



The Effectiveness of the Siapang Pintu Gerbang Cooperative in Boosting the Economy of the Lubuk Terap Village Community in Bandar Petalangan Subdistrict, Pelalawan Regency

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Abstract

This study aims to analyze the effectiveness of the Siapang Pintu Gerbang Cooperative in improving the economy of the Lubuk Terap Village community in Bandar Petalangan Subdistrict, Pelalawan Regency. The study employed an empirical qualitative approach with a descriptive research design. Data were collected through observations, semi-structured interviews, and documentation involving the cooperative chairperson, board members, cooperative members, village officials, and community members. The data were analyzed using an interactive model consisting of data reduction, data display, and conclusion drawing and verification. The findings indicate that the cooperative has generally operated effectively by improving members' access to productive capital, supporting the development of microenterprises, strengthening member participation in organizational activities, and gradually enhancing household welfare. The cooperative has also demonstrated organizational adaptability through service improvements and flexible financing policies that respond to members' socioeconomic conditions. However, several challenges remain, including uneven member participation, limited managerial capacity, restricted financial resources, and insufficient business innovation. Strengthening organizational governance, expanding productive programs, improving managerial competencies, and encouraging broader member participation are essential to enhance the cooperative's long-term contribution to sustainable rural economic development and community welfare.

Keywords: *Community Welfare, Cooperatives, Economic Empowerment, Organizational Effectiveness, Rural Economy.*



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INTRODUCTION

Economic development in rural communities has become one of the principal priorities in achieving inclusive growth, reducing socioeconomic disparities, and strengthening the resilience of local economies amid increasing global economic uncertainty (Todaro & Smith, 2021). Rural development is no longer perceived merely as a government-driven process but rather as a collaborative endeavor that recognizes villages as autonomous entities possessing economic, institutional, and social capital capable of generating sustainable community welfare (Mardikanto & Soebiato, 2019). Within this framework, cooperatives have emerged as one of the most important institutional mechanisms for mobilizing local resources, promoting collective entrepreneurship, and improving access to productive capital among rural populations (Joshi, 2024). In Indonesia, the strategic role of cooperatives is constitutionally recognized through Article 33 of the 1945 Constitution and reinforced by Law Number 25 of 1992, which positions cooperatives as the foundation of a democratic national economy based on mutual cooperation and member participation (Undang-Undang Dasar Negara Republik Indonesia Tahun 1945; Undang-Undang Republik Indonesia Nomor 25 Tahun 1992 tentang Perkoperasian). Beyond their legal foundation, cooperatives have increasingly been acknowledged as instruments for promoting equitable economic growth, reducing rural poverty, and strengthening community resilience through participatory economic governance (International Cooperative Alliance, 2023). Recent empirical studies likewise demonstrate that well-managed village cooperatives significantly contribute to employment creation, entrepreneurial development, income generation, and long-term community empowerment (Kharel, 2024). These developments indicate that cooperative institutions continue to

occupy a strategic position within contemporary rural development policies and sustainable local economic transformation.

The effectiveness of cooperatives, however, extends far beyond their formal establishment because organizational sustainability depends on governance quality, institutional capacity, managerial competence, and the active participation of members in achieving collective objectives (Hanel, 2005). Organizational effectiveness theory emphasizes that institutions can only accomplish their intended goals when they successfully integrate organizational resources, adapt to environmental changes, maintain internal cohesion, and consistently achieve measurable outcomes (Steers, 1977). Likewise, institutional perspectives suggest that effective governance, clearly defined operational rules, and collective trust constitute the primary determinants of organizational performance and long-term sustainability (Ostrom, 1990). Contemporary research further indicates that cooperative governance significantly influences financial performance, organizational accountability, and member confidence, thereby enhancing institutional competitiveness in increasingly dynamic economic environments (Ait Novatiani et al., 2023). Nevertheless, numerous cooperatives continue to experience persistent challenges, including weak managerial capacity, inadequate institutional innovation, limited business diversification, and insufficient technological utilization in cooperative management (Mulyadi, 2020). Similar problems are also reflected in inadequate member participation, ineffective organizational leadership, and weak governance implementation, which ultimately reduce cooperatives' ability to deliver tangible economic benefits to their members (Prasmangi et al., 2025). These conditions demonstrate that strengthening cooperative effectiveness requires comprehensive institutional improvements rather than merely expanding the number of registered cooperatives.

These institutional challenges are also evident in the Siapang Pintu Gerbang Cooperative located in Lubuk Terap Village, Bandar Petalangan Subdistrict, Pelalawan Regency, which was established to improve community welfare through collective economic empowerment and productive business development. Initial observations indicate that although the cooperative has operated as an official community institution, member participation remains relatively limited, several business units have not developed optimally, and the economic benefits experienced by members remain uneven across the community. Such conditions suggest that the existence of a cooperative alone cannot guarantee successful rural economic development unless the organization performs effectively in achieving its intended institutional objectives (Pribadi & Trihastuti, 2023). Previous empirical studies consistently report that cooperative performance contributes positively to community welfare, institutional sustainability, and local economic development when supported by sound governance and active member participation (Trisniarti et al., 2022). Other recent studies also demonstrate that strengthening cooperative management, institutional innovation, and collaborative development strategies substantially improves rural economic resilience and community empowerment outcomes (Wibowo et al., 2024). More recent evidence additionally highlights the growing contribution of village cooperatives in empowering rural communities through productive economic activities, human resource development, and locally based value creation (Putri & Riofita, 2026; Veronika et al., 2025). Despite these encouraging findings, differences in institutional capacity and local governance practices indicate that the effectiveness of individual village cooperatives remains highly context-dependent and therefore requires more comprehensive empirical investigation.

Although previous studies have extensively examined the contribution of cooperatives to organizational performance, financial sustainability, and community empowerment, the existing body of literature remains fragmented regarding how organizational effectiveness directly influences improvements in rural community economies (Trisniarti et al., 2022). Many empirical investigations have concentrated primarily on cooperative governance, financial management, or institutional performance without comprehensively integrating the multidimensional concept of organizational effectiveness into the evaluation framework (Ait Novatiani et al., 2023). Recent studies likewise emphasize member participation, work experience, leadership quality, and managerial competence as determinants of cooperative performance, yet they pay relatively limited attention to the interaction between organizational effectiveness and broader socioeconomic outcomes within village communities (Prasmangi et al., 2025). Contemporary research has increasingly highlighted the importance of good governance and digital adaptation in strengthening cooperative resilience, although these studies predominantly focus on organizational competitiveness rather than their direct contribution to rural economic improvement (Pribadi & Trihastuti, 2023). Other scholars have demonstrated the strategic

role of cooperatives in fostering local economic empowerment and sustainable development, but empirical evidence remains concentrated on general institutional contributions instead of evaluating organizational effectiveness through comprehensive behavioral dimensions (Zakaria & Kantona, 2024; Wibowo et al., 2024). Consequently, the relationship between organizational effectiveness and measurable improvements in community economic conditions within village-based cooperatives remains insufficiently explored.

The limited availability of empirical studies focusing specifically on village cooperatives indicates an important research gap within the fields of rural development and social institutional studies. Existing research rarely evaluates cooperative effectiveness by simultaneously examining organizational goal attainment, institutional integration, organizational adaptability, and pattern maintenance as complementary dimensions of organizational effectiveness. This limitation becomes increasingly relevant because village cooperatives operate under distinctive socioeconomic conditions that differ considerably from urban or commercially oriented cooperatives, thereby requiring context-specific analysis. The Siapang Pintu Gerbang Cooperative represents an important empirical setting for examining how organizational effectiveness contributes to strengthening local economic capacity, improving member welfare, and encouraging sustainable community participation within rural development initiatives. By positioning organizational effectiveness as the central analytical perspective, this study seeks to extend previous discussions that have predominantly emphasized governance quality or cooperative performance while overlooking the broader institutional mechanisms through which cooperatives influence community economic development. Such an approach is expected to provide a more comprehensive understanding of how effective cooperative institutions contribute to sustainable rural transformation and community resilience.

Based on these considerations, this study seeks to analyze and describe the effectiveness of the Siapang Pintu Gerbang Cooperative in improving the economy of the Lubuk Terap Village community in Bandar Petalangan Subdistrict, Pelalawan Regency. The study positions organizational effectiveness as the primary analytical framework for understanding how institutional goal achievement, member integration, organizational adaptability, and organizational sustainability collectively influence community economic development. By focusing on a village cooperative operating within a rural Indonesian context, this research is expected to enrich the literature on social and human development through empirical evidence concerning cooperative effectiveness at the grassroots level. The findings are anticipated to contribute to both theoretical discussions on organizational effectiveness and practical policymaking aimed at strengthening cooperative institutions as sustainable drivers of inclusive rural economic development.

RESEARCH METHODS

This study employed an empirical qualitative research design using a descriptive approach to analyze the effectiveness of the Siapang Pintu Gerbang Cooperative in improving the economy of the Lubuk Terap Village community in Bandar Petalangan Subdistrict, Pelalawan Regency. A qualitative approach was considered appropriate because the study sought to obtain an in-depth understanding of cooperative management practices, member participation, institutional performance, and the socioeconomic impacts generated through cooperative activities (Hanel, 2005). The research was conducted at the Siapang Pintu Gerbang Cooperative, which was purposively selected due to its strategic role as a community-based economic institution supporting rural development and economic empowerment (Mardikanto & Soebiato, 2019). Informants were selected using purposive sampling based on their knowledge, involvement, and experience related to the cooperative's activities. The participants consisted of the cooperative chairperson, board members, cooperative members, village officials, and members of the Lubuk Terap Village community who had directly benefited from the cooperative's programs. Data were collected through direct observation, semi-structured in-depth interviews, and documentation of organizational profiles, activity reports, membership records, financial documents, and other supporting institutional archives to obtain comprehensive information concerning the effectiveness of the cooperative and its contribution to community economic development (Anwar & Adang, 2022).

The researcher served as the primary research instrument and was supported by interview guidelines, observation sheets, field notes, voice recorders, and documentation devices throughout the data collection process. To ensure the credibility and trustworthiness of the findings, this study applied

source triangulation, methodological triangulation, and time triangulation by comparing information obtained from different informants, data collection techniques, and observation periods. Data analysis was conducted interactively through the stages of data reduction, data display, and conclusion drawing and verification to identify recurring patterns and formulate comprehensive interpretations regarding the effectiveness of the cooperative in enhancing community economic conditions (Steers, 1977). Throughout the research process, ethical principles were maintained by obtaining voluntary participation from all informants, ensuring the confidentiality of participants' identities and responses, and using all collected information exclusively for academic purposes. The interpretation of the findings was guided by the organizational effectiveness perspective, emphasizing organizational goal attainment, institutional integration, adaptability, and sustainability in evaluating the cooperative's contribution to rural economic development (Steers, 1977).

RESULTS AND DISCUSSION

Achievement of Cooperative Goals

The achievement of organizational goals represents one of the primary dimensions used to evaluate the effectiveness of the Siapang Pintu Gerbang Cooperative in improving the economic conditions of the Lubuk Terap Village community. Within the organizational effectiveness perspective, the success of an institution is reflected in its ability to realize predetermined objectives through appropriate organizational strategies, effective resource utilization, and active stakeholder participation (Steers, 1977). Interviews with the cooperative chairperson and board members revealed that the cooperative has consistently prioritized improving members' welfare by expanding access to productive capital, encouraging small-scale business development, and facilitating economic activities that support household income. Field observations also indicated that these objectives have been translated into routine savings and loan services, assistance for members operating microenterprises, and periodic organizational meetings that evaluate program implementation. Several members acknowledged that the cooperative has become an accessible source of financing because administrative procedures are relatively straightforward and repayment mechanisms are adjusted to members' financial capacities. Documentation records further demonstrated that the cooperative has maintained operational continuity despite various institutional constraints, indicating that its organizational objectives remain aligned with the cooperative's founding mission. These findings suggest that organizational goal achievement is not merely reflected in the implementation of planned activities but also in the cooperative's capacity to provide practical economic benefits that are perceived directly by its members, consistent with the cooperative development framework emphasizing member-oriented institutional performance (Hanel, 2005).

Interview findings further demonstrated that the cooperative has contributed positively to improving members' economic opportunities, although the magnitude of these benefits varies according to the level of member participation and business capacity. Members operating small trading businesses reported that cooperative financing enabled them to increase working capital, purchase additional merchandise, and maintain business continuity during periods of fluctuating income. Similar experiences were expressed by several agricultural households that utilized cooperative loans to finance production activities and purchase farming inputs required for seasonal cultivation. Village officials interviewed during the study also recognized the cooperative as an important local institution supporting community economic empowerment because it provides financial services that remain relatively inaccessible through commercial banking institutions. These empirical findings indicate that the cooperative has performed not only as a financial intermediary but also as a community-based institution facilitating local economic resilience through collective participation and mutual assistance. Contemporary studies likewise emphasize that village cooperatives contribute significantly to strengthening local economies when institutional programs are closely connected to members' productive activities and socioeconomic needs (Kharel, 2024). Although improvements in household income were not experienced uniformly across all members, the evidence indicates that the cooperative has successfully fulfilled a substantial proportion of its organizational objectives by expanding access to economic resources and supporting sustainable livelihood development within the village community.

The interview findings also revealed that organizational goal achievement has not yet been experienced equally by all cooperative members. Several informants stated that business development

depended not only on access to cooperative financing but also on individual entrepreneurial skills and the consistency of business management. Some members who actively participated in cooperative activities demonstrated greater business progress than those who only utilized savings and loan services occasionally. Observations further indicated that differences in members' economic outcomes were associated with varying levels of participation in cooperative meetings, training activities, and institutional programs. These findings suggest that organizational effectiveness should be evaluated not solely by the implementation of cooperative programs but also by the extent to which members are capable of transforming institutional support into sustainable economic improvements (Steers, 1977). Similar evidence indicates that cooperative performance is strongly influenced by governance quality, managerial capability, and member participation in organizational activities (Prasmangi et al., 2025). This pattern demonstrates that the achievement of organizational goals is a dynamic process influenced by both institutional capacity and members' active engagement.

The qualitative findings were further strengthened through triangulation of interview, observation, and documentation data, which consistently indicated that the cooperative had achieved several important organizational objectives despite remaining developmental challenges. Documentation records showed continuous growth in member participation in financing activities, while field observations confirmed that productive businesses supported by the cooperative continued operating within the village. Interview evidence likewise suggested that members generally perceived the cooperative as an accessible institution capable of supporting their economic activities. The synthesis of these findings is summarized in Table 1.

Table 1. Level of Achievement of Cooperative Objectives

No.	Indicator	Findings
1	Improved access to capital	Most members have obtained business financing
2	Increased member income	Income has increased for some cooperative members
3	Development of productive businesses	Business expansion has occurred but remains uneven
4	Improvement in household welfare	Welfare has gradually improved among participating members

Source: Interview, Observation, and Documentation Data Processed by the Researcher (2026).

Table 1 demonstrates that easier access to productive capital represents the most prominent achievement perceived by cooperative members. Improvements in household income and business development were also identified, although the degree of improvement differed among individual members according to business performance and participation intensity. These findings indicate that the cooperative has generated measurable economic benefits while still facing challenges in ensuring equitable outcomes across its membership. Cooperative organizations generally produce stronger development outcomes when economic services are accompanied by institutional strengthening and effective organizational management (Ait Novatiani et al., 2023). The empirical evidence also confirms that strengthening cooperative governance contributes to improving organizational performance and member welfare. Continued institutional improvement therefore remains necessary to ensure that future cooperative programs generate broader and more inclusive economic benefits for the entire village community.

The empirical findings also indicate that the cooperative's achievements should not be interpreted solely through economic indicators but also through its institutional role in strengthening community empowerment. Interviews with cooperative administrators revealed that regular interaction between management and members has gradually increased members' confidence in utilizing cooperative services for productive purposes. Several informants explained that the cooperative has encouraged them to become more independent in managing household businesses because financing can be obtained without complicated administrative procedures. Field observations further showed that the cooperative has created opportunities for members to exchange business experiences during meetings and other organizational activities. This interaction has strengthened social relationships that indirectly

support members in maintaining the sustainability of their economic activities. Cooperative institutions are expected to function not only as financial organizations but also as community-based organizations that encourage collective economic development through mutual participation and shared responsibility (Hendar, 2020). These findings indicate that organizational goal achievement encompasses both economic outcomes and the strengthening of institutional relationships that support long-term rural development.

Although the findings demonstrate that the Siapang Pintu Gerbang Cooperative has achieved a relatively good level of organizational effectiveness, several institutional challenges remain evident. Interview data suggest that the expansion of cooperative programs is constrained by limited financial resources, managerial capacity, and the uneven participation of members in organizational activities. Some members also expressed expectations for broader business development initiatives that extend beyond savings and loan services to include entrepreneurship assistance and skills development programs. Documentation reviewed during the study similarly indicated that several proposed programs could not yet be implemented because of organizational resource limitations. These conditions illustrate that achieving organizational objectives requires continuous institutional improvement rather than relying exclusively on existing operational performance. Recent studies have similarly reported that cooperative effectiveness can be strengthened through better institutional management, governance improvement, and sustainable community empowerment strategies that respond to changing local economic conditions (Wibowo et al., 2024). The findings therefore suggest that strengthening organizational capacity, expanding productive programs, and encouraging broader member participation remain important priorities for improving the cooperative's long-term contribution to the economic development of the Lubuk Terap Village community.

Integration and Member Participation

Organizational integration represents an essential dimension in evaluating cooperative effectiveness because it reflects the organization's capacity to establish harmonious relationships among members, management, and other stakeholders while maintaining commitment toward common objectives. Within cooperative organizations, integration extends beyond administrative coordination and includes the development of trust, shared responsibility, and collective participation in organizational activities. Interviews conducted with cooperative administrators indicated that regular communication between management and members has created a cooperative environment in which organizational decisions are generally accepted through deliberation. Field observations further revealed that routine meetings and informal discussions have become important mechanisms for exchanging information regarding cooperative programs and members' economic needs. Several members explained that they felt comfortable communicating directly with the management whenever they encountered difficulties related to financing or business development. Such interaction illustrates that organizational integration contributes to strengthening institutional cohesion and supports the continuity of cooperative activities over time. Cooperative organizations with strong internal relationships generally demonstrate greater institutional resilience because communication and collaboration facilitate more effective organizational performance (Hanel, 2005).

Interview findings also indicate that member participation has become one of the primary factors supporting the implementation of cooperative programs. Most informants stated that they regularly attended annual member meetings because these forums provided opportunities to evaluate organizational performance, express opinions, and participate in determining future programs. Observations during the research similarly showed that member meetings functioned not merely as formal administrative activities but also as forums for discussing practical solutions to challenges encountered by both members and cooperative management. Documentation records confirmed that attendance at annual meetings remained relatively consistent during the last several years, reflecting sustained member commitment to organizational continuity. These findings demonstrate that participation within the cooperative is not limited to the utilization of financial services but also includes active involvement in organizational governance. Contemporary studies have likewise reported that active member participation significantly improves cooperative performance because organizational decisions become more responsive to members' actual needs (Prasmangi et al., 2025). Active participation also reinforces the democratic identity that distinguishes cooperatives from other forms of business organizations.

The quality of organizational integration was also reflected in the relationship established between the cooperative and external stakeholders, particularly the village government and the surrounding community. Interviews with village officials revealed that the cooperative has maintained constructive communication regarding community empowerment initiatives and local economic activities. Cooperative administrators explained that coordination with village authorities facilitated the implementation of several programs because administrative support and community outreach could be conducted more efficiently. Field observations indicated that the cooperative was frequently involved in village discussions concerning economic development, demonstrating that its institutional presence has been recognized beyond its membership. Members likewise perceived that collaboration with local stakeholders strengthened public confidence in the cooperative and encouraged broader community participation. Strong institutional integration with external actors enhances the legitimacy and sustainability of cooperative organizations by creating mutually beneficial partnerships that support local development (Zakaria & Kantona, 2024). These findings suggest that organizational integration should be viewed not only from an internal perspective but also through the cooperative's ability to establish productive relationships with the broader community.

To complement the qualitative findings, the integration dimension was synthesized through interview, observation, and documentation results, as presented in Table 2.

Table 2. Level of Organizational Integration and Member Participation

No.	Indicator	Findings
1	Communication between management and members	Conducted regularly through formal and informal meetings
2	Member participation in meetings	Relatively high and consistent
3	Collaboration with village government	Well established through community activities
4	Member involvement in decision-making	Decisions are generally reached through deliberation

Source: Interview, Observation, and Documentation Data Processed by the Researcher (2026).

Table 2 indicates that communication and participation constitute the strongest aspects of organizational integration within the Siapang Pintu Gerbang Cooperative. Members consistently reported that they had opportunities to convey suggestions, evaluate cooperative performance, and participate in organizational decision-making processes. Documentation records also demonstrated that deliberative mechanisms remained the primary approach in determining organizational policies and future programs. Such findings reflect the democratic values that characterize cooperative institutions and strengthen members' sense of ownership toward the organization. Previous studies similarly emphasize that effective cooperative governance depends substantially on transparent communication and meaningful member participation in organizational affairs (Ait Novatiani et al., 2023). The evidence therefore suggests that strong organizational integration has contributed positively to maintaining institutional stability and improving members' commitment to cooperative development.

Despite these positive findings, several challenges affecting organizational integration were identified during the research process. Some interview participants explained that not all members actively participated in organizational activities because work commitments and business responsibilities often limited their availability to attend meetings. Cooperative administrators also acknowledged that younger community members were generally less interested in becoming actively involved in cooperative management, creating concerns regarding future organizational regeneration. Observations further indicated that participation levels tended to increase when discussions involved financial assistance or business opportunities, whereas attendance declined during routine administrative meetings. These conditions demonstrate that maintaining organizational integration requires continuous efforts to encourage sustained member engagement rather than relying solely on formal institutional mechanisms. Recent empirical evidence likewise indicates that cooperative sustainability depends on the organization's ability to strengthen participation across different

demographic groups while adapting to changing socioeconomic conditions (Putri & Riofita, 2026). Expanding participation among younger generations may therefore become an important strategy for reinforcing the cooperative's long-term institutional capacity.

The overall findings demonstrate that organizational integration within the Siapang Pintu Gerbang Cooperative has supported the implementation of its economic empowerment objectives by fostering communication, collaboration, and collective participation among members and stakeholders. Although differences in participation intensity remain evident, the cooperative has succeeded in maintaining an organizational environment characterized by openness, mutual trust, and shared responsibility. Interviews consistently showed that members viewed the cooperative as more than a financial institution because it also functioned as a forum for strengthening social relationships and exchanging economic experiences. Field observations confirmed that regular interaction between management and members contributed to maintaining organizational cohesion despite various operational limitations. The integration achieved by the cooperative has therefore become an important foundation for sustaining institutional effectiveness and supporting rural economic development. Strengthening communication, encouraging broader participation, and maintaining collaborative partnerships remain essential priorities for ensuring that the cooperative continues to respond effectively to the evolving needs of the Lubuk Terap Village community.

Organizational Adaptability

Organizational adaptability represents the capacity of a cooperative to respond effectively to changes in its internal and external environment while maintaining the achievement of its institutional objectives. For village-based cooperatives, adaptability is particularly important because socioeconomic conditions, members' business needs, and local development priorities continue to evolve over time. Interviews with cooperative administrators revealed that the Siapang Pintu Gerbang Cooperative has gradually adjusted its operational strategies to accommodate the changing economic circumstances experienced by its members. Rather than maintaining rigid administrative procedures, the management has attempted to provide more flexible financing arrangements for members facing temporary financial constraints. Field observations also indicated that cooperative meetings increasingly focused on identifying practical solutions to members' emerging economic challenges instead of concentrating solely on routine organizational administration. Several members acknowledged that this adaptive approach strengthened their confidence in the cooperative because organizational policies were perceived as responsive to actual community needs. The ability to adjust organizational strategies according to environmental changes constitutes an important indicator of organizational effectiveness because it enables institutions to remain relevant under dynamic socioeconomic conditions (Steers, 1977).

Interview data further demonstrated that adaptability has also been reflected in the cooperative's efforts to improve the quality of services provided to members. Cooperative administrators explained that administrative procedures have gradually become more efficient through better record management and more transparent communication regarding financing mechanisms. Members interviewed during the study generally perceived these improvements positively because they reduced uncertainty and facilitated easier access to cooperative services. Observations confirmed that management regularly communicated repayment schedules, membership obligations, and organizational activities through both formal meetings and informal interactions. Documentation records also showed that operational procedures had undergone several adjustments intended to improve service effectiveness and organizational accountability. Research has shown that institutional adaptation strengthens cooperative performance by improving governance quality and enhancing members' confidence in organizational management (Ait Novatiani et al., 2023). These findings indicate that service improvement has become an important component of organizational adaptability within the Siapang Pintu Gerbang Cooperative.

The adaptability of the cooperative was also evident in its efforts to respond to members' diverse economic backgrounds and business characteristics. Interviews revealed that members engaged in agriculture, small-scale trading, and household enterprises often required different forms of financial support and repayment arrangements. Cooperative management explained that these differences were considered when determining financing priorities and repayment schedules in order to reduce the risk of default while maintaining members' business sustainability. Field observations supported these statements by showing that communication between administrators and members frequently involved

discussions regarding business conditions before financing decisions were finalized. Such practices illustrate that organizational adaptability extends beyond policy adjustment and includes the ability to understand the socioeconomic realities experienced by members. Village cooperatives that successfully align institutional services with local economic conditions generally demonstrate stronger contributions to community welfare and sustainable rural development (Kharel, 2024). These findings suggest that adaptive organizational practices have enabled the cooperative to maintain its relevance within the changing economic environment of Lubuk Terap Village.

To summarize the empirical findings, the adaptability dimension identified through interviews, observations, and documentation is presented in Table 3..

Table 3. Organizational Adaptability of the Siapang Pintu Gerbang Cooperative

No.	Indicator	Findings
1	Adjustment of financing policies	Flexible according to members' financial conditions
2	Improvement of administrative services	More transparent and efficient
3	Responsiveness to members' needs	Regular evaluation through meetings and discussions
4	Institutional capacity to face change	Able to maintain operational continuity despite challenges

Source: Interview, Observation, and Documentation Data Processed by the Researcher (2026).

Table 3 indicates that organizational adaptability has become one of the cooperative's major institutional strengths. The flexibility demonstrated in financing policies, communication practices, and service improvements reflects the organization's commitment to responding to changing community needs. Interview participants consistently emphasized that adaptive management practices increased their confidence in the cooperative because organizational decisions were considered realistic and responsive to local economic circumstances. Documentation records likewise confirmed that management periodically reviewed operational procedures to improve institutional effectiveness. Previous studies have similarly highlighted that adaptive management enables cooperatives to sustain organizational performance while responding to economic and social transformation within rural communities (Wibowo et al., 2024). The findings therefore demonstrate that organizational adaptability contributes significantly to maintaining both institutional sustainability and members' economic resilience.

Despite these positive achievements, several limitations continue to influence the cooperative's adaptive capacity. Cooperative administrators acknowledged that limited financial resources and managerial capabilities restrict the implementation of more innovative programs that could further strengthen community economic development. Several members also expressed expectations for additional entrepreneurship training, digital administrative services, and broader market access support to complement existing financing programs. Observations indicated that these expectations are reasonable considering the increasingly dynamic economic environment faced by rural communities. The cooperative therefore requires continuous organizational learning and institutional innovation to remain responsive to future development challenges. Strengthening managerial competence, expanding collaborative partnerships, and improving organizational governance will enable the cooperative to adapt more effectively to changing socioeconomic conditions (Joshi, 2024). These findings indicate that organizational adaptability should be viewed as a continuous institutional process that supports the long-term effectiveness of the Siapang Pintu Gerbang Cooperative in improving the economy of the Lubuk Terap Village community.

CONCLUSION

The findings of this study demonstrate that the Siapang Pintu Gerbang Cooperative has generally operated effectively in improving the economic conditions of the Lubuk Terap Village community, particularly among its members. The cooperative has successfully fulfilled its primary organizational

objectives by expanding access to productive capital, supporting the development of micro and small enterprises, and gradually improving members' household welfare. The achievement of these objectives reflects the cooperative's ability to function not only as a financial institution but also as a community-based organization that promotes local economic empowerment. The study further reveals that organizational effectiveness is strengthened through the cooperative's capacity to integrate members into decision-making processes and maintain constructive relationships with both internal and external stakeholders. Regular communication, participatory governance, and collaborative interactions have contributed to sustaining organizational stability and enhancing members' confidence in cooperative programs. The cooperative has also demonstrated an adaptive capacity by adjusting its services and financing mechanisms to accommodate the changing socioeconomic conditions experienced by its members. These findings indicate that organizational goal achievement, member integration, and organizational adaptability collectively constitute the key dimensions supporting the effectiveness of the Siapang Pintu Gerbang Cooperative in fostering sustainable rural economic development.

Despite these positive achievements, several institutional challenges continue to limit the cooperative's overall effectiveness and long-term contribution to community welfare. Uneven member participation, limited managerial capacity, restricted financial resources, and the absence of broader business diversification remain significant issues requiring continuous organizational improvement. The findings also suggest that greater institutional innovation is needed to expand productive business programs, strengthen entrepreneurial assistance, and improve the utilization of technology in cooperative management. Enhancing the competencies of cooperative administrators and encouraging broader participation among members, particularly younger generations, would further reinforce institutional sustainability and organizational resilience. Stronger collaboration with village government, community organizations, and other development stakeholders may also provide additional opportunities for expanding cooperative services and increasing their socioeconomic impact. Continuous evaluation of organizational performance should remain a priority to ensure that cooperative programs remain responsive to the evolving needs of rural communities. By strengthening governance quality, institutional adaptability, and member participation, the Siapang Pintu Gerbang Cooperative is expected to play an increasingly significant role in promoting inclusive economic growth and sustainable community development in Lubuk Terap Village.

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