOPWAN standing has never been a change of the board at all. Although the organization is considered trivial regeneration is needed, it is necessary even if just to relieve boredom or renew a state in KOPWAN.

Substitution of administrators at KOPWAN AI-Firdaus hindered by the absence of cadres willing to become administrators or supervisors. They considered the caretaker or superintendent of Koperasi is very tiring but did not provide results comparable to

the work being done. The fact that even things like this to worry about, the presence of AI-Firdaus KOPWAN is threatened with bankruptcy, because of the absence of members and others who want to be the successor cadre of administrators or supervisors of Koperasi. Implementation of regeneration usually have general guidelines for how the processes and mechanisms of electoral administrators and supervisors. These guidelines must already be included in the Statutes and Bylaws or special regulations of each Koperasi. These guidelines must not conflict with the values of the Koperasi, good common values, democratic values and the independence or the value of helping yourself and helping others.

The results appear institutional capacity development in KOPWAN AI-Firdaus through human resource development has been good enough in the field of training, there is training conducted by the Department of Koperasi. In terms of KOPWAN recruitment system provide facilities for prospective new members who wish to join the Koperasi. While the development of human resources through the regeneration of the board or superintendent during this KOPWAN standing had never been there.

1. Strengthening the Organization

Organizations must continue to establish itself in the framework of the institutional strengthening. so as to support the achievement of organizational goals. The organizational system must be built in order to ensure that every activity and process is done in the right way. Organizations must continue to develop nets in order to improve the strength of the organization.

Strengthening Women's organizations in the Koperasi AI-Firdaus is done with a form: the communication network of organizations and incentives

include salary / bonus for administrators or members. In the communication network of organizations definitely need other organizations to interact and to develop the organization, as well as KOPWAN Al-Firdaus also have a network of communication with other organizations, one of which is with the Dinas Koperasi Sidoarjo. KOPWAN Al-Firdaus interaction with the Department of Koperasi to report financial activity KOPWAN each month with the format which has been granted in accordance with the Dinas Koperasi.

Form of interaction carried out by Al-Firdaus KOPWAN is consistent with the theory of ³² communication expressed by Claude E. Shannon and Warren Weaver (1949) in the book "The Mathematical Theory of Communication", as quoted by Wiryanto says, "Communication is a form of human interaction mutually influence one another, intentionally or unintentionally, and not limited to the form of verbal communication, but also in terms of facial expressions, painting, art and technology." (Wiryanto, 2004: 7). From the definition and understanding ²³ of communication that have been raised, it is clear that human communication can only occur if someone who conveys the message to others with a specific purpose, meaning communication can only occur when they are supported by their components or elements of communication which are the source, message, media, receiver and effect. This is consistent with KOPWAN doing delivering messages to the Department of Koperasi to the shape in the form of a monthly report KOPWAN Al-Firdaus. The communications network is defined as the exchange of messages through a certain path. The communications network of this organization can be considered as an exchange of messages through a particular path within an organization.

There are several views of the many elements that support communication

occurs and the establishment of effective communication. an outline of the communication has been amply supported by the three main elements that the source, the message and the recipient, while there is also the added feedback and environment in addition to the three elements that have been mentioned. Communication occurs in KOPWAN Al-Firdaus occur both internally and external to the organization. So we call it the organization as a communication network.

Communication happens already meets some of the elements of communication such is the source, the message and the recipient. Sources are KOPWAN Al-Firdaus, the message in the form of monthly reporting KOPWAN Al-Firdaus, while the receiver is Dinas Koperasi Kabupaten Sidoarjo.

Communications made by KOPWAN Al-Firdaus has been running well since this is in accordance with the functions of communication, according to Effendy (1993; 35), he argued that the communication functions are: 1) Inform (to inform) has done KOPWAN provide information as outlined in the form of monthly financial reports to the Department of Koperasi in accordance with the format specified by the Dinas Koperasi related. 2) Educate (to educate) is KOPWAN can present the report to the Office of Koperasi so that the Department of Koperasi to get information from KOPWAN Al-Firdaus financial situation in KOPWAN Al-Firdaus. 3) Entertaining (to entertain) is a useful addition communication to convey communication, education and influencing also serves to convey entertainment or entertain others. 4) Affects (to influence) is affecting the function of each individual communication, of course, trying to influence each other's way of thinking communicant and further seeks to change attitudes and behavior communicant in accordance with what is expected. (Effendy, 1993: 36).

While communication purposes intended by KOPWAN AI-Firdaus according to the researcher's analysis is in conformity with the purpose of the communication itself, it is as stated by Effendy declared communication has the following objectives: 1) Attitude change, 2) Opinion change, 3) behavior change, 4) social change.

There is a strengthening of the organization through incentives in KOPWAN AI-Firdaus with provisions that have been set on the AD/ART KOPWAN AI-Firdaus. Heidjrachman and Husnan (1992: 161) say that the incentive remuneration is intended to provide a different wage or salary. So the two employees who have the same office can receive different wages due to different performance. But this theory does not correspond to the existing situation in KOPWAN AI-Firdaus. The incentive system in KOPWAN AI-Firdaus performed with the following conditions, the distribution of 50% of SHU returned to members, and 50% for compulsory savings, principal, and others. In addition there penyisian Rp. 450.000, - (Four Hundred Thousand) each month are distributed to the board and chairman of the joint responsibility of 7 (seven) people who shared each year end.

Sarwoto (1983: 144) The incentives are as a means of motivation can be given stimulants or driving restrictions given by accident to a worker that arise within them a greater passion for achievement for the organization. This is consistent with the purpose of the incentive given to the board and chairman of the joint responsibility KOPWAN AI-Firdaus to provide motivation to arise the spirit to work and contribute to the organization where he worked.

Incentives are basically a form of compensation given to employees whose number depends on the results achieved in the form of financial and non financially. It is intended to encourage employees to

work harder and better so that achievement can be increased, which in turn the company's goals can be achieved.

Incentives as a means of motivation that encourage employees to work with an optimal capacity, which is intended as an extra income outside the salary or wages that have been determined. The incentive is intended to meet the needs of employees and their families. Term incentive system is generally used to describe plans for the payments of wages are linked directly or indirectly with the varying standards of employee performance or profitability of the organization.

Compensation and incentives have a very close relationship, which is a component of incentive compensation and both were very decisive in achieving the goals and objectives of the organization as a whole. Incentives can be formulated as an adequate remuneration to the employee whose performance exceeds the standards set. Incentives are a motivating factor for employees to work better so that employee performance can be improved. In the opinion of the experts of the above can the authors conclude that incentive is a boost to a person in order to work properly and be more able to reach the level of higher performance so that it can raise morale and motivation of an employee, so someone can function well if in him there is motivation, the problem is how also create morale and motivation, because even if the motivation is formed if not accompanied by his passion then still the employee will not work as expected. In principle the provision of incentives for both parties. KOPWAN AI-Firdaus has only external relations with the Dinas Koperasi, and even then only ranging about financial reporting alone. The incentive system KOPWAN AI-Firdaus has its own incentive

systems and rules already are in AD/ART have been made by mutual agreement.

2. Institutional Reform

Reform institutions in KOPWAN AI-Firdaus include changes in policy or regulations, policies are actions or activities that intentionally done or not done by a person, group or government in which there are elements of the decision takes the form of elections among the various alternatives there are for achieve the intent and purpose. Policies or rules that exist in KOPWAN AI-Firdaus stated in the AD / ART, the process of the formation of AD/ART through a series of processes that require a lot of consideration and opinion, this is in accordance with the opinion of Federick (2008: 7) which defines the policy as a series of actions/the proposed activities of a person, group or government in a particular environment where there are obstacles (difficulties) and opportunities for the implementation of the policy proposals in order to achieve certain goals. This argument also shows that policy ideas involve behavior that has the intent and purpose is an important part of the definition of policies, however, because the policy should indicate what is actually done rather than what is being proposed in some activities on a problem.

The existence of policies or rules that there is certainly not always relevant, MKA is need for changes if needed to replace or add to an existing policy, in order to achieve all the objectives of the organization. In a change of policy in which there are elements of the decision in the form of election efforts among the various alternatives that exist to achieve the intent and purpose. During the operation of KOPWAN AI-Firdaus changes in policy or regulation has been done several times, change is because of various reasons and is likely to be decided. For changes in policy or

regulations in KOPWAN AI-Firdaus, who has recently done is regulations on exit / entry of members. Stated that "members who have declared themselves out of Koperasi then the concerned members cannot get back into a member of the Koperasi". The regulation is a decision of a joint agreement KOPWAN members and administrators.

Decision (*decision*) is the result of making a choice among several alternatives, while the term decision-making (decision making) refers to the process that occurs until a decision was reached. The decisions that may involve public purposes, may also involve policies to achieve that goal. In this case KOPWAN AI-Firdaus gives it the rule to achieve the objectives and purposes of the organization.

Based on the discussion of AI-Firdaus KOPWAN no rules contained in the AD/ART KOPWAN AI-Firdaus, which contains the rules and provisions which have been agreed. AD/ART set the rules of economics, politics KOPWAN AI-Firdaus. Rules of the game with in democracy processing with the principle of kinship. Although considered a social organization, KOPWAN AI-Firdaus still adopt and follow the economic principles it includes KOPWAN key to success in managing the AI-Firdaus Koperasi. KOPWAN AI-Firdaus also made policy changes aimed to keep KOPWAN continuity.

CONCLUSION AND SUGGESTION

Strengthening the institutional capacity of women's Koperasi of AI-Firdaus Damarsi village Buduran District of Sidoarjo Among them is: **Human Resource Development, Strengthening Organization and Institutional Reform.**

Institutional capacity development in KOPWAN AI-Firdaus through human resource development has been good enough in the field of training, there are

some times training conducted by the Dinas Koperasi, but on the development of human resources through the regeneration of the board or supervisor during KOPWAN's standing has never been a change of the board at all. It is necessary to get attention because it may threaten the survival of KOPWAN.

In terms of organizational strengthening of communication network covering the organization and incentive system then KOPWAN Al-Firdaus has made a series of efforts to strengthen their organization but the number is very small incentive. While in the communication network of organizations KOPWAN Al-Firdaus perform external communication with the Dinas Koperasi

In the Al-Firdaus KOPWAN there is a rules contained in the AD/ART KOPWAN Al-Firdaus, which contains the rules and provisions which have been agreed. KOPWAN Al-Firdaus also change policies or rules. So that the change in policy or regulatory change is expected keterlangsungan KOPWAN will be run in accordance with what is expected.

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