


BOOSTING MEMBER WELFARE THROUGH PERFORMANCE, MOTIVATION, AND SHARIA FINANCE IN INDONESIA

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Article Info	ABSTRACT
<p>Article history: Received Aug 01, 2024 Revised Aug 30, 2024 Accepted Sep 05, 2024</p> <p>Keywords: Member Performance Member Welfare Member Motivation Shariah Financial System Cooperative</p>	<p>General Background: Cooperatives play a crucial role in enhancing member welfare, with factors like member performance, work motivation, and financial systems directly influencing outcomes. Specific Background: In Sharia-based cooperatives, the financing system adheres to Islamic principles, providing a distinct framework for assessing its impact on welfare. However, research on the combined effect of these variables in such cooperatives remains limited. Knowledge Gap: Despite the significance of performance and motivation in driving cooperative success, the relationship between these factors and welfare, alongside the role of the Sharia financing system, is underexplored in the cooperative context. Aims: This study aims to analyze the influence of member performance, work motivation, and the Sharia financing system on member welfare in the BMT Anugrah Cooperative, Cirebon. Results: A survey-based quantitative method was employed, with data collected from cooperative members and analyzed using multiple regression. Findings reveal that member performance and work motivation significantly and positively impact welfare. Additionally, the Sharia financing system contributes positively to welfare improvement. Novelty: This study highlights the critical role of the Sharia financing system, alongside performance and motivation, as key drivers of welfare in Sharia-compliant cooperatives, an area that has received limited attention in prior research. Implications: The results suggest that enhancing member performance and motivation, coupled with optimizing Sharia-based financial services, can serve as effective strategies for improving welfare. These insights offer valuable guidance for cooperative management in formulating policies aimed at sustainable welfare improvement in Sharia cooperatives.</p> <p style="text-align: right;">This is an open-access article under the CC-BY 4.0 license.</p> <div style="text-align: right;">  </div>

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INTRODUCTION

Sharia cooperatives, particularly the Sharia Savings and Loan Cooperatives (KSPPS), play a vital role in Indonesia's economy by offering financial products in accordance with Sharia principles and helping the underprivileged access financial

services. In recent years, the growth of Sharia cooperatives has been rapid, as proven by the increasing number of cooperatives, members, and assets. According to data derived from the Financial Services Authority (OJK) as of June 2023, the number of Sharia cooperatives in Indonesia reached 1,234 with total assets of IDR 112.6 trillion. Financing products, especially murabahah and mudharabah, are popular offerings that can enhance the welfare of members by increasing productivity and income. However, many cooperatives, including KSPPS BMT Anugrah Berkah Karangsembung, still face challenges in improving their Remaining Business Results (SHU) and member welfare. Research indicates that high member performance and work motivation do not always directly contribute to increased SHU and member welfare, with variations in the impact of the Sharia financing system being influenced by implementation and external factors. Data from the Annual Members Meeting (RAT) over the past three years show fluctuations in SHU, reflecting a gap between expectations (*das sollen*) and reality (*das sein*), with member performance and work motivation being evaluated but the results still inconsistent with the expected targets.

The background and limitations outlined above form the research problem statement:

1. To what extent does Member Performance influence Member Welfare at KSPPS BMT Anugrah Berkah Karangsembung?
2. To what extent does Work Motivation influence Member Welfare at KSPPS BMT Anugrah Berkah Karangsembung?
3. To what extent does the Sharia Financing System influence Member Welfare at KSPPS BMT Anugrah Berkah Karangsembung?

The objectives of this study are based on the problem statements outlined above, namely:

1. To determine and analyze the extent to which Member Performance influences Member Welfare at KSPPS BMT Anugrah Berkah Karangsembung.
2. To determine and analyze the extent to which Work Motivation influences Member Welfare at KSPPS BMT Anugrah Berkah Karangsembung.
3. To determine and analyze the extent to which the Sharia Financing System influences Member Welfare at KSPPS BMT Anugrah Berkah Karangsembung.
4. To determine and analyze the extent to which Member Performance, Job Promotion, and the Sharia Financing System jointly (simultaneously) influence Member Welfare at KSPPS BMT Anugrah Berkah Karangsembung.

Literature Review

Human Resources (HR) refers to individuals working within an organization to achieve common goals and is considered the most valuable asset due to their significant contribution to productivity and innovation. According to Hasibuan, HR management involves the science and art of managing labor relations and roles to support company, employee, and community goals. Mangkunegara adds that HR encompasses the planning, organizing, and supervision of various labor-related aspects. Gary Dessler defines HR as individuals with skills, knowledge, and abilities that support beneficial work. Based on

these views, HR management can be synthesized as the science and art of efficiently and effectively managing and developing employees to achieve the organization's overall goals.

A cooperative is a member-owned and member-operated business organization designed to serve the mutual interests of its members, with the primary goal of improving the welfare of its members and society while supporting the national economy according to the principles of a people's economy. Cooperatives function to develop members' potential, enhance HR through education and training, and create economic democracy. Sharia cooperatives, as a form of cooperative based on Islamic principles, aim to advance welfare by avoiding *riba* practices and operating according to Sharia. Member welfare in cooperatives encompasses fulfilling basic needs and improving their economic, social, and mental quality of life. Welfare indicators include income, participation, education, and access to financial services, while SHU plays a crucial role in supporting member welfare by increasing their income, strengthening their sense of ownership, and funding cooperative development and social activities.

Defining performance comprehensively is complex, as the term is often conflated with various concepts like job achievement, work effectiveness, or work results, even though they have fundamental differences. Performance refers to the work results achieved in quality and quantity according to the assigned tasks and responsibilities. Richard I. Henderson (1984) states that performance dimensions are the quality or aspects of work that allow the measurement of workplace activity, while Wirawan (2009) categorizes performance dimensions into work results, work behavior, and job-related personal traits. The concept of performance includes individual productivity levels and task-related results and behavior, influenced by factors such as role stress and work/non-work conflict. According to Prof. Dr. H. Mahfud, M.Si., performance indicators are quantitative or qualitative measures used to assess organizational goal achievement and must be SMART (specific, measurable, achievable, relevant, and time-bound). Dr. Ir. H. Sutrisno, M.T., adds that performance indicators measure the effectiveness and efficiency of members' performance in achieving organizational goals, while Dr. Hj. Sri Mulyani, M.Acc., CPA., emphasizes the importance of performance indicators for promoting transparency and accountability. Factors affecting performance include ability and work motivation, with internal factors such as commitment, job structure, and resource support, and external factors such as government regulations and competition levels. In Islam, work is viewed as a form of worship that must be performed with full responsibility to achieve worldly and spiritual welfare, in line with the teachings of the Qur'an and the sunnah of the Prophet Muhammad (SAW).

Work motivation is the drive or enthusiasm that influences employees to work diligently and achieve optimal results, and it is a crucial factor in determining organizational performance and success. According to various sources, work motivation involves internal forces that influence the direction and intensity of work behavior (Uno, 2012), psychological processes that arouse and direct actions (Wibowo, 2014), and efforts to direct and sustain behavior according to the work environment (Miftahun & Sugiyanto,

2010). Employees with high motivation tend to be more proactive and innovative, better adapt, and are motivated to achieve common goals. Winardi (2001) explains that work motivation is driven by desires, needs, and a sense of security, while motivation indicators such as security, physical needs, esteem social needs, and self-actualization (Hasibuan), as well as dimensions like ability, work environment, and other factors, can be used to measure and enhance motivation. Work motivation can be intrinsic, stemming from within oneself, or extrinsic, triggered by rewards and incentives.

Based on the above explanation, it can be concluded that work motivation is the internal and external drive that encourages employees to work diligently and achieve optimal results, which is crucial for individual performance and organizational success.

METHODS

This research aims to test hypotheses by validating the assumptions that have been formulated and supporting the theory using a quantitative approach, which is presented in the form of numbers and statistical calculations. The quantitative method, as defined by Sugiyono (2015), is a methodological approach based on the principles of positivism, involving data collected through research instruments and statistical analysis to test the hypotheses. This study uses a descriptive approach to determine the value of independent variables without comparison, and a verificative approach to examine the relationship between training, job promotion, and work discipline (influencing variables) and performance (influenced variable), with a focus on quantitative and linear analysis.

RESULTS AND DISCUSSION

BMT Anugrah Berkah, established in 2009 within the Anugrah Group complex, is a Sharia-based savings and loan cooperative located at Jalan Raya Karangsembung No.77, Karangsembung Village, Karangwareng District, Cirebon Regency. The cooperative's vision is to become a leading Islamic financial institution in improving the welfare of its members and advancing the economy of the community based on Islamic principles. Its mission includes realizing a healthy and independent Sharia cooperative, enhancing the quality of services and products, and strengthening the economic empowerment of the Muslim community. The cooperative's goals are to improve the living standards of its members, develop the community's economy fairly, strengthen Islamic brotherhood (ukhuwah Islamiyah), and actively participate in national development. Based on a questionnaire distributed to 92 respondents, data revealed that the majority of members are aged 36-45 years (38%), predominantly female (57%), and most have been members for more than 3 years (63%).

Validity and Reliability Testing

Validity testing was conducted to ensure that the instrument or questionnaire designed effectively and accurately measures the research data, using SPSS 25 software. Validity is measured by comparing the correlation between the scores of individual statement items or questions with the total score, with the critical value (r_{table}) determined at a 0.05 significance level and a respondent count (n) = 92, resulting in an

r_{table} of 0.2050. Variables undergoing validity testing must show a significant correlation, meaning the correlation value (r_{hitung}) must be greater than r_{table}. The results of the validity testing for the variable of member performance (X1) using SPSS 25 are presented in detail in the available table. According to provided validity test table, all statement items for the variables of work motivation (X2), Sharia financing system (X3), and member welfare (Y) show a r_{count} value \geq r_{table} 0.2050, thus concluding that all statements are valid and can be utilized to assess the variables in the study. The highest validity value was found in item number 4 for the work motivation variable at 0.655, item number 2 for the Sharia financing system variable at 0.722, and item number 6 for the member welfare variable at 0.726.

Reliability testing was used to ensure that the research measuring tool could be relied upon and trusted after the validity test was conducted. The Cronbach Alpha method was applied in reliability testing, with calculations assisted by SPSS software. A questionnaire is reckoned reliable if the Alpha coefficient is higher than 0.60, while it is considered unreliable if the Alpha coefficient is less than 0.60.

Table 1. Reliability Test Result

Variables	Cronbach's <i>alpha</i>	Reliability Score	Note
Member Performance (X1)	0,741	0,60	Reliable
Work Motivation (X2)	0,632	0,60	Reliable
Shariah Financing System (X3)	0,706	0,60	Reliable
Member Welfare (Y)	0,749	0,60	Reliable

Source: Primary Data Calculation (2024)

Based on the table above, all variables in this study—namely Member Performance (X1), Work Motivation (X2), Sharia Financing System (X3), and Member Welfare (Y)—are proven to be reliable, as the Cronbach's alpha coefficient for each variable exceeds 0.60 and is close to 1, indicating a high level of accuracy and reliability in measuring these variables.

Hypothesis Testing and Discussion

The t-test is employed to assess the impact of each independent variable (X1, X2, X3, etc.) on the dependent variable individually within the regression model. The purpose is to determine the significance of these variables' influence. If the calculated t-value (t_{count}) is less than the critical t-value (t_{table}) and the significance level is below 0.05, the null hypothesis (H₀) is accepted, and the alternative hypothesis (H_a) is rejected, indicating no significant effect between variables X and Y. Conversely, if t_{count} is greater

than ttable, H_0 is rejected, and H_a is accepted, indicating a significant effect between variables X and Y. The results of the t-test are detailed in the Coefficients table, which presents the t-values and significance levels, with further details provided in the accompanying tables.

Table 2. Partial Testing Result

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.214	1.988		-1.114	.268
	Member Performance	.182	.064	.188	2.839	.006
	Work Motivation	.506	.092	.433	5.525	.000
	Shariah Financing System	.416	.082	.417	5.040	.000

a. Dependent Variable: Member Welfare

Source: Primary Data Calculation (2024)

To determine which hypotheses (H_0 or H_a) should be accepted or rejected, the calculated t-value (thitung) is compared with the critical t-value (ttabel) at a 5% significance level ($\alpha = 0.05$). The critical t-value at this significance level is 1.987. The conclusions based on the comparison between thitung and ttabel are as follows:

1. Based on the analysis, the t-value (2.839) is greater than the critical t-value (1.987) and the significance level (0.006) is less than 0.05. This indicates that member performance has a significant impact on the welfare of members at KSPPS BMT Anugrah Berkah Karangsembung. Therefore, H_1 is accepted and H_0 is rejected.
2. Based on the analysis, the t-value (5.525) is greater than the critical t-value (1.987) and the significance level (0.000) is less than 0.05. This indicates that work motivation has a significant impact on the welfare of members at KSPPS BMT Anugrah Berkah Karangsembung. Therefore, H_2 is accepted and H_0 is rejected.
3. Based on the analysis, the t-value (5.040) is greater than the critical t-value (1.987) and the significance level (0.000) is less than 0.05. This indicates that the Sharia financing system has a significant impact on the welfare of members at KSPPS BMT Anugrah Berkah Karangsembung. Therefore, H_3 is accepted and H_0 is rejected.

Based on the results and discussion of this study, the following conclusions can be drawn:

1. Member Performance (X1): Member performance has a significant impact on Member Welfare (Y) at KSPPS BMT Anugrah Berkah Karangsembung, with an influence of 10.3%, while 89.7% is influenced by other factors. Thus, H1 is accepted and H0 is rejected.
2. Work Motivation (X2): Work motivation also has a significant impact on Member Welfare (Y), with an influence of 46.8%, while 53.2% is influenced by other factors. Therefore, H2 is accepted and H0 is rejected.
3. Sharia Financing System (X3): The Sharia financing system significantly impacts Member Welfare (Y), with an influence of 53.8%, while 56.2% is influenced by other factors. Consequently, H3 is accepted and H0 is rejected.
4. Simultaneous Influence: Member Performance (X1), Work Motivation (X2), and the Sharia Financing System (X3) together have a significant impact on Member Welfare (Y), with a total influence of 65.7% and the remaining 34.3% influenced by other factors. Thus, H4 is accepted and H0 is rejected.

The research findings indicate that Member Performance, Work Motivation, and the Sharia Financing System significantly affect Member Welfare at KSPPS BMT Anugrah Berkah Karangsembung. This suggests that the quality of member performance contributes to their welfare, although there are other influencing factors. Improving member performance can significantly enhance welfare, but it should be complemented by other factors for a greater impact.

Work Motivation also shows a significant influence on member welfare, highlighting the importance of managerial strategies that can boost member motivation to achieve better results and positively affect welfare.

Additionally, the Sharia Financing System significantly impacts member welfare, demonstrating that a Sharia-compliant financing system can effectively support members' financial well-being. A good financing system provides direct benefits that contribute to their welfare.

Overall, these three variables—member performance, work motivation, and the Sharia financing system—collectively have a significant impact on member welfare. Effective management of these aspects can strengthen overall member welfare. The study suggests that attention should be given to all three factors simultaneously to maximize their positive impact on member welfare.

CONCLUSION

Based on the study's findings, it can be concluded that Member Performance, Work Motivation, and the Sharia Financing System significantly influence Member Welfare at KSPPS BMT Anugrah Berkah Karangsembung. Each variable has a significant effect on member welfare, underscoring the importance of these factors in overall welfare improvement. Furthermore, when considered together, these variables

make a substantial contribution to member welfare, emphasizing that the interaction between performance, motivation, and Sharia-compliant financing has a crucial impact on enhancing member welfare.

SUGGESTION

Based on the study's findings, KSPPS BMT Anugrah Berkah Karangsembung is advised to enhance and innovate its products and services to better meet members' needs and improve their welfare. Additionally, it is important to maintain and increase employee commitment to the cooperative through training programs and rewards to support the cooperative's goals. Improving members' understanding of Sharia principles is also necessary to enable them to utilize Sharia financing systems more effectively. Finally, KSPPS should provide more intensive support and guidance to members, such as skills training and business consultations, to help them increase their income and achieve better financial outcomes

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