

# The Profitability Approach is Based on the Number of Members, Own Capital and Business Volume

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## ABSTRACT

The role of cooperatives in national economic development and increasing the welfare of the general public so that cooperatives need to get special attention from the government and the general public. This study aims to examine the effect of the number of members, and own capital on business volume, and its impact on profitability. The research method used is an explanatory survey with the type of verification research. The population is 22 Koperasi Pegawai Republik Indonesia (KPRI), which are members of Pusat Koperasi Pegawai Republik Indonesia (PKPRI). While the sampling technique used purposive sampling in order to obtain 12 KPRI members of PKPRI according to predetermined criteria. The analysis technique uses path analysis supported by quantitative and qualitative data. The quantitative data used is in the form of Annual Member Meeting (AMM) report book for the 2015-2019 period which were obtained from the Bogor City Cooperative and UMKM Office. Meanwhile, qualitative data were obtained through observation and in-depth interviews with parties related to this research. The results showed that the direct effect of the number of cooperative members on business volume had no effect. The direct effect of equity on business volume had an effect. The direct effect of the number of cooperative members on profit ability had no effect. The direct effect of equity on profitability has an effect. The direct effect of business volume on profitability had no effect. The indirect effect of the number of cooperative members on profitability through business volume as an intervening variable had no effect. The indirect effect of equity on profitability through business volume as an intervening variable had no effect. In general, the total determinants for the first and second models are 36, 70% and 26.20% of the overall model can explain exogenous variables to endogenous variables. While the remaining 63.30% and 73.80%, influenced by other factors not examined.

**Keywords:** Number of members, Own capital, Business volume

