
The Perceptions of Cooperative Management on the Understanding of Financial Statements to the Punctuality in Conducting the Annual Members

Hamdani^{1,*}, Triana Zuhrotun Aulia²

¹Department of Management, University of Muhammadiyah Tangerang, Tangerang, Indonesia

²Department of Accounting, University of Muhammadiyah Tangerang, Tangerang, Indonesia

Email address:

Hamdanidini4@gmail.com (Hamdani), trianazuhrotunaulia@gmail.com (T. Z. Aulia)

*Corresponding author

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Abstract: The research carries out the examination of the influence of cooperative management perceptions based on the understanding of financial statements towards the punctuality in conducting the Annual Members Meeting in Tangerang's area. This research was conducted to several cooperatives in the area of Tangerang city. In this research were forty-nine people involved. The research was carried out by using survey data collection. The survey itself was conducted through delivering questionnaires, conducting direct interview, and reviewing literatures. There are several results show at the end of the research. The first result shows that the Perceptions of Cooperative Management has a positive and significant effect on Understanding of the Financial Statements. The second, the Understanding of Financial Statements also has a positive and significant effect towards the Timely Implementation of the Annual Members Meeting. The number of samples in this research is categorized as the small sample, which benefits as the reference for the further studies to conduct the study at the same field with the greater number of sample. There are two suggestions may be beneficial after obtaining the results of the research conducted. The first, for the state government of Tangerang city, especially to the Service Cooperatives for Small and Medium Enterprises in the area of Tangerang city, it would be better to conduct kind of socialication and several accounting training in relation to SAK ETAP based accounting training to all of the cooperatives which exist in the area of Tangerang city.

Keywords: Cooperative Management Perceptions, Understanding of Financial Statements, Annual Members Meeting

1. Background of the Study

The economic structure in the area of Tangerang city is dominated by the industrial sector. The rapid development and growth of industry or service in Tangerang city has not given a great contribution towards the development and growth of cooperatives which exist in Tangerang city itself. It is a must for the government to be able to bridge the reciprocal relationship between both of them by means of supporting the greater development and growth of cooperatives. The development and growth of cooperatives will be able to increase and improve the welfare of people, especially the people who are in the lower levels. It is highly important to be realized, because the industrial will always

give a main negative effect to the human welfare. If it is not well-maintained, poverty will occur. Poverty becomes one of the main problems appears in Tangerang city. Based on valid the data gained from the government of Tangerang city, poverty reaches 6-7% out of the total population in Tangerang city in 2018. One of the reasons that makes this problem occurs is, not all human resources are powered by industrial sectors in Tangerang city. As the result, unemployment are increasing.

The problem is not stalled on the issue of poverty, the existence of industrial sectors which develops and grows rapidly in Tangerang city gives a negative effect on the issue of inequality or economic equity to the people in Tangerang city. According to the data gained from the state government

of Tangerang city during 2011 until 2013, if it is rated with the coefficient level in between 0 until 1, the fact shows that the coefficient level of inequality or economic equity in 2011 reached 0.32. In 2012, the coefficient level of inequality or economic equity reached 0.34, and in 2013, 0.31. In fact, the area which rests on the industrial sector, generally, the condition of economic structure will be relatively weak, and highly vulnerable to the economic turmoil. Needless to say, the performance of economic activities of the people which based on cooperative principles should be increased by means of giving a positive and significant contribution in increasing the regional economic condition.

The research which regarding cooperative as the people economic activities, is completely necessary to be conducted. It is reasonable because the research which is in relation to cooperative is rarely conducted. In addition, the several studies that had been conducted previously have not had a great contribution yet, especially to solve the problems which exist in cooperatives as the people economic activities in the area of Tangerang city. Moreover, based on several studies that had been conducted previously, there have been found that several inactive cooperatives is getting increased. According to the research that had been conducted by Ekasari (2016), between 2010 until 2012, the number of active cooperatives is only 50% out of all 1,123 registered cooperatives in Tangerang city. It is around 621 cooperatives which still active in conducting their economic activities.

One of the assessments that can be conducted to measure the number of active cooperatives is through the Annual Members Meeting report that is usually submitted to the state government of Tangerang city, especially to the Division or Service of Cooperatives and Small and Medium Enterprises. Based on the data recorded by the Service of Cooperatives and Small and Medium Enterprises of the state government of Tangerang city, there are many cooperatives in Tangerang city, but the quality in maintaining the business activities from each cooperative is still categorized in lower level. This fact shows that the state government of Tangerang city is not well-prepared to guide and to support the development progress of the cooperatives intensively. As the result, there have been found many inactive cooperatives in Tangerang city. Whereas, cooperatives are the best solution to increase the people welfare. Moreover, cooperatives become the formal institution which can support the economic condition as well, because, cooperatives provide capital for those people who have a plan to conduct their own business by they own.

Viewing the issues in relation to the importance of cooperatives to the welfare of people and regional economic condition, it seems that, there should be a great solution that can encourage the development and growth of cooperatives further. One of the effective ways is, building up the good perceptions to the employees, members and management of cooperatives, supervisors of cooperatives, and the state government as well. It is believed, through the good perceptions built regarding the cooperatives will increase the level of confidence towards the cooperatives development and growth in the future.

One of the indicators which shows the development and

growth of cooperatives is through the percentage of cooperatives which reportedly conducted the Annual Members Meeting. According to the data form the state government of Tangerang city, in 2017, there were 40% cooperatives conducted the Annual Members Meeting. The rest 60% cooperatives have not conducted the Annual Members Meeting yet. There are several problems appear that caused 60% cooperatives have not conducted the Annual Members Meeting yet. They are, the problem which related to management of the cooperative and human resources in cooperative itself. The main problem which occurs from the management and human resources of the cooperative is in relation to the perceptions of management and human resources in cooperative is, in understanding the financial statements.

According to Setijawan and Permatasari (2014) and Sarifah (2012), it is highly important that the management and all human resources who are in cooperative to understand the financial statements well. Besides, Wicaksono (2013) argues that the perceptions on the SAK ETAP-based financial statements occurs because of lack of competencies on it. The perceptions itself is highly important as the first step stone which can be value to encourage understanding of the financial statements. In fact, financial statements itself is the shape of responsibility form the management and human resources who get involved in running the business activities of the cooperative that should be reported to all members of cooperative in the Annual Members Meeting. It goes without saying, the understanding of financial statements will ease to encourage the cooperative to conduct the Annual Members Meeting. Furthermore, to support the Annual Members Meeting conducted, human resources who have a great understanding in SAK ETAP-based financial statements is necessarily needed.

It is clearly undeniable that one of the problems which makes the Annual Members Meeting is late to be conducted is because of lack of understanding of SAK ETAP-based financial statements form the management of the cooperative. This occurs because most cooperatives have a very limited human resources who have special ability in making the financial statements, especially the SAK ETAP-based financial statements. Actually, most of the management of cooperatives have a great willingness to have skillful and qualified human resources, but cooperatives do not have a great amount of money to pay the skillful and qualified human resources, especially for the cooperatives which categorized small cooperatives.

This condition is confirmed after the observation which conducted towards the number of participants who attended the workshop which held by the Service of Cooperatives and Small and Medium Enterprises, Tangerang city in 2017. The workshop attended by less than 50 participants from different cooperatives in Tangerang city. Unfortunately, there is only one cooperative that has a skillful and qualified human resource who has a great ability in accounting. Moreover, most participants also had a problem in making the financial report, especially the SAK ETAP-based financial report. This fact encourages the argument that the late Annual Members Meeting conducted by most cooperatives in city Tangerang is

because of lack of understanding from the management and human resources who get involved in cooperatives on SAK ETAP-based financial statements.

In order to solve this problem which occurs in most cooperatives in the area of Tangerang city, education and training in relation to cooperative are highly important for the management and human resources who get involved in cooperative. It is reasonable because, the main key of successful development and growth of cooperative as the business activity which can be value to support welfare of people and regional economic condition, especially Tangerang city, will be depend of the human resources who get involved in cooperative itself. In addition, the condition of human resources who get involved in cooperative who have lack of ability in understanding the Sak ETAP-based financial statements, will become the main problem to the late Annual Members Meeting that should be conducted by the management of cooperatives. It is because, one of the main responsibilities that must be fulfilled by the management of cooperative is conducting the Annual Members Meeting as shape of performance quality form the management of cooperative during his work for a certain period of time.

2. Literature Review and Hypothesis

2.1. *The Perceptions of Cooperative Management to the Understanding on Financial Statements*

Perceptions can be defined as the understanding, interpreting, and individual response to identify something. Perceptions also defines as the process that generally used by a person to choose, manage, and interpret several informative inputs by means of creating the general view or general conclusion meaningfully. Through having a good perceptions to certain issues or phenomena will give a positive effect in achieving the targeted achievements. Thus, there should be a good perceptions in order to increase the understanding on financial statements. It is reasonable because, lack of positive perceptions from the management of cooperative, will become a great obstacle to their understanding on the financial statements that should be performed and reported. Needless to say, the understanding of the financial statements will highly depend on perceptions constructe by the management of cooperative.

Accoring to Setijawan and Permatasari (2014), having a good perceptions will benefit for the management of cooperative, such as: encourage the readiness of the implementation of making financial statements, support the understanding of the accounting information, ease the use of applied financial statements application, knowing the use and benefits of the SAK ETAP-based financial statements reported. These advantages of having a good perceptuons lead the management of cooperative to their understanding on the SAK ETAP-based financial statements.

It is proven that the stronger readiness because of having a good and positive perceptions in understanding the financial statements will lead the increasing number of cooperative

management who use SAK ETAP-based financial statements (Sarifah, 2012). The lack of perceptions in understanding of information in relation to financial statement will tend to weaken the management of cooperative to use SAK ETAP-based financial statements (Sarifah, 2012). Thus, the good perceptions of understanding the ease of SAK ETAP-based financial statements gives a positive effect towards the use of SAK ETAP-based financial statements itself. In addition, having a good perceptions in relation to benefits of SAK ETAP-based financial statements will give a positive effect towards the use of SAK ETAP-based financial statements. In vice versa, the lack of knowledge and understanding of the SAK ETAP-based financial statements will tend to weaken the use of SAK ETAP-based financial statements in performing financial condition which has to be reported in the Annual Members Meeting of the cooperative.

Each perception will certainly strengthen or even weaken the use of SAK ETAP-based financial statements as the guidance in preparing the financial statements of the cooperative. The first good impression in financial statements becomes highly important for the management of cooperative by means of increasing their understanding comprehensively on financial statements that they have to perform. Based on the explanations above, the hypothesis is formulated as follows:

H₁: There is an effect of management cooperative perceptions on their understanding towards the financial statements.

2.2. *The Understanding of Financial Statements to the Punctuality of Annual Members Meeting*

The understanding of the financial statements becomes a valuable capital to encourage the Annual Members Meeting which will always be conducted in cooperative. Lack of understanding on the financial statements will become a great obstacle in preparing the needs which required in the Annual Members Meeting. It is reasonable because, one of the main requirements that must be well-prepared in the Annual Members Meeting is financial statements. It becomes the quality of responsilby and accountability from the cooperative management in doing their duties during certain period of time of their leading.

Basically, cooperative is a part of entity without public accountability. It makes SAK ETAP-based financial statements must be applied in performing its financial statements (The Regulation of Ministry of Cooperatives and Small and Medium Enterprises, No.04/Per/M. KUKM/VII/2012). The financial statements must be performed as one of the annual cooperative accountability reports which reported to all members of cooperative in the Annual Members Meeting. The ability in understanding the cooperative financial statements will be highly valuable to support the process of preparing financial statements as one of the accountability of the cooperative management in front of the audince in the Annual Members Meeting. The better understanding of financial statements, it leads the Annual Members Meeting to be held punctually. Based on the explanation above, the hypothesis is formulated as follows:

H₂: There is an effect of understanding the financial

statements towards the punctuality of the the Annual Members Meeting conducted.

The relationship between all variables of the research is drawn in the conceptual framework as follows:

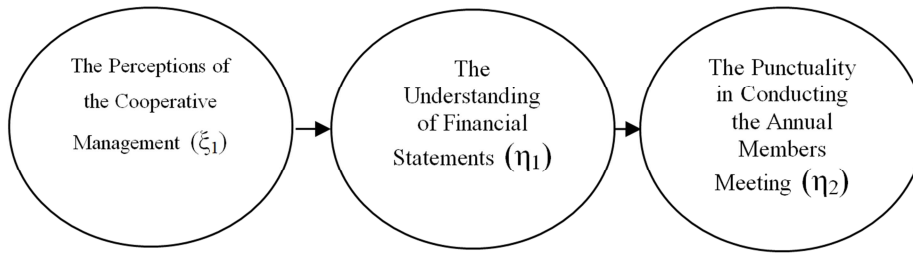


Figure 1. Conceptual Framework.

3. Research Methodology

This research is a kind of quantitative research which used the results of the delivered questionnaires as one of the sources of data. This research conducted to the cooperatives which exist and registered in the area of Tangerang city, with 49 participants as the sample of the research. Those 49 participants are people who have a management position in their cooperatives. The criteria in selecting the sample which chosen as the sample in this research is the existing cooperatives in Tangerang city that have not conducted the Annual Members Meeting yet until 2016.

One of the variable in this research is The Perceptions of Cooperative Management that measured by 5 indicators from Setijawan and Permatasari (2014). The next variable in this research is the Understanding of Financial Statements that measured by several indicators which developed by Khikmah and Yuliani (2013). At last, for the Punctuality in Conducting the Annual Members Meeting variable was based on The Regulation of Ministry of Cooperative and Small and Medium Enterprises, of Indonesia No. 19/PER/M. KUKM/IX/2015. *Likert Scale* one to five was used as the measurments for variables. The data collected through survey was by using questionnaires, direct interviews, and literature reviews. The method applied in this research was by using SEM PLS 4.0., software.

4. Findings and Analysis

4.1. The Distribution of Questionnaires

The participants who took part in this research were cooperative management in Tangerang city. There were 150 questionnaires delivered to 150 participants, and 53 questionnaires were returned. The questionnaires that can be analyzed and calculated were 49 out of 53 returned questionnaires. It is because the rest 4 questionnaires can not be calculated and analyzed for several requirements that had not been completed yet.

4.2. The Demography of Participants

The data collection based on different genders, it shows that 35 out 49 participants, which equals to 71% were men. The data collection based on different age group shows that

between age 35 to 44, the number of participants took part was 18 which is 37% of the total number. Then, the data collection based on >10 years cooperative management experiences, there have been found 21 people or equals to 42% out of the total number of participants who took part in this research. At last, the data collection based on educational background shows 22 participants out of 49, have economics, management, public administration, and business administration as the major of their educational background.

4.3. The Descriptive Statistical Analysis

4.3.1. The Perceptions of Cooperative Management

The both indicator perceptions, which are the Perceptions of Readiness in Implementing SAK ETAP-based financial statements and the Perceptions of Understanding the Accounting Information are categorized low than they have to be, with the value of 3,6735 and 3,8571. For other indicators of perceptions (the accessible perceptions, the perceptions in performing financial statements, and the perceptions of using the SAK ETAP-based financial statements) are positioned at the scale of 4 which means good perceptions from the cooperative management.

4.3.2. The Understanding of Financial Statements

There are several points which become the indicators for this variable, they are: Financial Statement Standards, SAK ETAP information, socialisation of SAK ETAP, understanding on SAK ETAP, the difference between PSAK and SAK ETAP, are categorized low. The result shows the value is as the following, 3.8367, 3.9388, 3.3265, 3.6122 and 3.3878. Meanwhile, for the other two indicators (conducting bookeeping and having a good knowledge about the importance of bookkeeping) are positioned scale at 4, which means that the understanding of financial statements from the cooperative management is quite good.

4.3.3. The Punctuality in Conducting the Annual Members Meeting

The indicators of punctuality in conducting the Annual Members Meeting (which are, the punctuality in conducting the Annual Members Meeting, the cooperative management accountability, the accountability of the supervisors, and the held of the Annual Members Meeting are obtained 4 of the scale. It means that the punctuality which conducted by the cooperative management is categorized as good.

5. The Results of Evaluating the Measurement Model

5.1. The Result of Hasil Outer Model/Measurement Model

5.1.1. Convergent Validity

The loading value from each reflective indicator has already fulfilled the requirements as the Convergent Validity, it is 0.7 and significant. At the beginning of the research, in developing the measurement scale of the loading value, which is around 0.50 to 0.60 (Chin, 1998 in Ghazali, 2014:39). All of the indicators are having a low *cross-loading* value towards other variables which clearly shown a good convergent validity. It means that the indicator of each variable has a great effect towards the latent variables.

5.1.2. Discriminant Validity

The process of examining the *discriminant validity* used *average variance extracted* (AVE), where The Perceptions of Cooperative Management and the Punctuality in Conducting the Annual Members Meeting have completed the requirements, it is above 0.50. However, the understanding of the Financial Statements have not reached the requirements yet, because it can be seen from the value, lower than 0,50 (Ghozali, 2014: 43).

5.1.3. Composite Reliability

Composite reliability carried out to examine the reliability

of the comprehensive construction of variables in building up the research model (Ghozali and Latan, 2014: 93). The construction of each variable with the reflective indicator is completely reliable. It is because, it contains of high value of composite reliability and cronbach alpha, which reach above 0.7. It goes without saying, the data used as the model in this research is highly reliable. (Ghozali and Latan, 2014: 95).

5.2. The Results of Inner Model or Structural Model

The evaluation of structural model or inner model aims to predict the relationship between the latent variables through paying attention on the value of *variance*, which is can be used to figure out and explain the significance level and value of *p-value* (Ghozali and Latan, 2014: 91). The adjusted R-Squared of variable of PALK reached 0,495. This shows that PALK as the variant can be explained clearly by the PPK variant and the Annual Members Meeting variant, which reached 49,5%. The rest 50.5% is influenced by other variables which do not mentioned as the model in this research. This Adjusted R-Squared value is categorized moderate. The Adjusted R-Squared value of the Annual Members Meeting variable is 0.096. It means that the variant of the Annual Members Meeting can be explained by the PPK variant and PALK variant, which is 9.6%. The rest 90.4% is influenced by other variables which do not mentioned as the model in this research. Then, the value of the Adjusted R-Squared is categorized as weak.

Tabel 1. Model Fit and Quality Indices.

No.	Model Fit	Quality Indices
1	Average path coefficient (APC)=0.525	P<0.001
2	Average R-squared (ARS)=0.310	P<0.001
3	Average adjusted R-squared (AARS)=0.296	P<0.001
4	Average block VIF (AVIF)	not available
5	Average full collinearity VIF (AFVIF)=1.588	Acceptable if ≤ 5 , ideally ≤ 3.3
6	Tenenhaus GoF (GoF)=0.399	Small ≥ 0.1 , medium ≥ 0.25 , large ≥ 0.36
7	Sympson's paradox ratio (SPR)=1.000	Acceptable if ≥ 0.7 , ideally = 1
8	R-squared contribution ratio (RSCR)=1.000	Acceptable if ≥ 0.9 , ideally = 1
9	Statistical suppression ratio (SSR)=1.000	Acceptable if ≥ 0.7
10	Nonlinear bivariate causality direction ratio (NLBCDR)=1.000	Acceptable if ≥ 0.7

Source: The Analyzed Data Collected.

The SEM PLS is not only evaluated through the value of the Adjusted R-Square, this model is also evaluated by the Q-Square (It is well-known as *Stoner-Geisser Coefficient*). The model with the predictive validity should have the higher value of the Q-Square from neil (Sholihin and Ratmono, 2013: 72-73, Ghazali and Latan, 2014: 106, Ghazali, 2014: 42). The estimated result of the research model shows that, the appropriate value of predictive validity is 0.508 (the Understanding of Financial Statements) and 0.120 (the Annual Members Meeting), because it is higher than neil. Therefore, the test of *effect size* was carried out to test the influence of laten predictor variable in the structural level (Ghozali and Latan, 2014: 42). The estimated result shows that the *effect size* of the Perceptions of Cooperative Management variable's value is 0.535, the Understanding of Financial Statemets variable's value is 0.453, and the Annual

Members Meeting variable's value is 0.549. This *effect size* is categorized great, because the value is higher than above 0.35. It means that the Perceptions of Cooperative Management variable has an important role in practical perspective in order to increase the Understanding of Financial Statements. So as the Understanding of Financial Statements variable which has an important role in practical perspective to increase the Annual Members Meeting. Furthermore, the *fit model* test is conducted by using WarpPLS 4.0 program. Based on the fit model test conducted, the *indeks fit* results show as follows:

The Output indeks fit shows that the model of the research has the fit value which categorized good. The *Output* explains that the criteria of *goodness of fit* from the model of the research is completely fulfilled, with the value of APC = 0.525, ARS = 0.310, AARS = 0.296, with the value of

significant level $p < 0.001$ (< 0.05). So as the value of average block VIF (AVIF) = *not available* and the Average full collinearity VIF (AFVIF) = 1.588, which is less than 3.3 (it is fulfilled the requirement of ideal standards). It means that multicollinearity between the indicators and laten variables. The value of *goodness of fit* resulted value shows that $0.399 > 0.36$, which means the fit model is categorized very good. For the *indeks Sympson's paradox ratio* (SPR) = 1.000, *R-squared contribution ratio* (RSCR) = 1.000, *statistical suppression ratio* (SSR) = 1.000 and *nonlinear bivariate causality direction ratio* (NLBCDR) = 1.000. The value of each reached ≥ 0.7 , which means that, causality problem in the model of the research is not occurred.

6. Discussion

6.1. There Is an Effect of the Perceptions of Cooperative Management to the Understanding of Financial Statements

Based on the tested hypothesis by using SEM PLS, the result shows the effect of Perceptions of Cooperative Management towards the Understanding of Financial Statements reach the p value < 0.01 , and the value of estimated coefficient (β) is 0.71. This shows that the p value is less than the critical value, which is 0.05 (5%), so, it can be stated statistically that the Perceptions of Cooperative Management has a positive and significant influence towards the Understanding of Financial Statements. In one hand, it can be stated that the hypothesis which state there is an effect of the Perceptions of Cooperative Management towards the Understanding of Financial Statements is accepted. In the significant level of 5%, it is clearly proven significantly that the Perceptions of Cooperative Management has a positive and significant influence towards the Understanding of Financial Statements.

The good perceptions which comes up from the cooperative management will be valuable as the fundamental idea in order to increase the understanding of financial statements. It is in line with Wicaksono, A (2013), who argues that the poor perceptions in understanding of the SAK ETAP-based financial statements occurs because, the people who get involved in the cooperative management are lack of competencies in accounting, especially in understanding the financial statements. In addition, it also occurs because of the limited time given in conducting the financial statements and inappropriate payment given to those people who make the financial statements itself. Moreover, most people who get involved in management of the cooperative are not ready to perform SAK ETAP-based financial statements. This issue becomes one of the obstacles for the cooperative management to completely perform the SAK ETAP-based financial statements. Furthermore, lack of practical socialisation in performing the SAK ETAP-based financial statements becomes an obstacle for the cooperative management as well. At last, the perceptions of cooperative management in understanding the accounting information to perform the financial statements is still weak.

6.2. There Is an Effect of the Understanding of Financial Statements to the Punctuality in Conducting the Annual Members Meeting

Based on test which was using the SEM PLS, the result shows in relation to the Understanding of Financial Statements towards the Punctuality in Conducting the Annual Members Meeting, with the p value < 0.01 , and the estimated coefficient value (β) is 0.34. Because of the p value is less than the critical value, 0.05 (5%), it is clearly statistically proven that the Understanding of Financial Statements has a positive and significant influence towards the Punctuality in Conducting the Annual Members Meeting. It means that the proposed hypothesis which stated that there is an effect of the Understanding of Financial Statements towards the Punctuality in Conducting the Annual Members Meeting is accepted. With 5% significant level, it is clearly proven that, the Understanding of Financial Statements has a positive and significant influence towards the Punctuality in Conducting the Annual Members Meeting.

The ability of cooperative management in understanding the financial statements can be highly valuable to encourage the punctuality in conducting the Annual Members Meeting. The ability in understanding the financial statements itself, is believed will bring benefits during the process of performing the cooperative financial statements, which indicate accountability of that should be reported to all members of cooperative in the Annual Members Meeting, Setijawan and Permatasari (2014), the easy in using the SAK ETAP-based financial statements will bring the positive effect or influence towards the direct performance in using SAK ETAP-based financial statements. However, lack of knowledge and understanding in performing financial statements, will tend to decrease the interest in using SAK ETAP-based financial statements itself.

Lack of understanding from the cooperative management on the financial statements causes the financial statements performed, is not well-performed based on the requirements needed in SAK ETAP-based financial statements. It leads the financial statements which performed by each cooperative is different between each other, or unstandardized. This lack of understanding occurs because of lack of information in relation to financial statements and lack of socialisation regarding the SAK ETAP-based financial statements from The Indonesian Institute of Accountants or other institutions which responsible on its issue. It should be solved right away, because lack of understanding from the cooperative management in performing the SAK ETAP-based financial statements will become an obstacle for the management in order to explain comprehensive understanding in relation to financial statements to those people in cooperative who are in accounting division. The thing is, practically, the employees will perform the financial statements of the cooperative with the limited knowledge and information they have, because they have no idea regarding the standardization of financial statements that they should perform in cooperative.

In order to test the mediation of SEM-PLS, VAF (*Variance*

Accounted For) method can be used through *indirect effect patterns* divided by the *total effect*. The total effect is the direct effect which added by the indirect effect. If the VAF value is above 80%, the Understanding of Financial Statements becomes the full-mediation. If the VAF value is in between 20%-80%, it is categorized as the partial mediation. However, if the VAF value is less than 20%, it can be stated that there is almost no mediation effect (Hair dkk, 2013 in Sholihin and Ratmono, 2013:82). Based on the calculation of VAF, it values reached 1,000 or 100%. The 100% value is higher than 80%. It goes without saying, the Understanding of Financial Statements has a highly strong mediation effect. It means that, the Annual Members Meeting will be depended on the existance of good perceptions from the cooperative management in understanding the financial statements.

7. Conclusion and Limitation

7.1. Conclusion

Based on the examination of the hypothesis conducted The Perceptions of Cooperative Management has a positive and significant influence towards the Understanding Persepsi Pengurus Koperasi (Pof Financial Statements. It can be seen clearly from the *p value* which is < 0.01 , less than the critical value of 0.05 (5%), and the estimated coefficient value (β) is 0.71. The Understanding of Financial Statements gives a positive and significant influence towards the Punctuality in Conducting the Annual Members Meeting. It is clearly proven by the *p value* which is < 0.01 , or less than the critical value of 0.05 (5%), and the estimated coefficient value (β) is 0.34.

7.2. Limitation

The researcher realizes that the total number of participants who took part in this research is categorized as small sample, it is 49 participants. Thus, the researcher suggests the further research that will be conducted at the same field, to take a greater number of participants. Besides, the limitation of the research result shows that, from the test of *discriminant validity* of the Understanding of Financial Statements variabel conducted has not been fulfilled the appropriate requirement. In addition, the limitation can be contributed from this research for the state government of Tangerang city, especially the Division or the Service of Cooperatives and Small and Medium Enterprises is to respond several findings which have been found in this research through conducting some accounting trainings for the cooperatives, especially the SAK ETAP-based financial statements training. The socialisation of SAK ETAP-based financial statements to cooperative management and cooperative employees seem to be a must to be conducted. It would be better, if the government invite some formal institutions to get involved, for examples, The Indonesian Institute of Accountings, high level institutions or universities, and experts accountants in relation to cooperative by means of giving informative inputs and positive

contributions in order to make the cooperative management and cooperative employees be able in solving the common issues which occur in cooperatives in Tangerang city.

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