

## **The Role of Working Capital and Number of Members in Increasing Profitability of Tokosa Sahabat Sejati Consumer Cooperation (KK Tokosa Ss) in Gunungsitoli City**



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**ABSTRACT:** This study aims to determine the role of working capital in increasing profitability and the role of the number of members in increasing profitability in the Tokosa Sahabat Sejati consumer cooperative (KK Tokosa SS). The type of research used in this research is descriptive quantitative research which in this study will describe the extent to which working capital and the number of members can play a role in increasing the profitability of KK Tokosa S.S. in Gunungsitoli City. The working capital owned by KK Tokosa S.S for the periods of 2019, 2020, 2021 has increased and decreased working capital. . It can be said that the management of working capital has not been efficient Likewise, the number of members has been unstable for 3 consecutive years because there have been members who have entered and also those who have left. The level of profitability obtained by cooperatives by calculating the ROA formula fluctuates or is unstable every year. In 2019 it was 21.06%, in 2020 it was 17.11% and in 2021 it was 16.32. On the other hand, using ROE also still has a profit, the level of the amount of increase is still unstable, in 2019 it was obtained 5%, in 2020 it was 2.03% and in 2021 it was 2.80%. Whereas in calculations using the ROI formula, it also experienced fluctuations due to the covid pandemic in 2020. Where in 2019 it was 5.82%, in 2020 it was 2.39% and in 2021 it was 2.70%.

**KEYWORDS:** Working Capital, Number of Members, Profitability.

### **PRELIMINARY**

Basically, a company must have a goal in establishing a business, one of which is to get profit or profitability. With this goal, the company must be able to take advantage of every potential that exists within the company. Likewise, the Tokosa Sahabat Sejati Consumer Cooperative (KK Tokosa SS) strives to achieve profitability for the welfare of its members.

Working capital and the number of members is one of the important things in maximizing profit or profitability. Profitability is the company's ability to generate profits in a certain period. According to Primatua Sirait (2017: 139), "profitability is the company's ability to earn comprehensive profits, converting sales into profits and cash flow (Sirait, 217).

Management of working capital in cooperatives is also very necessary to ensure continuity or support the smooth running of the business. If a cooperative lacks working capital or is unable to develop its working capital to generate profits, it will cause disruption to liquidity, as a result the cooperative will be unable to fulfill short-term operational obligations. So in this case, it can be said that the cooperative cannot utilize its working capital as efficiently as possible.

In cooperatives, working capital has a very important meaning to finance daily operational activities. Therefore, the supply of working capital must be carried out in the most profitable way and managed as effectively as possible in order to produce optimal profitability.

Likewise, the members of the cooperative play an important role in increasing the profitability of the cooperative. The role of cooperative members is to provide capital in the form of principal savings, mandatory savings and voluntary savings. So if the number of members increases, it will affect the amount of capital in the cooperative which will certainly have an impact on profitability.

In this study, the profitability in question is the profit/profit obtained by the cooperative from the savings and loan business and then used as the remaining business results (SHU). In improving the efficiency of working capital, cooperatives must be able to recognize what is the role of working capital which can affect the size of the working capital needed such as the turnover period or the period of working capital being bound and the average daily cash disbursement.

The Tokosa Sahabat Sejati consumer cooperative is one of the cooperatives whose activities are savings and loans. This cooperative was founded on October 10, 1998. Of course, cooperatives need a good working capital strategy so that there is no shortage of working capital. In the Tokosa Sahabat Sejati consumer cooperative, there are also factors regarding the role of working capital in increasing profitability, namely the not yet optimal working capital strategy which plays a role in increasing profitability in cooperatives. Profitability is meant here is profits/profits obtained by the Tokosa Sahabat Sejati consumer cooperative and will

## The Role of Working Capital and Number of Members in Increasing Profitability of Tokosa Sahabat Sejati Consumer Cooperation (KK Tokosa Ss) in Gunungsitoli City

be distributed to all members of the cooperative at the end of the year through a member meeting (RAT) in accordance with the household budget (ADRT). The purpose of this study was to determine the role of working capital and the number of members in increasing profitability in the Tokosa Sahabat Sejati consumer cooperative (KK Tokosa SS).

### THEORETICAL BASIS

#### 1. Definition of Working Capital

Working capital is a measure of a company's liquidity, operational efficiency and short-term financial health. This working capital relates to funds that will be used by the company for the company's operational activities, for example activities to buy raw materials, pay for labor and others, the funds spent on these businesses are expected to provide company profits. If a company has a large working capital, then it must have the potential to invest and grow.

According to Kasmir (2016: 250), working capital is capital used to carry out company operations. Working capital can also be interpreted as an investment invested in current assets or short-term assets such as cash, securities, receivables, inventories and other current assets (Kasmir, 2016). According to Jumingan (2017: 66), working capital is the excess of current assets over short-term debt. This excess working capital is called net working capital (*net working capital*). This advantage is the amount of current assets which is qualitative in nature because it indicates the possibility of the availability of current assets that are greater than short-term debt and shows the level of security for short-term creditors and guarantees business continuity in the future (Jumingan, 2017).

Capital cost (*the cost of capital*) is defined as the rate of return (*rate of return*) based on the market value of a corporation as seen from the outstanding shares (*price of the firm's stock*). Where corporate managers must know when and how much capital is needed by a corporation in the following cases:

1. Decision making for capital budget (*capital budgeting*)
2. Help to maximize the capital structure.
3. Helping the decision, whether through leasing debt securities by refinancing debt securities in determining corporate working capital.

As with other forms of companies, the operation of a cooperative business cannot be separated from the need for working capital. Based on the Law of the Republic of Indonesia number 25 of 1992, cooperatives are business entities consisting of individuals or cooperative legal entities based on cooperative principles as well as a people's economic movement based on the principle of kinship. Cooperatives aim to improve the welfare of members in particular and society in general.

Working capital is one of the items to be considered when opening a business. Usually this item is also a measure of whether a company is healthy or not. Every company in running its business definitely needs working capital, both engaged in manufacturing and services.

Working capital is the use of funds used by the company to support its operational activities such as purchasing raw materials, paying employee salaries, and other payments. In addition, working capital is also needed to support the smooth running of the cooperative's routine activities. The amount of capital needed in a cooperative must have been determined since the founding of the cooperative and has several details for fixed capital or also known as long-term capital and some for working capital or also known as short-term capital. The definition of working capital according to Wiratna Sujarweni (2017: 186), is company investment in the form of cash, securities, receivables and inventories reduced by current liabilities used to finance current assets (Sujarweni, 2021).

Working capital is very important to determine the level of company liquidity because the better the management of working capital, the better the level of liquidity. The existence of working capital will enable the company to meet short-term obligations that are useful for carrying out operational activities every day. While on liquidity, shows the company's ability to fulfill obligations. The amount of capital must be sufficient to finance all expenditures expenses in the company's daily operational activities which will have an impact on the company operating efficiently and not experiencing financial difficulties. If the working capital is excessive, it will result in some of the available funds being no longer productive because the excess working capital will lead to waste.

#### 2. Sources of Working Capital

According to cooperative law No. 25 of 1992 article 41, cooperative working capital comes from two sources, namely internal sources and external loan sources (Cooperative). The distribution of working capital sources in cooperatives is:

##### 1. Internal Source

Working capital generated by the company (cooperative) itself, sources of working capital (internal) consist of:

###### a. Tree savings.

The same amount of money that must be paid by members to the cooperative when they become members. Principal savings cannot be taken back as long as the person concerned is still a member.

###### b. Mandatory deposit.

## **The Role of Working Capital and Number of Members in Increasing Profitability of Tokosa Sahabat Sejati Consumer Cooperation (KK Tokosa Ss) in Gunungsitoli City**

A certain amount of savings that members do not have to pay to the cooperative at certain times and on certain occasions. Compulsory savings cannot be taken as long as the person concerned is still a member.

### **c. Reserved fund.**

An amount of money obtained from setting aside the remaining results of operations, which is intended to foster their own capital and to cover cooperative losses when necessary.

## **2. External Source**

Working capital comes from outside the company (cooperatives), fulfillment of working capital can be taken from sources outside the company which is a debt to the company. In accordance with the law (UU) on cooperatives No. 25 of 1992 article 42 paragraph 3 to run a cooperative business, you can use loan capital by taking into account the feasibility and sustainability of the business. Outside parties as a source of fulfillment of working capital for cooperatives, namely:

### **a. Member.**

Loans obtained from members, including prospective members who meet the requirements.

### **b. Other cooperatives and their members.** Loans from other cooperatives or members are based on cooperation agreements between cooperatives.

### **c. Loans or credit from banks and other financial institutions.**

Loans from banks and other financial institutions are made based on the provisions of the applicable laws and regulations.

### **d. Issuance of debentures and others.** Issuance of bonds and other debentures is carried out based on the provisions of the applicable laws and regulations.

### **e. Other legitimate sources**

Sources of loans for legitimate cooperatives.

## **3. Factors that play a role in Working Capital**

According to Arifin (2018: 3), there are several factors that play a role in working capital, namely (Arifin, 2018):

### **a. Nature / type of company.** The nature/type of company, based on the working capital requirements of public interest companies (such as gas, telephone, drinking water companies, and so on) is relatively low, because inventory and receivables in these inventories quickly turn into money. Meanwhile, industrial companies require a large amount of working capital, namely to invest in raw materials, work-in-progress and finished goods. Fluctuations in net income for service companies are also relatively small compared to industrial and financial companies.

### **b. Time required.**

The time required to produce and obtain the goods to be sold and the unit price of the goods concerned. There is a direct relationship between the amount of working capital and the period of time required to produce the goods sold to buyers.

### **c. Ways / conditions of purchase and sale.**

The working capital requirement of a company is influenced by the terms of purchase and sale. The more lenient credit terms obtained to buy goods from suppliers, the less / less money needs to be invested in inventory. Inventory turnover rate, such as the more inventory is sold and replaced (inventory turnover), the smaller the working capital required. Effective inventory control is necessary to maintain the appropriate quantity, type and quality of goods and to measure investment in the company.

### **d. Accounts receivable turnover rate.**

Working capital requirements depend on the period of time needed to collect receivables. The less time it takes to collect accounts receivable, the less working capital is required. Effective control of accounts receivable can be implemented by setting policies regarding credit granting, terms of sale, setting maximum credit for buyers and billing methods.

### **e. Business cycle.**

The business cycle of the connector, in the business of "prosperity" (high conjunct) the company's activities are expanded and there is a tendency for companies to purchase goods ahead of needs in order to take advantage of low prices and to ensure themselves sufficient inventory.

### **f. The risk of possible decline in the price of current assets.**

The risk of possible reduction in the price of current assets, a price reduction compared to the book value of current assets such as securities, inventories, receivables will result in a decrease in working capital. In connection with the greater the risk of such losses, the greater the working capital required. To be able to accommodate these contingencies (uncertain possibilities will occur) the company seeks to have a lot of money / securities.

### **g. Season.**

If the company is not affected by the season, then sales will be the same each month. But if influenced by the season, the company requires a maximum amount of working capital for a relatively short term. There are two types of seasons, namely: the season in terms of being productive is only done in certain months while in other months there is no production or little production and the season in terms of sales, namely sales are only done in certain months, while in other month's sales not so much.

## The Role of Working Capital and Number of Members in Increasing Profitability of Tokosa Sahabat Sejati Consumer Cooperation (KK Tokosa Ss) in Gunungsitoli City

### 4. Number of Members.

In accordance with Law No. 17 of 2012 concerning cooperatives article 26 paragraph 1, that: cooperative members are owners and users of cooperative services. So that this cooperative is not owned by individuals, but owned by all cooperative members and the market for cooperatives is its own members who do not serve outside members. So a cooperative is a business entity formed to meet the needs of its members, for the sake of common prosperity and welfare, unlike other business entities that serve society in general.

### 5. Profitability

Profitability is the ability of a company to generate profits during a certain period at a certain level of sales, assets and share capital. The profitability of a company can be assessed in various ways depending on profits and assets or capital that will be compared with one another. According to Primatua Sirait (2017: 139), profitability is the company's ability to earn comprehensive profits, convert sales into profits and cash flow (Sirait, 217).

Profitability is the company's ability to generate profits in a certain period. Profit is often one measure of company performance, where when a company has high profits it means that performance in cooperatives can run well and when the profits are low it means the performance is not good. Besides being an indicator of the company's ability to fulfill obligations to its funders, cooperative profits are also an element in the creation of corporate value that shows the company's prospects in the future.

The ability of cooperatives to generate profits will be able to attract investors to invest their funds so as to expand their business, conversely if the level of profitability is low it will cause investors to withdraw funds that have been invested in cooperatives.

Profitability in cooperatives is one of the bases for assessing the condition of a cooperative, so that in this case a tool is needed to assess the condition of the cooperative. The analysis tool in question is financial ratios. In addition, profitability also has an important meaning in an effort to maintain its viability in the long term, because profitability can show whether the business entity has good prospects in the future. So that in this case, every company will always try to increase its profitability, because the higher the level of profitability it will ensure the survival of a company.

### 6. Profitability Ratios as a Measuring Tool for Financial Performance

The profitability ratio is a financial metric used by analysts and investors to measure and evaluate a company's ability to generate profits (profit) relative to revenue, balance sheet assets, operating expenses and shareholder equity over a certain period of time. This ratio shows how well a company uses its assets to generate profits and value for shareholders. There are several performance measurements on company profitability that are related to sales volume, total assets and equity. Financial profitability can be described in the form of a profit and loss statement which is a cooperative financial report, which can be used by all interested parties to make economic decisions. The company's financial profitability is reflected in its financial statements. Therefore, to measure financial profitability, an analysis of financial statements is needed. Analysis of financial statements showing that profitability is very good to measure management effectiveness and evaluate management performance in running the business in its productivity in managing company assets as a whole seen in the returns generated by sales and investment.

The profitability ratio is a ratio to assess the company's ability and seek profit. This ratio can provide a measure of the level of effectiveness of a company's management. The use of profitability ratios can be done by using a comparison between the various components in the financial statements of the balance sheet and income statement. The aim is to determine the level of development of the company in a span of time. The measurement results can be used as an evaluation tool for cooperatives when they operate in the year concerned.

According to Hery (2017: 105), some of the goals and benefits of profitability ratios include (Hery, 2017):

1. To measure the company's ability to generate profits during a certain period.
2. To assess the company's profit position in the previous year with the current year.
3. To assess the development of profits from time to time.
4. To measure how much net profit will be generated from each rupiah of funds embedded in total equity.
5. To measure the gross profit margin on net sales.
6. To measure the operating profit margin on net sales.
7. To measure the profit margin on net sales

The main goal to be achieved in a company is to develop and use existing resources to achieve optimal profit. Profit or profitability is the receipt obtained from the sale after deducting the costs (including taxes) paid. The several ratios used to determine the level of development of profitability produced by cooperatives are:

#### a. *Earning Power Of Total Investment (Rate Of Return An Total Assets/ROA)*

Is the ratio used to measure the ability of the capital invested in all assets to generate net profits. This ratio can be calculated by the formula, namely:

$$\text{Return On Assets} = \frac{\text{Net Income}}{\text{total assets}} \times 100\%$$

#### b. *Rate Of Return For The Owners (Rate Of Return On Net Worth)*

## The Role of Working Capital and Number of Members in Increasing Profitability of Tokosa Sahabat Sejati Consumer Cooperation (KK Tokosa Ss) in Gunungsitoli City

This ratio is used to measure the ability of own capital to generate profits for all shareholders, both ordinary shares and preferred shares. This ratio can be calculated by the formula, namely:

$$\text{Return on Equity} = \frac{\text{Net Income}}{\text{total Equity}}$$

c. *Net Earning Power Ratio (Rate Or Return On Investment/ROI)*

The ability of the capital invested in all assets to generate net profit. This ratio can be calculated by the formula, namely:

$$\text{Return on investment} = \frac{\text{Net Income}}{\text{Investment}}$$

### 7. The Role of Working Capital in Increasing Profitability

Every company really needs working capital to finance its operational activities. The availability of sufficient working capital is expected to increase sales and profit in accordance with the existing working capital and increase the company's profitability. Working capital is all current assets that can be used as cash owned by the company. The inconsistency factor regarding the role of working capital in increasing profitability is that managers have not been optimal in managing working capital policies to increase company profitability. Working capital is very important to manage in order to avoid the company from bankruptcy risk.

Working capital is very closely related to the level of company profitability, because working capital is a support in carrying out the company's operations. Profits obtained from operating activities will indicate the level of company profitability.

According to Syamsuddin (2016: 227), that, "the bigger *net working capital*, the greater the profit or profitability obtained by the company (Lukman, 2016). The availability of sufficient working capital will support the achievement of company profitability, the higher the level of effectiveness of working capital, the better the company's operational performance, but mistakes in managing working capital can result in business activities being hampered or completely stopped.

## RESEARCH METHODS

### Types of research

The type of research used in this research is descriptive research. Descriptive research aims to produce systematic, actual and accurate descriptions, drawings or drawings of the facts, characteristics and relationships between the phenomena studied. This research was conducted using a quantitative approach, namely data analysis that relies on the ability to calculate data accurately and is expected to be able to interpret complex data. Where in this study will describe the extent to which working capital can play a role in increasing profitability at KK Tokosa S.S. in Gunungsitoli City

### Data and Data Collection Techniques

#### Data

The type of data used in this study is secondary data. Based on the opinion of Sugiyono (2019: 296) secondary data, namely data sources obtained by researchers indirectly through intermediary media (obtained and written down by third parties) (Sugiyono, 2019). Secondary data is generally in the form of evidence, reviews or archival reports. For example organizational structure, purchasing reports, inventory and sales reports.

#### Data Collection Techniques

In this study, researchers used data collection techniques as follows:

- a. Library Research
- b. Documentation

### Data analysis technique

Data analysis is the process of analyzing data sources that have been obtained either from interviews, documentation, field notes and so on which will be studied and conclusions drawn. (Sugiyono, 2019:244). Data analysis techniques to determine the efficiency in utilizing its assets in the company's operational activities, it can be calculated by the ratio of profitability and profitability.

The formula for the ratio of profitability and profitability:

1.  $ROA = \frac{\text{Net Income}}{\text{Total assets}} \times 100\%$
2.  $ROE = \frac{\text{Net Income}}{\text{Equity}} \times 100\%$
3.  $ROI = \frac{\text{Net Income}}{\text{Investment}} \times 100\%$

## RESEARCH RESULTS AND DISCUSSION

### Development of Cooperative Members

The development of the number of members of the tokosa consumer cooperative, Sahabat Sejati, has experienced a change in the number of members each year. This is due to the number of members entering and leaving each year, so that the development of the level of the number of members changes. When viewed from the 2019-2021 period, it shows that there has been a change in the

## The Role of Working Capital and Number of Members in Increasing Profitability of Tokosa Sahabat Sejati Consumer Cooperation (KK Tokosa Ss) in Gunungsitoli City

number of members in the Sahabat Sejati cooperative. Based on data from the Tokosa Sahabat Sejati consumer cooperative (KK Tokosa S.S), the development of the number of members can be seen in the following table:

**Table 1. Data on the number of members of KK Tokosa S. S Period 2019-2021**

Year	Beginning of Year Amount	Member Mutations		Year End Amount
		Enter	Get Out	
2019	432	34	54	412
2020	412	28	40	400
2021	400	56	39	417

Source: KK Tokosa SS

### Cooperative Capital

We know that capital is a very important factor in a company, one of which is cooperatives. So that every program that has been planned in a cooperative requires capital in order to carry out cooperative activities and develop a cooperative business. Sources of working capital for KK Tokosa Sahabat Sejati, Gunungsitoli city, can be obtained from internal capital, namely capital obtained from within the cooperative, such as principal savings, mandatory savings, and so on, and external capital, namely capital obtained from outside the cooperative.

#### 1. Internal capital, including:

- Principal savings, namely savings that must be paid by prospective members of the cooperative which are paid one time when registering to become members of the cooperative in accordance with the provisions of the results of the annual member meeting (RAT) at the tokosa consumer cooperative, a true friend of Rp. 100,000.-
- Compulsory savings, namely deposits that are mandatory and must be paid by each member each month in the amount of IDR 40,000
- Voluntary savings, namely savings that are different from principal savings and mandatory savings. This voluntary saving is a saving from the initiative of the members of their own free will with a nominal amount that is not determined by the cooperative. In this case voluntary savings can be made by members depending on how capable or how much is given in the cooperative as voluntary savings.
- Social contributions, namely contributions that are no different from mandatory savings where each month these contributions must be paid. However, what makes the difference is the obligatory savings obligation of IDR 40,000, while the contribution is IDR 10,000. The use of social contributions is divided into two criteria, namely times of joy and sorrow. When you like, the use of social contribution funds can be used if there are members of the cooperative who will form a new family who are given financial assistance of Rp. 400,000 and one flower board as well as providing compensation to the administrators, employees and employees of KK Tokosa Sahabat Sejati who have worked and stopped because of something matter. Meanwhile, during grief, the use of social contributions is used when a member of the cooperative is sick and hospitalized in a hospital both within the region and outside the region. If you are treated at a health center, you will be paid IDR 250,000 for a minimum of 2 x 24 hours, for public hospitals you will be paid IDR 350,000 for a minimum of 2 x 24 hours, while if outside the area you will be paid IDR 700,000 for a minimum of 2 x 24 hours accompanied by certificate, referral, and hospitalization and has been stamped by a doctor and is valid no later than 30 days after being issued by a doctor and can be accepted by member once in 6 months. As well as members who experience Rp. 1,000,000 will be paid for death and one flower board if the heir has submitted a death certificate.

#### 2. External capital, including:

- Loan from BBM revolving fund
- Working capital loan from BBR

From the several sources of cooperative capital above, the development of working capital for the consumer cooperative Tokosa, a true friend of Gunungsitoli City, can be seen in the table below:

**Table 2. Data on the total capital development of KK Tokosa Sahabat Sejati Period 2019-2021**

Year	Owner's Equity	BBM	BRR	Recapitulation of total capital
2019	3.062.146.954	160.206.619	335.693.243	3.558.046.816
2020	2.906.899.533	160.206.619	345.965.243	3.413.071.395
2021	3.670.264.808	178.162.746	376.756.084	4.225.183.638

Source: Data processed

## The Role of Working Capital and Number of Members in Increasing Profitability of Tokosa Sahabat Sejati Consumer Cooperation (KK Tokosa Ss) in Gunungsitoli City

Based on data from the total capital development of KK Tokosa Sahabat Sejati in Gunungsitoli City where in 2019 cooperative capital amounted to Rp. 3,558,046,816 and in 2020, cooperative capital has decreased due to Covid-19 so that in this case, the initial amount of cooperative capital was Rp. 3,558,046,816 remaining Rp 3,413,071,395. However, in 2021, cooperative capital will experience development in increasing the amount of capital, which from 2020 amounted to IDR 3,413,071,816 to IDR 4,225,183,638 because the number of cooperative members has increased. Thus, this affects the increase in principal savings, mandatory savings and voluntary savings which have an effect on increasing working capital in the Tokosa Sahabat Sejati consumer cooperative.

### Cooperative Profitability

The profitability or profit of the cooperative obtained from several management activities in developing the Tokosa Consumers Cooperative, Sahabat Sejati can be seen in the table below:

**Table 3. Report on the Overall Development of Working Capital and Profit of KK Tokosa S.S**

No	Year	Working Capital	Profit
1	2019	3.558.046.816	62.928.430
2	2020	3.413.071.395	94.312.553
3	2021	4.225.183.638	157.757.323

Based on the table above, it can be seen that the development of profit at KK Tokosa S.S in Gunungsitoli City has continued to increase.

### Analysis of Research Results

By using the analysis of the source and use of working capital, a summary of the source and use of working capital and changes in the elements of working capital during the relevant period will be depicted. The stages that are needed in this analysis is to create a balance sheet that describes the development of working capital in the true friend tokosa consumer cooperative. So that by describing the balance sheet of the financial statements of the Tokosa Consumer Cooperative, Sahabat Sejati, it can be analyzed how working capital is managed in cooperatives. In this case, with the description of the report on changes in working capital in the cooperative, it can reflect the changes that have occurred in current assets and liabilities.

Based on reports obtained from the tokosa consumer cooperative true friend, it can be seen the increase and decrease in working capital. Reports on sources and uses of working capital can be useful to find out where working capital funds are obtained from and what these funds are used for. The report can also be useful for management to supervise working capital so that working capital sources can be used as effectively as possible in the future.

### Profitability Analysis of Tokosa S.S

This ratio is the ratio of net profit after tax and before tax to a number of assets as a whole. This ratio is a measure to assess how much the rate of return (%) of assets owned. If this ratio is high, it means that it shows the efficiency carried out by management.

#### a. Earning power of total investment (rate of return an total assets/ROA)

$$\text{Year 2019 ROA} = \frac{642.950.000}{3.052.150.234} \times 100\% \\ = 21,06\%$$

$$\text{Year 2020 ROA} = \frac{496.480.000}{2.900.235.053} \times 100\% \\ = 17,11\%$$

$$\text{Year 2021 ROA} = \frac{118.417.760}{3.194.654.968} \times 100\% \\ = 3,70\%$$

#### b. Rate of return for the owners (rate of return on net worth)

$$\text{Year 2019 ROA} = \frac{177.853.864}{3.558.046.816} \times 100\% \\ = 5\%$$

$$\text{Year 2020 ROA} = \frac{69.527.710}{3.413.071.395} \times 100\% \\ = 2,03\%$$

$$\text{Year 2021 ROA} = \frac{118.417.760}{4.225.183.638} \times 100\% \\ = 2,80\%$$

#### c. Net earning power ratio (rate or return on investment/ROI)

## The Role of Working Capital and Number of Members in Increasing Profitability of Tokosa Sahabat Sejati Consumer Cooperation (KK Tokosa Ss) in Gunungsitoli City

$$\text{Year 2019 ROI} = \frac{177.853.864}{3.052.150.234} \times 100\% \\ = 5,82\%$$

$$\text{Year 2020 ROI} = \frac{69.527.710}{2.900.235.053} \times 100\% \\ = 2,39\%$$

$$\text{Year 2021 ROI} = \frac{118.417.760}{3.194.654.968} \times 100\% \\ = 3,70\%$$

### CONCLUSIONS AND RECOMMENDATIONS

#### Conclusion

From the results of data analysis and discussion that has been carried out or has been described in the previous chapter, the authors draw several conclusions from the research results, namely:

1. The working capital owned by the Tokosa Sahabat Sejati consumer cooperative for the periods of 2019, 2020, 2021 has experienced increases and decreases in working capital. This can be said that the management of working capital has not been efficient.
2. The level of profitability obtained by cooperatives by calculating the ROA formula fluctuates or is unstable every year. In 2019 it was 21.06%, in 2020 it was 17.11% and in 2021 it was 16.32. On the other hand, using ROE also still has profit, the level of the amount of increase is still unstable in 2019 5%, 2020 2.03%, 2021 2.80%. Whereas in calculations using the ROI formula, it also experienced fluctuations due to the covid pandemic in 2020. Where in 2019 it was 5.82%, in 2020 it was 2.39% and in 2021 it was 2.70%

#### Recommendation

Management of working capital in increasing profitability is quite good. But even so, if something threatens the life of a company or cooperative such as the Covid pandemic which has hampered the flow of capital, the cooperative must immediately deal with this so that the level of working capital turnover continues to run smoothly so that the profits earned will also continue to increase every year.

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