

# KOPERASI MERAH PUTIH: TOWARDS SUSTAINABLE PERFORMANCE THROUGH INTEGRATING STRATEGIC MANAGEMENT, VISIONARY LEADERSHIP, AND MEMBER ORIENTATION

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## ABSTRACT

Cooperatives play a strategic role in promoting national economic independence but continue to face challenges in competitiveness, governance, and sustainability. This study aims to formulate an integrative conceptual model that combines strategic management, visionary leadership, and member orientation as the main determinants of sustainable cooperative performance. The research employs a qualitative descriptive approach through a systematic literature review of books, national and international journals, and government policy documents related to modern cooperative development. The findings indicate that strategic management strengthens competitiveness by optimizing unique resources, visionary leadership drives organizational transformation and innovation, and member orientation reinforces identity, loyalty, and participation within the cooperative. The synergistic interaction of these three factors promotes sustainability across economic, social, and environmental dimensions. Recommendations emphasize enhancing managerial capacity, strengthening visionary leadership, and empowering members to build resilient, adaptive, and highly competitive cooperatives in the digital economy.

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## INTRODUCTION

Cooperatives are a vital pillar of the Indonesian economy, legally and constitutionally positioned as the cornerstone of the people's economy. The Constitution stipulates that cooperatives are business entities whose members are individuals or cooperative legal entities based on the principle of family. The Constitution, through Article 33 of the 1945 Constitution, also mandates that the economy be structured as a joint venture based on the principle of family. Thus, cooperatives function not only as economic instruments but also as social movements to improve the welfare of their members and the wider community



Over time, cooperatives have become a symbol of a people's economy oriented towards cooperation, member participation, and social justice. The history of cooperatives in Indonesia began during the colonial period, with the establishment of a credit union in Purwokerto in 1896 by Raden Aria Wiriadmadja. It then grew rapidly, especially after the First Cooperative Congress in Tasikmalaya in 1947. Since then, cooperatives have played a vital role in national economic development. However, in practice, the cooperative's goal of driving the people's economy has not been fully achieved. Many cooperatives still face serious obstacles, such as low competitiveness, limited access to capital, weak governance, a lack of visionary leadership, and low member involvement in decision-making (Media Indonesia, 2025). These challenges are further complicated in the era of globalization and digitalization, when cooperatives must compete with large corporations and digital platforms that are more adaptive to market changes. In the current context of economic development, the government initiated the Koperasi Merah Putih program as a symbol of the national movement toward collectivity-based economic independence. Koperasi Merah Putih aims to be present in every village through various business units, including grocery kiosks, savings and loan services, warehouses, village clinics, and business development based on local potential (Kompas.com, n.d.). The President emphasized that this cooperative will be concrete evidence of an inclusive economy "from the village for Indonesia" (Setneg RI, 2025). However, this initiative has not been without criticism. Dekopin believes this idea has the potential to weaken the diversity of local cooperative businesses, while the public questions the transparency of governance, the availability of professional human resources, and the consistency in upholding cooperative principles ( Suara Dewata, 2025). Cooperatives have proven to be a crucial pillar of economic development in both developed and developing countries. In Finland, agricultural and financial cooperatives contribute significantly to the national economy. One successful example is the S Group, Finland's largest retail cooperative network, which controls over 40% of the national retail market and serves as a model for integrating consumer cooperatives with modern management efficiency (ICA, 2022). In Japan, consumer cooperatives under the Japanese Consumers' Cooperative Union (JCCU) serve over 28 million members and generate sales of USD 33 billion, making it one of the largest consumer cooperatives in the world.

Meanwhile, agricultural cooperatives in Japan also play a vital role in supporting food security through a well-organized distribution system. In European countries, the success of cooperatives is also evident. In Spain, Mondragon Corporation, based in the Basque Country,

Koperasi Merah Putih: Towards Sustainable Performance Through Integrating Strategic Management, Visionary Leadership, And Member Orientation By Syukron Sazly, Budhi Haryadi, Dina Purnamasari, Otto Siregar serves as a global example of a worker cooperative with over 80,000 employees and diversified businesses spanning manufacturing, finance, and higher education. Mondragon demonstrates that cooperatives are not only relevant for small businesses but can also grow into global conglomerates based on the principles of solidarity and democratic participation (Arando et al., 2020). In Italy, social cooperatives are a significant force in the provision of public services, particularly in the health and education sectors, and play a significant role in reducing unemployment and fostering social inclusion (Borzaga & Galera, 2021).

The success of cooperatives in various countries is inseparable from several strategic factors. First, cooperatives in developed countries generally have professional and transparent management. For example, Mondragon in Spain implements modern corporate governance with a strong accountability system, enabling it to compete with multinational corporations (Arando et al., 2020). Second, visionary, long-term-oriented leadership is key, as demonstrated by Finnish and Japanese cooperatives, which have responded to global market changes through digital innovation and operational efficiency. Third, high member participation ensures the social legitimacy of cooperatives; for example, in Italy, social cooperatives have grown due to member involvement in decision-making and a strong social orientation (Borzaga & Galera, 2021).

Table 1  
Comparison of Success Factors of Global Cooperatives and Weaknesses of Indonesian Cooperatives

Aspects	Global Cooperative Success Factors	Weaknesses of Indonesian Cooperatives
Management & Governance	Professional and transparent, applying modern accountability standards	Still traditional; many cooperatives lack transparency, leading to trust issues
Leadership	Highly responsive to globalization, technology, and innovation (e.g., cooperatives in Finland and Japan)	Administrative in nature, lacking vision, and weak in driving global competitiveness
Member Participation	High, with active involvement of members in decision-making (e.g., social cooperatives in Italy)	Low; many cooperatives exist only “on paper,” with limited involvement in meetings and capital contribution.
Innovation & Adaptation	Strong adaptability to digitalization, e-commerce, and global markets (e.g., Japan and South Korea).	Weak; still dependent on conventional business models and slow to adopt digital transformation
Social Legitimacy	High, recognized as both economic and social entities supporting public welfare	Poor; still perceived as “second-tier enterprises” compared to private companies or state-owned enterprises

Source: Research Results

Cooperatives in Indonesia still face various fundamental weaknesses that hinder their role as a pillar of the people's economy. In terms of governance and management, most cooperatives are still managed traditionally, with simple, less transparent accounting systems, which raises trust issues among members (Suryono & Rachmawati, 2021). This phenomenon contrasts with modern cooperative practices that emphasize transparency and accountability, for example, in Europe or Japan. A report from the Ministry of Cooperatives and SMEs (2022) also shows that more than 30% of cooperatives in Indonesia are categorized as "inactive" due to weak organizational management. In terms of leadership, many cooperatives are still run administratively and reactively, rather than visionarily. Cooperative leaders generally focus on operational routines rather than long-term strategies for business expansion or business model innovation. This contrasts sharply with global cooperatives, which have developed into modern, highly competitive entities (Hendar & Kusuma, 2020). According to Prasetyo & Sukei (2021), weak visionary leadership also contributes to cooperatives' inability to face digital disruption and market globalization. Another weakness lies in low member participation. Many cooperatives only function formally, or are referred to as "nameplate cooperatives," where members do not actively contribute to decision-making or capital participation (Kemenkop RI, 2022). A study by (Wijayanti, 2021) confirmed that low member awareness of the values of collectivity and shared responsibility has caused cooperatives to lose their basis of social legitimacy.

In terms of innovation and technology, cooperatives in Indonesia are still very slow to adopt digitalization. The majority of cooperatives still rely on conventional sectors such as savings and loans and simple retail trade, making it difficult to compete with private companies, startups, and more adaptive digital platforms (Suryono & Rachmawati, 2021). According to research by (Rahman, 2022), the digital adoption rate in Indonesian cooperatives remains below 20%, far behind MSMEs that have begun integrating e-commerce and fintech. Furthermore, there are issues with institutional image. Cooperatives are still often perceived as second-class businesses, relevant only to small and medium-sized businesses, making them less attractive to young professionals or investors (Kemenkop RI, 2022). Research by (Nugroho, 2020) found that this negative perception impairs cooperatives' ability to attract new members and expand their business networks. This situation demonstrates a significant gap between the idealism of cooperatives as a people's economic movement and the reality of weak institutional arrangements.

Cooperatives remain a vital pillar of the Indonesian economy, yet they face various structural and managerial weaknesses, such as weak governance, administrative-oriented leadership, and low member engagement. This contrasts sharply with cooperative practices in developed countries, which have achieved sustainability through the application of professional strategic management, adaptive visionary leadership, and active member participation in decision-making. This study aims to develop a conceptual model of sustainable cooperative performance through the integration of strategic management, visionary leadership, and member orientation. Specifically, this study aims to analyze the role of strategic management in strengthening cooperative competitiveness, identify the influence of visionary leadership in facing the challenges of globalization and digital disruption, and examine the contribution of member orientation in creating organizational social legitimacy. Of course, the following is a theoretical basis structured in the form of complete paragraphs with clear subchapters and complete academic citations.

## **THEORITICAL REVIEW**

### **Strategic Management Theory**

Strategic management is a crucial element in ensuring the sustainability of organizations, including cooperatives, which are rooted in the principle of collectivity. The Resource-Based View (RBV) approach introduced by Barney (1991) emphasizes that competitive advantage stems from the control of resources characterized as valuable, rare, inimitable, and non-substitutable (VRIN). In the context of cooperatives, these resources include not only financial capital but also social capital, trust networks, and member solidarity (Prihatiningsih & Utami, 2021). In other words, the strength of cooperatives lies in intangible assets that are difficult for capitalist companies to imitate. However, resource ownership alone does not guarantee sustainability in an era of disruption. Teece, Pisano, and Shuen (1997), through the concept of Dynamic Capabilities, emphasize the need for organizations to develop the capacity to sense opportunities (sensing), seize opportunities (seizing), and transform resources (transforming). Cooperatives that are able to adopt digital technology, strengthen business diversification, and adapt to regulatory changes will be more resilient in the face of global competition (Suryanto & Setiawan, 2020). Therefore, the application of RBV and dynamic capabilities in cooperatives can be seen as prerequisites for the development of relevant and highly competitive long-term strategies.

### **Visionary Leadership Theory**

Leadership quality is a determining factor in the success of cooperative organizations. Transformational leadership Bass (1990) explains how leaders can inspire members to transcend personal interests for the collective benefit of the organization. Transformational leaders mobilize members through four main dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. More specifically, Nanus (1992) introduced the concept of visionary leadership as the ability to create a realistic, credible, and attractive vision of the future and to mobilize all components of the organization toward that vision. In the cooperative context, visionary leaders serve not only as administrators but also as agents of change, bridging (Hardiyanto & Pramudiana, 2021). Prasetyo & Sukei (2021) study also showed that cooperatives with visionary leadership are more adaptive to digital transformation, more innovative in their business models, and able to increase member trust. Thus, visionary leadership is a strategic factor that transforms cooperatives from mere traditional entities into modern, competitive organizations.

### **Member Orientation Theory**

Cooperatives are philosophically distinct from capitalist corporations because they are member-oriented, not shareholder-oriented. The International Cooperative Alliance (ICA) (2018) asserts that cooperatives are autonomous associations of individuals united voluntarily to meet economic, social, and cultural needs through democratic ownership and management. Member orientation is a fundamental distinguishing characteristic that ensures the sustainability of cooperatives. Member participation encompasses economic (utilizing cooperative services), democratic (participating in Member Meetings), and social (engaging in community solidarity) dimensions. Birchall & Ketilson (2009) emphasize that active member involvement is a key prerequisite for cooperative resilience. In Indonesia, low member participation is one of the reasons why many cooperatives exist only administratively without productive activities (Kemenkop RI, 2022)). Recent research also confirms that cooperatives with high levels of engagement tend to be more able to achieve sustainability and improve financial and social performance (Dwiastanti & Marwa, 2021; Nugroho, 2020). Thus, member orientation is both a normative and practical foundation for cooperative sustainability.

### **Sustainability Theory**

Cooperative sustainability must be understood multidimensionally, encompassing not only financial but also social and environmental aspects. Elkington, (1997) through the

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Triple Bottom Line (TBL) concept, emphasized that organizations should be measured based on three dimensions: Profit, People, and Planet. For cooperatives, the profit dimension is realized through achieving economic performance and equitable distribution of operating profits; the people dimension reflects member welfare and social contributions to the community; while the planet dimension demands environmentally friendly cooperative operations. Recent studies have shown that cooperatives that adopt TBL principles tend to have better reputations, higher levels of member participation, and broader market access (Rahman, 2022); Wijayanti, 2021). Thus, sustainability in cooperatives is not merely an economic goal, but rather a holistic outcome encompassing a balance between economic, social, and environmental aspects.

### **Relevant Research**

Research on the sustainability of cooperative performance has grown significantly over the past decade, as cooperatives need to adapt to global dynamics while maintaining socio-economic relevance (Borzaga, C., & Galera, G. (2021). Sustainable cooperative performance is influenced not only by financial factors but also by social and environmental aspects, in line with the triple bottom line principle (Elkington, 1997). Long-term success heavily depends on member empowerment and transparent governance, which enhance member trust and the cooperative's social legitimacy (Braun & Clarke, 2021). Active member participation also plays a crucial role in sustaining cooperatives, as it strengthens decision-making quality and social legitimacy (Dwiastanti & Marwa, 2021). Other critical factors affecting competitiveness include managerial innovation and the mastery of digital technology, enabling cooperatives to respond effectively to market disruptions and environmental changes. Additionally, visionary leadership that encourages strategic adaptation is essential for maintaining cooperative sustainability and growth (Hardiyanto & Pramudiana, 2021)

In the context of strategic management, effective, strategy-based resource management is a key determinant of sustainable competitiveness. Practices such as knowledge sharing among cooperative administrators enhance innovation capabilities, which significantly contribute to organizational performance (Andarwati et al., 2024). The resource-based view (RBV) perspective emphasizes that a cooperative's competitive advantage is determined not only by financial capital but also by strategic capabilities in managing knowledge assets and internal processes (Prihatiningsih & Utami, 2021). The member orientation dimension is also a fundamental element of cooperative sustainability. Member

Koperasi Merah Putih: Towards Sustainable Performance Through Integrating Strategic Management, Visionary Leadership, And Member Orientation By Syukron Sazly, Budhi Haryadi, Dina Purnamasari, Otto Siregar participation, institutional governance, and the role of the cooperative board are critical factors for organizational success (Taghizadeh et al., 2023). Overall, these findings suggest that sustainable cooperative performance results from a complex interplay of governance, member participation, visionary leadership, and strategic innovation adoption.

These findings collectively emphasize that member orientation is not merely a social aspect but also a strategic instrument for ensuring organizational sustainability. Meanwhile, research on visionary leadership in cooperatives, although not always explicitly using the term, is often reflected in studies emphasizing the role of leadership in driving innovation and strategic change. (Tri Andjarwati et al., 2021) ) found that organizational culture and entrepreneurial orientation mediated by innovation contribute positively to cooperative performance in Surabaya. This suggests that visionary leadership has practical implications through the creation of an innovative culture and strengthening entrepreneurial orientation as a sustainability strategy. Another study by Kyai (2019) highlighted the importance of government support, member participation, manager performance, and access to capital on cooperative performance and member welfare in Batu City.

These findings demonstrate that visionary leadership, supported by effective governance, is a crucial prerequisite for the success of cooperative organizations in navigating the complexities of the external environment. In a micro context, Nafisa et al., (2023) added that service quality, member motivation, and literacy positively influence cooperative success through the mediation of member participation. Sustainable cooperative performance is fundamentally built through a close integration of strategic management, visionary leadership, and member orientation. First, strategic management serves as a foundation that ensures cooperatives are able to effectively manage internal resources while developing dynamic capabilities to respond to changes in the external environment (Andarwati et al., 2024) ; Suharto et al., 2023). Second, visionary leadership acts as a catalyst for change and innovation within cooperatives. Visionary leadership not only creates a clear strategic direction but also builds an adaptive and opportunity-oriented organizational culture (Hardiyanto & Pramudiana, 2021). Research by (Rahman, 2022) confirms that cooperatives led by visionary figures are better able to utilize digital technology to expand market reach, improve operational efficiency, and encourage active member participation. Thus, visionary leadership not only influences internal strategy but also strengthens external relationships, including with the government, financial institutions, and local communities, enabling cooperatives to survive and thrive amidst dynamic economic challenges.

Third, member orientation remains core to cooperative sustainability, as organizational success depends heavily on the participation, literacy, and motivation of its member (Dwiastanti & Marwa, 2021; (Wijayanti, 2021). Active and educated members are able to act as internal monitors, innovators, and contributors of strategic ideas, thereby improving the effectiveness of management decisions and service quality. Research by Prihatiningsih & Utami (2021) also shows that integrating member orientation with knowledge-based management practices can strengthen cooperative resilience to economic crises or market pressures. Thus, the strategic combination of resource management, visionary leadership, and member engagement is a crucial mechanism for building sustainable cooperative performance that is holistic, inclusive, and adaptive.

The ability to sense market opportunities, seize them through innovation, and transform business models enables cooperatives to be proactive rather than merely reactive in maintaining sustainable competitiveness. Second, member orientation serves as a socio-economic pillar of cooperatives, linking institutional governance with active member participation. Participation extends beyond capital contributions to decision-making, digital literacy, and the use of technology for transactions and communications. Strong member orientation ensures collective ownership, strengthens the cooperative's legitimacy, and enhances long-term organizational accountability. Third, visionary leadership serves as a driving force that unifies strategy and member orientation toward sustainable transformation. Visionary leaders focus not only on operational management but also act as change agents, driving innovation, strengthening organizational culture, and building a shared vision based on inclusivity (Tri Andjarwati et al., 2021); (Hadi et al., 2025). Visionary leadership ensures that cooperatives remain steadfast despite regulatory turbulence, competition, and technological developments. Furthermore, supporting variables such as digital transformation, institutional governance, member digital literacy, and government support act as catalysts that strengthen the relationships between key variables. Digital transformation enables service efficiency, transparency, and business model innovation (Rahman, 2022), while good governance ensures organizational accountability (Suryono & Rachmawati, 2021). Member digital literacy supports active participation in the technological era (Nafisa et al., 2023) and government support provides a conducive regulatory ecosystem and access to capital for cooperatives (Kyai, 2019). Thus, the resulting conceptual model demonstrates that sustainable cooperative performance is the ultimate outcome of the integration of strategic management, visionary leadership, and member orientation, reinforced by external

Koperasi Merah Putih: Towards Sustainable Performance Through Integrating Strategic Management, Visionary Leadership, And Member Orientation By Syukron Sazly, Budhi Haryadi, Dina Purnamasari, Otto Siregar and internal supporting factors. This model emphasizes that cooperative sustainability cannot be achieved through a single dimension, but rather through a synergy of mutually reinforcing multi-variables in the face of global economic dynamics.

## **METHOD**

This study uses a descriptive qualitative approach with the aim of developing a conceptual model of sustainable cooperative performance through the integration of strategic management, visionary leadership, and member orientation. A qualitative approach was chosen because it is suitable for exploring phenomena, understanding the internal dynamics of cooperatives, and analyzing the meaning behind management and leadership practices without being bound by numerical measurements (Creswell & Poth, 2018). Literature from reputable journals (SINTA and Scopus), management textbooks, and the annual report of the Ministry of Cooperatives and SMEs was used as a basis for formulating the integrated variables. This approach refers to the systematic literature review method (Snyder, 2019). The analysis was conducted descriptively qualitatively, outlining factors that support and hinder cooperative performance based on theoretical perspectives and empirical findings. Next, a thematic analysis process (Braun & Clarke, 2021) was conducted to identify patterns of relationships between strategic management, visionary leadership, and member orientation in building sustainable cooperative performance. The final result of this study is a conceptual model in the form of a theoretical framework that demonstrates the integrative relationship between key variables. This model positions sustainability as the ultimate outcome of strategic management practices, visionary leadership, and member orientation in cooperatives. Thus, this research not only produces theoretical understanding, but also provides practical contributions for cooperatives in Indonesia in facing the challenges of global competitiveness.

## **RESULTS**

### **Strategic Planning as the Foundation for Sustainable Performance in Cooperatives**

The strategic planning stage is the starting point in the strategic management cycle, determining the long-term direction of the organization. According to David (2017) strategic planning includes developing a vision, mission, objectives, and strategies to address the dynamics of the business environment. In the context of Koperasi Merah Putih in the village, strategic planning serves as an instrument for building sustainable performance, taking into account both local potential and the challenges of globalization. This process begins with a situational analysis using the SWOT or PESTEL framework to identify the cooperative's

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strengths (e.g., strong member base, abundant local resources), weaknesses (e.g., limited capital, low digital literacy), opportunities (e.g., regulatory support, online markets), and threats (e.g., competition with private businesses, price volatility). Next, the cooperative establishes a transformative vision and mission that not only emphasizes member welfare but also prioritizes the principle of village economic sustainability. From this vision, measurable strategic objectives are derived, such as increasing member income by 15% per year, increasing the number of active members, and diversifying business units based on village potential. According to (Hunger, 2020) good strategic planning is not only based on administrative documents but must also serve as a communication and motivational tool for all cooperative members in achieving shared performance.

Table 2  
Strategic Planning Matrix for Merah Putih Cooperative

Stage	Key Activities	Expected Output	Impact on Performance
Environmental Analysis	Identify village potentials (human resources, natural resources, markets)	Village business potential mapping	Data-based planning foundation
Vision & Mission Formulation	Define the goals and purpose of the village cooperative	Long-term cooperative vision	Clear strategic direction
Goal Setting	Determine financial and social targets	SMART objectives	Focus on increasing surplus (SHU) and member welfare
Business Strategy	Identify priority business sectors	Village cooperative business plan	Improved cooperative competitiveness

Source: Research Results

### Strategic Execution Towards Competitive and Sustainable Cooperative Excellence

The strategic execution or strategy implementation stage is the most critical phase because it directly relates to the realization of plans in daily activities. Kaplan & Norton (2006) using the Balanced Scorecard concept, emphasize that strategy implementation must be translated into operational actions that encompass financial, member/customer, internal process, and learning and growth perspectives. In the context of the Koperasi Merah Putih strategy implementation begins with the establishment of an effective institutional structure, namely a clear division of roles between management, supervisors, and business units. Furthermore, the cooperative needs to strengthen human resource (HR) capacity through cooperative education, digital literacy, and entrepreneurship training so that members have the ability to adapt to change. The formulated strategy is then translated into priority programs, such as the development of transparent savings and loan units, marketing

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agricultural products or crafts through digital platforms, and initiating village tourism businesses based on local wisdom. Implementation must also consider technology and digitalization, as modern cooperatives are required to have accountable financial management and marketing information systems. In addition, strategic collaboration with village-owned enterprises (BUMDes), local governments, the private sector, and other cooperatives is a crucial step in expanding business networks and increasing competitiveness. With consistent and adaptive strategy execution, village cooperatives can build competitive advantages while improving sustainable performance.

Tabel 3

Strategic Execution Matrix of Merah Putih Cooperative

Stage	Key Activities	Expected Output	Impact on Performance
Program Implementation	Operate business units (agriculture, savings and loans, village retail)	Cooperative operations run effectively	Increased income and liquidity
Human Resource Development	Conduct management and entrepreneurship training for members	Competent cooperative members	Improved efficiency and business innovation
Strategic Partnerships	Build networks with SOEs, SMEs, and government institutions	Partnership agreements and access to capital	Expanded market and financing access
Cooperative Digitalization	Apply digital systems (accounting, transactions, marketing)	Digital cooperative platform	Enhanced transparency and service speed

Source: Research Results

### Strategic Evaluation as a Mechanism for Controlling Cooperative's Performance

The strategic evaluation stage serves as a mechanism for controlling and reflecting on strategy implementation. According to (Hunger, 2020) strategic evaluation includes performance measurement, analysis of results, and corrective actions to ensure the achievement of organizational goals. In the context of the Koperasi Merah Putih in the village, performance evaluation must be participatory and transparent, in accordance with cooperative principles that position members as both owners and users of services. Evaluation is conducted through key performance indicators (KPIs), such as the number of active members, savings and loan ratio, business unit profitability level, and contribution to improving member welfare. Furthermore, the evaluation should include non-financial dimensions, such as member satisfaction, quality of governance, and the cooperative's contribution to sustainable village development. The Annual Members Meeting (RAT) serves as a formal forum for joint evaluation and a means of assessing the successes and weaknesses of the implemented strategy. Strategic evaluation should also result in corrective actions

Koperasi Merah Putih: Towards Sustainable Performance Through Integrating Strategic Management, Visionary Leadership, And Member Orientation By Syukron Sazly, Budhi Haryadi, Dina Purnamasari, Otto Siregar (strategic adjustments), such as restructuring underproductive business units, updating the business model, or adding new services according to member needs. Thus, evaluation is not merely an administrative process but also an organizational learning mechanism that enables the cooperative to continuously adapt and innovate. Only with a continuous evaluation cycle can Koperasi Merah Putih in the village ensure the sustainability of its performance and relevance in facing the dynamics of the external environment.

Tabel 4

Strategic Evaluation Matrix of Koperasi Merah Putih

Stage	Key Activities	Expected Output	Impact on Performance
Monitoring	Conduct monthly or quarterly performance reviews	Regular performance reports	Faster detection of operational or financial issues
Evaluation of Results	Analyze goal achievement versus realization	Evaluation report and gap analysis	Identification of weaknesses and opportunities for improvement
Member Feedback	Hold member forums and satisfaction surveys	Member satisfaction data	Increased trust and participation
Strategy Refinement	Revise plans based on evaluation outcomes	Improvement plan	Cooperative becomes more adaptive and sustainable

Source: Research Results

The Merah Putih Cooperative, as a community economic vehicle at the village level, requires structured strategic management to achieve sustainable performance. Through strategic planning based on local potential, the cooperative can determine clear directions and objectives that align with the needs of its members. Furthermore, strategy implementation is a crucial step in realizing tangible business programs, strengthening member capacity, and building partnership networks that expand cooperative business opportunities. Finally, strategic evaluation serves as a monitoring, learning, and improvement mechanism, ensuring the cooperative remains adaptive to the dynamics of the business environment. By consistently implementing these three stages, Koperasi Merah Putih is expected to not only improve financial performance through business growth and Operating Surplus (SHU), but also strengthen member welfare, create jobs, and encourage village economic independence. Ultimately, village cooperatives will transform into driving forces for sustainable development based on the values of togetherness, mutual cooperation, and local community empowerment.

## CONCLUSION

This study concludes that the sustainable performance of Koperasi Merah Putih at the

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village level can be improved through the integration of strategic management, visionary leadership, and member orientation. Strategic planning, execution, and evaluation within strategic management enable the cooperative to optimize resources and strengthen competitiveness, while visionary leadership fosters innovation, member motivation, and adaptability to environmental changes. Member orientation ensures active participation, engagement, and trust in the cooperative, thus positively impacting overall sustainable cooperative performance, encompassing economic, social, and environmental aspects.

However, this study has limitations due to its conceptual and qualitative descriptive nature, which does not provide quantitative empirical evidence. It also focuses on Koperasi Merah Putih at the village level, which limits the generalizability of the findings. Furthermore, the literature reviewed is largely derived from journals and public reports, thus potentially exposing the potential for publication bias or limited current data. Another limitation is that the study does not incorporate contextual variables such as regional policy differences, market dynamics, cultural diversity, or digital readiness, all of which may significantly influence the applicability of the proposed model in different cooperative settings. In addition, the conceptual framework has not been validated through stakeholder interviews, expert judgment, or field observations, which may reduce the robustness of the conclusions.

For future research, it is recommended to apply a quantitative or mixed-method approach to empirically test the influence of variables, conduct longitudinal studies to assess the effectiveness of long-term strategies, and examine the role of digitalization, product innovation, and multi-stakeholder collaboration in strengthening sustainable cooperative performance, both in Indonesia and globally.

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