Effectiveness of Financial Management Education and Training Programs at the Small and Medium Enterprises Cooperative Office of West Kalimantan Province

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ABSTRACT

This study found that many cooperatives in West Kalimantan have not held Annual Member Meetings (RAT), despite annual financial management training aimed at improving human resources. This research aims to examine the effectiveness of the financial management training and education program for cooperatives under the Department of Cooperatives, Small and Medium Enterprises of West Kalimantan Province, and to identify obstacles and solutions. The research employed a qualitative method, using interviews and documentation. The results indicate that the training program has been effective in improving cooperative administrators' understanding of financial management, although challenges remain in participants' commitment to applying their knowledge. The department has implemented continuous guidance, socialization, and supervision strategies to enhance training effectiveness.

Keywords: Effectiveness; Cooperative; Financial Management Training

A. INTRODUCTION

A cooperative is a business entity whose members are individuals or cooperative legal entities, grounded in the principles of family and economic democracy. As a form of people's economic movement, cooperatives play a vital role in supporting national economic growth, particularly in the micro, small, and medium-sized enterprise (MSME) sector. Under Law Number 20 of 2008 concerning MSMEs and Law Number 25 of 1992 concerning Cooperatives, cooperatives are required to hold an Annual Members Meeting (RAT) as a form of management accountability to their members. The cooperative's financial report is the primary instrument in the RAT, which includes information on assets, liabilities, income, expenses, and the calculation of the Operating Surplus (SHU).

In an effort to improve the human resource capacity of cooperatives, the Government, through the Office of Cooperatives, Small and Medium Enterprises of West Kalimantan Province, is holding a cooperative training program focused on financial reporting management and cooperative accounting. This activity refers to Regulation of the Minister of Cooperatives and SMEs Number 18 of 2015 concerning guidelines for education and training of cooperative human resources and Regulation of the Minister of Cooperatives and SMEs Number 16 of 2022 concerning technical instructions for the use of Non-Physical Special Allocation Funds (DAK).

The main objective of the training is to improve cooperative administrators' ability to manage finances in an orderly, accurate, and accountable manner, enabling them to prepare financial reports in accordance with standards and conduct RATs transparently. By following this training, participants are expected to be able to plan finances, manage current cash, make financial reports, and make business decisions based on accurate financial data. Also, participant training follows the management finance as follows:

Table 1
Recap of MSME Cooperative Training by the West Kalimantan Provincial MSME Cooperative Office (Sourced from Non-Physical DAK) for 2023-2024

No	Training Name	Number of Participants	Type of Activity	Year
1	Cooperative training in financial report management and Cooperative accounting.	180	Cooperative	2023
2	Cooperative training in financial report management and Cooperative accounting.	180	Cooperative	2024

The training was conducted regularly in 2023 and 2024, with 180 participants from cooperatives attending each session. However, field observations indicate that the training has not had a significant impact on cooperative performance, particularly in the implementation of the Annual General Meeting (AGM) and sound financial management.

Figure 1
2023 MSME Cooperative Development Report

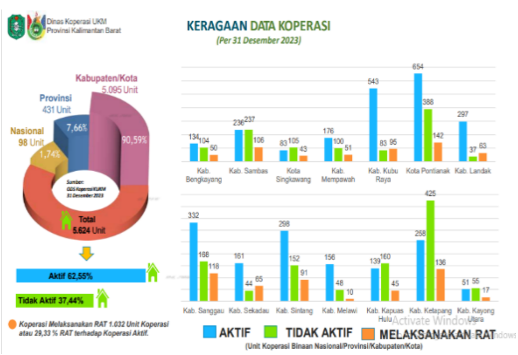
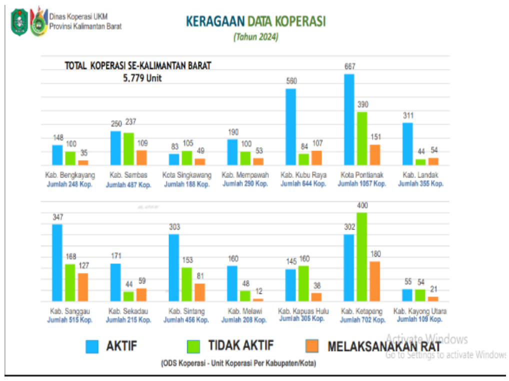


Figure 2
2024 MSME Cooperative Development Report



Based on data from the 2023 ODS (Owned Enterprises and Cooperatives) for Cooperatives and SMEs, the number of cooperatives in West Kalimantan Province increased from 5,095 to 5,218 in 2024. However, the percentage of active cooperatives has only risen from 62.55% to 63.89%. Meanwhile, the number of cooperatives holding general meetings (RAT) actually decreased from 29.33% in 2023 to 29.14% in 2024.

This phenomenon indicates that, despite ongoing training program implementation, its field application has not been optimal. Limited human resource capacity and weak post-training follow-up are key factors hampering improvements in the quality of cooperative governance. Therefore, a comprehensive evaluation of the training program's effectiveness, along with ongoing mentoring and oversight strategies, is needed to ensure that the training truly improves the competence of cooperative administrators in financial management and the orderly, transparent, and accountable implementation of the AGM.

1. Theoretical Framework

According to Budiani (2007), program effectiveness can be measured through four indicators: (1) targeting accuracy, (2) program socialization, (3) program objectives, and (4) program monitoring. Mardiasmo (2018) also explains that effectiveness indicates the level of success in achieving organizational goals. Campbell and Stanley (2003) add that effectiveness can be seen from the program's ability to change behavior and improve participant competency.

2. Gap Analysis and Problems

Normatively, every cooperative is required to hold a General Meeting of Shareholders (RAT) and prepare an annual financial report in accordance with Law Number 25 of 1992 concerning Cooperatives. However, the reality on the ground shows that many cooperatives have not fulfilled these obligations despite having received training. This discrepancy between provisions and practice indicates a gap in the effectiveness of training programs. The main problem in this study is the effectiveness of the financial management training program for cooperatives implemented by the Cooperatives, Small and Medium Enterprises Office of West Kalimantan Province.

3. State of the Art

Several previous studies have shown that cooperative financial training plays a significant role in improving governance. However, this study differs in that it focuses on training effectiveness, using Budiani's (2007) theory, which measures four key aspects of program implementation. Thus, this study contributes to providing an empirical overview of the effectiveness of training programs at the regional level.

B. RESEARCH METHOD

This research uses a qualitative descriptive approach. According to Sugiyono (2022), Qualitative Research Method is a research method based on the philosophy of post-positivism, because it is used to research in natural object conditions, (as opposed to experiments). Where the researcher is the key instrument, data collection techniques are carried out through triangulation (combination), data analysis is inductive/qualitative, and qualitative research results emphasize meaning rather than generalization.

It can be concluded that the qualitative research method is a research method conducted to find out in detail about problems and explain events and phenomena that occur in the field. The research subjects were employees of the Cooperatives Department and cooperative administrators participating in the training. Data collection techniques included in-depth interviews and documentation. Data were analyzed through three stages according to Miles and Huberman (1992): data reduction, data presentation, and conclusion drawing.

C. RESULTS AND DISCUSSION

This study shows that the financial management training program at the West Kalimantan Province Cooperatives, Small and Medium Enterprises Office has been quite effective in improving the skills of cooperative administrators, although its implementation has not been optimal. To measure the success of a program, several indicators are proposed by Budiani (2007).

1. Accuracy of Program Targets

The program is considered effective. The participant program succeeds in achieving the target set previously. The financial management training program implemented by the West Kalimantan Provincial Cooperatives, Small and Medium Enterprises Office, has focused on active cooperatives in the region. However, research results indicate that some participants are still from inactive cooperatives. This condition indicates that the program's targeting accuracy is not fully optimal. The involvement of participants from inactive cooperatives makes the training results less effective in implementing financial management practices. Therefore, a stricter selection mechanism is needed, taking into account the status and level of activity of the cooperatives. Coordination between provincial and district/city offices must also be strengthened to ensure more accurate and relevant participant selection. This will ensure that the training is more targeted and has a tangible impact on improving the financial performance of cooperatives in West Kalimantan.

2. Program Socialization

Ability organizer program in the MDO socialization program, so that information regarding the implementation program can be delivered to society on a general level and target the participant program specifically. The training program was socialized through circulars, social media, and coordination with the cooperative offices at the district/city level. These efforts demonstrate a commitment to expanding information reach so that all cooperatives can access the training activities. However, some participants reported receiving information relatively quickly before the training began. This indicates that the information dissemination system is not yet optimal and is not well coordinated across all regions. As a result, some participants did not have sufficient time to fully prepare for the training. The development of a digital-based training information system is needed to streamline schedules and facilitate registration more transparently. With an improved socialization system, it is hoped that training activities will reach a wider audience and effectively increase cooperative participation.

3. Program Objectives

The Effective program was also assessed in terms of its implementation in accordance with the previously set purpose. The primary objective of this training is to improve the competence of cooperative administrators in financial management and the preparation of financial reports in accordance with accounting standards. This training also fosters awareness of the importance of transparency and accountability in cooperative financial governance. However, the implementation of training outcomes in the field is still limited to cooperatives with adequate human resources and facilities. Cooperatives with low capacity tend to struggle to consistently implement the training materials. Therefore, ongoing technical assistance after the training is necessary to ensure effective application of the knowledge gained. This approach will optimally achieve the program's objectives and contribute to improving the quality of cooperative financial management.

4. Program Monitoring

After the program is implemented, activity monitoring is very important as a form of attention to face-to-face interaction with participants in the program. Monitoring it helps in evaluating the impact of programs, such as enhancement, sustainability, and identification of potential repair or development in the period to come.

The West Kalimantan Provincial Cooperatives, Small and Medium Enterprises Office conducted monitoring activities through supervision and evaluation after the training was completed. This activity aimed to assess the extent to which cooperatives were able to apply the training outcomes in their financial management. The results showed that the frequency of monitoring was still relatively low due to limited human resources and budget. This condition resulted in the evaluation process not being carried out evenly across all participating cooperatives. As a result, the progress of the implementation of the training outcomes was not fully monitored. To improve monitoring effectiveness, it is recommended to implement a digital reporting system that allows cooperatives to report progress periodically. Through this innovation, monitoring can be carried out more efficiently and sustainably, so that the training outcomes can have a long-term impact on strengthening cooperative financial governance.

D. CONCLUSION

The financial management education and training program organized by the West Kalimantan Provincial Cooperatives, Small and Medium Enterprises Office has proven quite effective in improving cooperative administrators' understanding of financial management. However, program implementation still faces challenges in targeting accuracy, limited outreach, and weak post-training follow-up. Therefore, improved coordination, ongoing mentoring, and the implementation of digital systems are needed to strengthen the effectiveness of future training.

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