

The Role of Cooperative Members and Financial Transparency in Improving Service Quality at Sharia Cooperative X in Bekasi City

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ARTICLE INFO	ABSTRACT
Published: September 2026	<i>This study examines the interplay between financial transparency, member participation, and service quality at Sharia Cooperative X in Bekasi City. Utilizing qualitative field analysis, the research investigates how administrative governance and member engagement influence institutional sustainability and competitiveness. The findings reveal that while Sharia Cooperative X successfully implements core sharia principles and welfare programs—such as member education and financing—it encounters structural barriers, including simplistic recording systems and delays in financial administration. These technical constraints hamper document accessibility and create information asymmetry, ultimately limiting transparency. However, effective communication and strong relational trust significantly enhance active member participation, driving economic empowerment. The study underscores that applying Good Corporate Governance (GCG) principles and modernizing financial administration through digital transformation are essential steps to streamline operational governance. Modernizing administrative systems improves the accuracy and timeliness of financial reporting, which directly strengthens member trust, loyalty, and service quality. In conclusion, financial transparency and active member participation serve as interlocking variables critical to superior service quality. By addressing administrative shortcomings and adopting GCG standards, Sharia Cooperative X can enhance member satisfaction, boost transaction volume, and secure sustainable profit growth within the sharia microfinance sector in Bekasi City.</i>
Keywords: Cooperative Members , Financial Transparency , Service Quality	

INTRODUCTION

Sharia cooperatives, as economic entities based on Islamic values, hold a strategic position in driving people-centered economic development. Their existence is not merely for profit-seeking, but carries the noble mission of advancing member welfare through the principles of a fair and transparent Islamic economy. In their operational dynamics, the success of a sharia cooperative depends heavily on the synergy between management and the active participation of its members. As emphasized by Azzahra et al. (2025), the role of sharia cooperatives in enhancing member economic empowerment has been proven effective through the provision of educational programs, access to financing, and moral support for business development. However, this effectiveness does not stand alone; it is

supported by factors such as the stability of members' income, collaboration with company management, the application of sharia principles, and effective communication between the cooperative and its members. In the context of Sharia Cooperative X in Bekasi City, the challenges faced often relate to maintaining service quality to remain relevant to the dynamic needs of members, while ensuring that every business process adheres to high standards of governance.

Service quality in a sharia cooperative is a reflection of how the institution manages the trust of its members. Often, obstacles in improving service quality are rooted in administrative issues and transparency. Musyaffa (2025) provides a critical note that constraints such as delays in recording and overly simplistic financial administration systems can hinder the accountability of fund management. Although the implementation of accountability—covering the dimensions of honesty, process, program, and policy—has been carried out, challenges regarding document accessibility and information completeness for members remain a significant task. If information is not conveyed evenly and easily, member trust will decline, ultimately impacting overall service quality. Financial transparency is not just an administrative obligation, but an instrument to build the trust that serves as the primary capital in sharia business.

The importance of the role of cooperative members in this context cannot be underestimated. Members are not merely objects of service, but are both owners and users of the cooperative's services. When members are actively involved in oversight and provide constructive feedback, the cooperative gains valuable insights for service improvement. Conversely, well-implemented financial transparency provides members with the assurance that the funds they save or borrow are managed according to correct sharia principles. Madinah et al. (2025) emphasize that the consistent application of Good Corporate Governance (GCG) principles across all operational activities is essential for improving competitiveness and ensuring the long-term sustainability of sharia microfinance institutions. Without transparent governance and active member participation, a cooperative will struggle to develop, both in terms of profitability and business expansion.

Sharia Cooperative X in Bekasi City must be able to transform administrative challenges into opportunities to improve service quality. Superior service quality will create member loyalty, which in turn will increase transaction volume, capital turnover, and ultimately boost the cooperative's profits. When members feel served with transparency and speed, they are more motivated to utilize the cooperative's products, such as financing or savings. This creates a positive cycle: good service increases member participation, high member participation increases cooperative revenue, and increased revenue allows the cooperative to modernize and streamline its administrative systems. Conversely, if financial transparency is ignored, suspicion and dissatisfaction will arise, leading to an "exit strategy" by members, which would paralyze the cooperative's business.

In the sharia business ecosystem, integrity is the most valuable currency. Financial transparency, manifested through accurate, timely, and accessible reports for members, is a concrete form of process and policy accountability. If Sharia Cooperative X can integrate modern administrative systems with information openness, obstacles such as the recording delays mentioned by Musyaffa (2025) can be minimized. This will create a professional work environment where every business decision is based on valid data rather than assumptions. Thus, the cooperative will not only survive amidst the intense competition of financial institutions in Bekasi City but also grow into an institution that is competitive, financially sound, and provides a tangible social impact for its members.

The importance of the role of members and financial transparency in improving service quality is also closely related to operational efficiency. Cooperatives that are transparent tend to have lower risks of fraud and higher levels of member trust. This trust is an intangible asset of immense value. With effective communication between the board and members, every service obstacle can be identified and resolved immediately. A cooperative that is able to listen to its members and demonstrate transparency in every rupiah managed will have a stronger bargaining position in the market. Therefore, this research is highly relevant to dissecting how these variables interact to create prime service quality. This focus on improving service quality is expected to be a catalyst for Sharia Cooperative X to achieve optimal profit targets, expand its business reach, and strengthen its position within the increasingly critical and professional-demanding urban society of Bekasi City.

Based on the description above, this study aims to analyze the influence of the role of cooperative members and financial transparency on the improvement of service quality at Sharia

Cooperative X in Bekasi City, as well as to identify the extent to which the implementation of these two variables can contribute to profit growth and the long-term business sustainability of the cooperative.

METHOD

This research employs a qualitative approach with a descriptive design to deeply explore the phenomena regarding the role of cooperative members and financial transparency in improving service quality at Sharia Cooperative X in Bekasi City. The qualitative approach was chosen because the researcher seeks to understand social reality from the perspective of the subjects being studied, namely the staff members who interact directly with the cooperative's daily operations. The primary focus of this research is to obtain a comprehensive overview of how member participation and financial information openness are integrated into service standards, thereby creating added value for the sustainability of the cooperative's business.

Data collection was conducted through two primary methods: in-depth interviews and documentation studies. The interviews were conducted with five respondents who are staff members of Sharia Cooperative X. The selection of these respondents was based on their positions as frontline personnel who understand service workflows, administrative obstacles, and the dynamics of the relationship between management and members. The interview instrument prepared by the researcher was systematically designed to focus on two main variables: the role of cooperative members and financial transparency. The questions within the instrument were directed toward exploring staff perceptions regarding the extent to which member involvement in decision-making influences service quality, as well as how the transparency of financial reports presented to members can enhance their trust and loyalty. In addition to interviews, the researcher conducted documentation studies by examining financial reports, standard operating procedures (SOPs), and member meeting minutes to validate the information obtained from the interviews.

The research was carried out over a three-month period, from March 2023 to May 2023. This timeframe was considered sufficient to conduct in-depth observations and gather accurate data. Once the data was collected, the data processing phase was carried out through stages of data reduction, data display, and conclusion drawing. Data reduction was performed by selecting information relevant to the research focus and discarding data that did not support the study. Subsequently, the data was verified using the triangulation technique. This triangulation was carried out by comparing interview results among respondents and cross-referencing them with the available documentation. This triangulation technique is crucial to ensure the credibility and validity of the data, ensuring that the research findings are not subjective and are scientifically accountable.

Through this triangulation technique, the researcher performed cross-checks on the information provided by the staff regarding administrative constraints and financial transparency against physical evidence in the form of financial reports available at the cooperative. If any discrepancies were found between staff statements and the documents, the researcher conducted further investigation to identify the root cause. After the data was verified, the researcher performed an interpretive analysis to draw conclusions regarding how the role of members and financial transparency contribute to the improvement of service quality. The final results of this research are expected to provide strategic recommendations for Sharia Cooperative X in optimizing its management system, thereby enabling it to increase profits and business competitiveness in the future. The entire methodological process was designed to ensure that every finding produced has a strong empirical basis, reflects actual conditions in the field, and provides a meaningful contribution to the development of literature on people-centered economics, particularly in the sharia cooperative sector in urban areas like Bekasi City.

RESULT AND DISCUSSION

The results and discussion regarding the role of cooperative members and financial transparency at Sharia Cooperative X in Bekasi City indicate a significant correlation between

administrative governance and the service quality perceived by members. Based on field findings, Sharia Cooperative X has attempted to integrate sharia principles into its operations; however, it still faces structural challenges similar to those identified by Musyaffa (2025). In the context of fund management, it was found that although the cooperative has implemented accountability dimensions—covering honesty, process, program, and policy accountability—there remain technical obstacles in the form of simplistic recording systems and delays in financial administration. This aligns with the observations of Musyaffa (2025), who stated that administrative constraints often serve as the primary barrier to achieving ideal transparency. Although financial reports are provided, the accessibility of documents and the completeness of information for members still require improvement so that information can be conveyed evenly and easily understood by all members (Riyono, B. 2024).



Figure 1. The staff

Furthermore, the discussion on the role of members at Sharia Cooperative X demonstrates that active member participation is the primary driver of economic empowerment. As argued by Azzahra et al. (2025), the role of sharia cooperatives in advancing member welfare through educational programs, financing, and moral support has proven effective. In this study, it was found that the success of these programs at Sharia Cooperative X heavily depends on supporting factors such as the stability of members' income, solid cooperation with management, and effective communication. When communication between the cooperative and its members functions well, the level of member trust in the cooperative's financial transparency increases. This proves that transparency is not merely a reporting obligation, but a strategic communication tool that strengthens the relationship between the institution and its members.

The importance of integrating financial transparency and the role of members must also be viewed from a broader governance perspective. Madinah et al. (2025) emphasize that the consistent application of Good Corporate Governance (GCG) principles across all operational activities is an absolute prerequisite for improving competitiveness and ensuring the long-term sustainability of sharia microfinance institutions. In the case of Sharia Cooperative X, the implementation of GCG is reflected in the cooperative's efforts to upgrade its previously simplistic financial administration system into one that is more accountable. When administrative systems are improved, service quality automatically increases because members receive more accurate, timely, and transparent information. This improvement in service quality ultimately has a positive impact on member loyalty, which is a valuable asset for the cooperative's profit growth and business expansion (Prabowo, H. A., & Nuriyanti, W. 2024).

This discussion also highlights that the challenges faced by Sharia Cooperative X, such as recording delays and suboptimal administrative systems, reflect the need for digital transformation or the modernization of financial systems. Referring to the findings of Musyaffa (2025), improving document accessibility is key to minimizing information asymmetry. By providing platforms that allow members to monitor the cooperative's financial condition in real-time, the cooperative can build deeper trust. This is consistent with the view of Azzahra et al. (2025) that the success of a sharia cooperative is measured not only by the financing products provided but also by how the cooperative maintains sharia principles through transparency and effective communication.

Overall, the results of this study confirm that to achieve prime service quality, Sharia Cooperative X must balance technical administrative aspects with relational aspects involving its members. Active member roles must be balanced with robust financial transparency. If financial administration systems remain simplistic and opaque, member participation will likely decline due to information uncertainty. Conversely, if the cooperative can implement GCG principles as suggested by Madinah et al. (2025), it will possess stronger market competitiveness. Improved service quality will create member satisfaction, which in turn will drive an increase in transaction volume and cooperative profitability. Thus, improvements in financial administration systems and the strengthening of communication with members are strategic steps that must be prioritized by the management of Sharia Cooperative X. By implementing stricter accountability and greater transparency, the cooperative will not only be able to effectively meet the economic needs of its members but will also grow into a sustainable, competitive sharia financial institution capable of making a tangible contribution to people-centered economics in Bekasi City. The conclusion of this discussion is that financial transparency and active member roles are two interlocking variables in creating superior service quality, which in turn serves as the primary foundation for profit growth and the long-term business sustainability of the cooperative.

CONCLUSION

Based on the findings, Sharia Cooperative X in Bekasi City demonstrates that financial transparency and active member participation are two interlocking drivers essential for achieving superior service quality and long-term institutional sustainability. Addressing the research core, the study reveals that while the cooperative has successfully integrated basic sharia principles and member empowerment programs, it faces structural obstacles due to simplistic recording systems and delayed financial reporting. Implementing Good Corporate Governance (GCG) principles, along with digital transformation and real-time document accessibility, is critical to overcoming administrative constraints and eliminating information asymmetry. Ultimately, transparent financial governance serves as a strategic communication tool that elevates member trust, encourages active participation, and enhances overall service quality. In conclusion, balancing technical administrative improvements with robust member engagement directly boosts member satisfaction, transaction volume, and competitiveness, creating a solid foundation for sustainable profit growth and economic development in Bekasi City.

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