

# Design for Assessing the Quality of Internet-Based Governance of Cooperative Legal Entities

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## ABSTRACT

Corporate governance is a crucial factor in preventing corruption while simultaneously enhancing organisational performance and sustainability. In the context of cooperatives as member-based economic entities, implementing good governance continues to encounter various challenges, particularly those related to the limitations of measurement models that are both comprehensive and adaptable to the development of digital technology. This study aims to identify and design a more comprehensive internet-based cooperative governance quality measurement model by employing a qualitative approach through documentation techniques, unstructured interviews, and focus group discussions (FGDs) involving stakeholders such as regulators, cooperative practitioners, and academics. The findings indicate that existing governance measurement models have not yet fully accommodated the complexity of cooperative characteristics and the demands of digitalisation. Consequently, this study develops a new model by integrating five principal aspects, namely stakeholders, transparency, responsibility, accountability, and technical accessibility, which are further elaborated into 167 indicators. The novelty of this research lies in the utilisation of the internet as a governance measurement medium, as well as the incorporation of stakeholder and technical accessibility dimensions as the main components of governance evaluation. The resulting model is expected to serve as a more systematic, adaptive, and relevant instrument for assessing the quality of cooperative governance, while simultaneously supporting greater transparency, accountability, and public trust. Nevertheless, this study still has limitations regarding the number of informants and the absence of extensive empirical testing; therefore, future research is recommended to examine the validity and implementation of the model across various cooperative contexts in Indonesia.

**Keywords:** Cooperative governance, good corporate governance, digitalisation, stakeholders, transparency, accountability.

## INTRODUCTION

### Background

Corporate governance is one of the most important factors influencing corruption. At the same time, corporate governance, defined as the system that regulates how a company is managed and operated, is closely associated with corrupt business behaviour because management practices encourage corporate commitment to ethical, transparent, and responsible conduct in all contractual activities (Carillo et al., 2019). Better governance is believed to enhance a nation's quality of life while simultaneously reducing opportunities for corruption that may endanger public welfare (Musdholifah & Hartono, 2019).

In recent years, the issue of good governance has received increasing attention as an essential foundation for organisational management, both in the public and business sectors. The implementation of good governance not only improves organisational performance but also builds stakeholders' trust and reduces the potential for conflicts of interest that may be detrimental to the organisation. Research conducted by Kholmi (2020) emphasises that good governance practices are generally grounded in five principal principles, namely transparency, accountability, responsibility, independence, and fairness.

The results of the study indicate that the majority of respondents held positive perceptions of the importance of implementing these principles, with 70.86% expressing agreement and 25.59% expressing strong agreement with the indicators used. Nevertheless, a small proportion of respondents, approximately 0.096%, expressed strong disagreement, particularly concerning the aspect of independence. This finding suggests that although the concept of good governance has been widely understood and accepted, its practical implementation has not yet been fully optimal, especially in maintaining organisational independence from external influences. These findings further confirm the need for a more systematic and adaptive approach to ensure governance principles are implemented consistently across organisational contexts.

Corporate governance plays an important role in reducing fraud by implementing effective monitoring and control mechanisms. Research conducted by Velte (2021) demonstrates that corporate governance is closely associated with the reduction of corporate financial misconduct, including fraud and financial statement manipulation. A review of 98 empirical studies found that competent boards of directors, management independence, and gender diversity within corporate boards can strengthen monitoring functions, thereby reducing opportunities for fraudulent activity. The study further explains that strong governance can minimise agency conflicts while enhancing the quality of corporate financial reporting.

In addition, research by Apriyana and Utomo (2024) demonstrates that corporate governance significantly contributes to fraud prevention through the implementation of robust monitoring mechanisms. In a systematic review of 22 scientific articles published during the 2020–2024 period, the study found that the presence of independent commissioners, board gender diversity, audit committees, audit quality, and robust internal control systems reduced the potential for fraud within companies. The study further emphasises that the better the corporate governance practices implemented, the smaller the likelihood of financial statement manipulation and corporate asset misappropriation.

Similar findings were also reported by Wahyuni and Hayati (2022) in their study on Islamic banking in Indonesia. The research demonstrated that good corporate governance significantly reduces fraud levels in Islamic banks registered with the Financial Services Authority (OJK) during the 2018–2020 period. The implementation of sound governance practices encourages stronger managerial supervision, greater regulatory compliance, and enhanced transparency in financial reporting, thereby reducing fraudulent practices in banking operations.

In the context of people-based economic organisations such as cooperatives, good governance plays a strategic role in enhancing organisational performance and sustainability. Research conducted by Agustina et al. (2022) demonstrates that the implementation of good corporate governance principles, including transparency, accountability, responsibility, independence, and fairness, has a positive and significant effect on the financial performance of cooperatives. This finding confirms that effective governance is not merely normative in nature but also carries direct implications for organisational performance.

On the other hand, the development of digital technology has also influenced organisational governance practices. A study conducted by Sukardi et al. (2024) revealed that digital transformation in cooperatives has become an important factor in improving operational efficiency, transparency, and expanding market access. This transformation enables organisations to adopt reporting systems, marketing strategies, and data management practices that are more accountable and real-time, thereby strengthening the implementation of good governance principles.

In line with this, Tumewu et al. (2024) emphasised that corporate governance mechanisms, such as the roles of audit committees and external audits, enhance transparency through internet financial reporting, ultimately supporting decision-making among stakeholders. This finding indicates that good governance cannot be separated from the utilisation of information technology to promote transparency and accountability.

Furthermore, research by Mayasari and Lokantara (2025) found that strengthening governance within organisations, particularly modern cooperatives, can significantly improve organisational performance, particularly through enhanced business management, the adoption of digital technologies, and organisational innovation. These improvements demonstrate that adaptive governance practices, including digitalisation, are a key factor in enhancing organisational competitiveness in the modern era.

Based on the foregoing discussion, it can be concluded that good corporate governance not only serves as a control mechanism to prevent corruption but also functions as a strategic instrument to enhance organisational performance, transparency, and sustainability. Nevertheless, a gap persists between the conceptual understanding and the practical implementation of good governance, particularly in relation to independence and adaptation to technological change. Therefore, further research is required to examine more comprehensively how governance principles can be effectively implemented across various organisational contexts, as well as how factors such as digitalisation and monitoring mechanisms can strengthen the practice of good governance.

Assessments of corporate governance have also evolved over time. In 2006, a study launched the Internet-Based Corporate Governance (IBCG) Rating, an internet-based corporate governance assessment. This internet-based assessment was subsequently developed into the Internet-Based Corporate Governance Rating Modified, as proposed by Hartono & Musdholifah (2016). In the measurement framework of the Internet-Based Corporate Governance Rating Modified, five categories remain consistent with the measurement approach introduced by Grzybkowski and Wójcik (2011), namely shareholders, transparency, board of directors, executive management, and technical accessibility.

In Indonesia, internet-based corporate governance measurement models have also undergone several developments. Since each business entity or legal institution possesses different characteristics and criteria, corporate governance measurement models continue to evolve. Because the Internet-Based Corporate Governance Rating Modified was considered suitable only for profit-oriented entities, in 2019, the model was further developed to measure governance practices in foundation-based legal entities Musdholifah & Hartono, (2019). The limitations of this measurement model subsequently prompted further development. In 2020, the Internet-Based Corporate Governance Rating Modified was again refined to assess sharia-based companies by adapting the measurement criteria to the laws and principles derived from the Qur'an and Hadith.

As noted by Wuryani et al. (2019), cooperatives are legal entities that conduct their activities in accordance with democratic principles. According to the Indonesian Cooperative Law Number 17 of 2012, a cooperative is a legal entity established or organised by a legal organisation. Cooperatives encompass economic, social, and cultural dimensions in accordance with their underlying principles. The primary objective of cooperatives is to improve the welfare of their members. Wuryani and Yanthi (2020) found that cooperatives possess unique characteristics compared to other organisations, particularly their principle of providing equitable and beneficial outcomes for all cooperative members.

Cooperatives and Micro, Small, and Medium Enterprises (MSMEs) have contributed significantly to employment absorption in Indonesia and to the growth of Gross Domestic Product (GDP). Nevertheless, such synergy has not been entirely free of corrupt practices by certain parties. In 2021, a corruption case in the Malang region was uncovered by the East Java High Prosecutor's Office, resulting in state losses of IDR 74 billion. In the same year, another corruption case involved the chairman of a cooperative, who was sentenced to 10 years of imprisonment for corruption amounting to IDR 3.4 billion. Furthermore, in 2022, a corruption case involving former leaders of LPDB-KUMKM and several other parties caused state losses totaling IDR 116.8 billion.

The success of cooperatives in achieving their objectives, as well as their failure to maintain organizational sustainability, largely depends on their ability to implement good governance consistently and effectively. Cooperative governance in Indonesia has not yet been specifically regulated by the Ministry of Cooperatives and SMEs. At present, the assessment of cooperative governance quality is reflected only in several Ministerial Regulations and Deputy Ministerial Regulations Arda et al. (2021). According to Arda et al. (2021), the Regulation of the Deputy for Institutional Affairs of the Ministry of Cooperatives and Small and Medium Enterprises Number 04/Per/Dep.1/III/2018 concerning Cooperative Assessment Criteria and Indicators has not yet comprehensively regulated cooperative governance. The regulation also does not encompass compliance with taxation regulations and applicable accounting standards, including compliance in the preparation of financial statements based on the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP).

References concerning cooperative governance developed by academics and practitioners remain limited primarily to Savings and Loan Cooperatives (KSP) and Savings and Loan Units (USP). Consequently, the

assessment framework was further developed by Arda et al. (2021) into a model consisting of 15 dimensions and 97 measurement indicators. Nevertheless, according to the authors, the study still possesses certain limitations because the measurement process is conducted manually, thereby requiring further development and refinement.

## Research Question

1. How are the components of the internet-based governance quality measurement design for cooperative legal entities structured?
2. How is the internet-based governance quality measurement design for cooperative legal entities developed?

## Purpose

1. This study aims to identify and analyze the process of designing the components of governance quality measurement for internet-based cooperative legal entities.
2. This study also aims to examine and analyze the design of governance quality measurement for internet-based cooperative legal entities.

## LITERATURE REVIEW

### Cooperative

A cooperative is a business entity consisting of individuals or cooperative legal entities whose activities are based on cooperative principles and function as a people-oriented economic movement founded upon the principle of kinship, as stipulated in the Law of the Republic of Indonesia Number 25 of 1992 concerning Cooperatives. As an economic institution for micro and small business communities, cooperatives have demonstrated their capability as resilient economic actors, particularly in addressing unemployment issues.

A cooperative is an organization that is owned by its members, democratically managed by its members, and operated to fulfill the interests and needs of its members. The article also emphasizes that cooperatives differ from capitalist enterprises because they focus more on meeting members' needs and promoting community welfare rather than solely maximizing financial profits (Schlenker et al, 2026).

A cooperative represents a collective enterprise formed by a group of individuals with shared interests, managed independently by its members with the primary objective of improving members' welfare Solihin (2023). According to Rizqi et al. (2024), cooperatives are regarded as collaboration-based economic entities involving various stakeholders in achieving common objectives, while simultaneously strengthening participation and economic sustainability within modern economic systems. Cooperatives are also dynamic business entities that evolve in response to changes in the economic environment, functioning as economic organizations oriented toward members' welfare and adaptive to external conditions such as regulations and economic crises Suwandi (2024).

### Good Corporate Governance (GCG)

There is no single universally applicable definition of corporate governance, as governance frameworks are highly influenced by the legal, institutional, and contextual characteristics of each country. In the latest OECD document, namely the G20/OECD Principles of Corporate Governance 2023, corporate governance is understood as a system of relationships among company management, the board of directors, shareholders, and other stakeholders. Furthermore, corporate governance also encompasses the structures and mechanisms used to direct companies, establish organizational objectives, and determine the methods for achieving and monitoring corporate performance. These principles are designed as a flexible reference framework, allowing their implementation to be adapted to the national conditions of each country rather than functioning as a rigid and uniform standard Organisation for Economic Co-operation and Development (2023).

Based on the Indonesia Corporate Governance Manual (Second Edition), corporate governance or Good Corporate Governance (GCG) is comprehensively defined through two principal perspectives, namely the internal perspective, which regulates the relationships among shareholders, boards of commissioners, and directors, and the external perspective, which encompasses the company's relationships with stakeholders such as investors, employees, creditors, consumers, as well as surrounding communities and the environment. More broadly, GCG is viewed as a system intended to ensure the flow of external capital and promote socially efficient investment, where its implementation involves the establishment of internal structures and processes aimed at maintaining investor confidence, improving access to capital, and mitigating corporate exposure to financial crises International Finance Corporation and Otoritas Jasa Keuangan (2018).

Research conducted by Kholmi (2020) states that good governance consists of five principal principles, namely transparency, accountability, responsibility, independence, and fairness, which are utilized as indicators in assessing organizational governance. The study further emphasizes that the implementation of these principles is necessary to establish organizations that are effective, efficient, and capable of reducing conflicts of interest among stakeholders. In line with this, Agustina et al. (2022) explain that these GCG principles exert a positive and significant influence on organizational financial performance, particularly within cooperatives. Furthermore, Tumewu et al. (2024) emphasize that the implementation of corporate governance mechanisms, especially through the roles of audit committees and external audits, contributes to enhancing transparency and the quality of Internet Financial Reporting. According to Setyorini et al. (2023), corporate governance refers to a system of procedures and structures designed to guide organizations, families, and ownership in supporting effective decision-making, protecting stakeholders' interests, and ensuring organizational resilience and sustainability, particularly within family firms. This demonstrates that the principles of transparency and accountability within GCG are increasingly strengthened through the utilization of digital technology in modern organizational practices, thereby confirming that good governance is not merely a normative concept, but also plays a direct role in improving organizational performance in a tangible manner.

### **Cooperative Governance**

The implementation of cooperative governance within organizations can be observed through the active participation of both chairpersons and members in supporting the operational accountability of cooperatives. The accountability report of the chairperson is presented during the annual members' meeting. Meanwhile, the responsibility of members lies in fulfilling their obligations as cooperative members and actively participating in cooperative operations. The cooperative business examined in this study is the savings and loan sector. Through the Members' Meeting, the cooperative determines the minimum and maximum loan values that may be granted. The determination of the minimum loan value is associated with the effectiveness of credit distribution, whereas the determination of the maximum loan value is related to loan risk control Wuryani & Yanthi (2020).

Cooperative governance is a system (structure and processes) for managing and controlling a cooperative organization, as well as establishing obligations among various people involved in the organization, such as the board, members, employees, and administration, as well as the procedures and rules for decision-making in this organization. Cooperative Governance refers to the relationship between members as business owners, management as the operational executor, and the board that directs management on behalf of the members to achieve the objectives of the cooperative (Jamaluddin et al, 2023).

Nainggolan et al. (2016) state that, based on the definition of GCG as well as cooperative principles and values, five GCG principles are employed as supervisory dimensions to determine the essential indicators that must be implemented and to provide management with an understanding of their importance. These variables are utilized in developing GCG to achieve and advance cooperative objectives. The five dimensions applied are: (1) democracy, (2) independence, (3) human resource quality, (4) transparency, and (5) accountability. Prasad (2022) further explains that modern cooperative governance not only focuses on classical GCG principles, but also incorporates values such as democracy, solidarity, social responsibility, and member participation, which constitute the distinctive characteristics of cooperatives in achieving organizational sustainability.

## Stakeholder Theory

Stakeholder theory within the context of strategic management has continued to experience significant development in recent years. Stakeholder theory, introduced by R. Edward Freeman in 1984, has become one of the main foundations in economic and management studies, as it emphasizes the importance of considering the perspectives and needs of various stakeholders in corporate decision-making processes (Freeman, 1984). Unlike the traditional shareholder-oriented approach, which focuses solely on maximizing shareholder value, this theory promotes a broader perspective by taking into account the interests of all parties affected by organizational activities (Babiak & Kihl, 2018; Signori & Fassin, 2023; Sonjaya, 2024; Blach et al. 2025). Research conducted by Valentinov and Chia (2022) emphasizes that stakeholder theory functions not only as an ethical framework, but also as a strategic approach that positions relationships among actors as the core of organizational value creation. This perspective views organizations as dynamic networks of social relations, in which continuous interactions between companies and stakeholders become key factors in the success of organizational strategies.

In line with this perspective, Bridoux and Stoelhorst (2022) explain that recent developments in strategic management have experienced a “stakeholder turn,” namely a shift from a purely economic-based approach toward one that simultaneously integrates economic, social, and moral dimensions. Within this approach, stakeholder management is no longer viewed merely as an ethical issue, but rather as a fundamental component in organizational value creation and competitive advantage.

Furthermore, research conducted by Awa, Etim, and Ogbonda (2024) emphasizes that modern organizations are confronted with increasingly complex pressures from various stakeholders, thereby requiring companies to adopt more pragmatic and adaptive approaches in managing such relationships. The integration of Corporate Social Responsibility (CSR) and stakeholder management has become essential in ensuring organizational sustainability while simultaneously fulfilling social expectations. According to the article by Błach et al. (2025), stakeholder theory is understood as an approach that emphasizes that corporate success and sustainability are strongly influenced by the company’s relationships and interactions with various stakeholders, both internal and external, who possess interests, expectations, and influence over organizational decisions and performance, particularly in the implementation of Environmental, Social, and Governance (ESG) practices

In addition, a systematic study conducted by Mahajan et al. (2023) demonstrates that stakeholder theory has evolved into a major framework within strategic management, particularly in relation to organizational performance, sustainability, and strategic decision-making. The study further identifies that stakeholder management plays an important role in improving organizational performance through effective relationship management and the creation of shared value.

Accordingly, the stakeholder management approach is currently regarded as a strategic mechanism that not only integrates ethical and business dimensions, but is also capable of creating organizational governance that is more inclusive, adaptive, and sustainable. Within the context of cooperatives, this approach becomes increasingly relevant because the member-based organizational structure intrinsically integrates economic and social interests within a cooperative governance system.

## The Use of the Internet as a Governance Measurement Medium

The use of the internet as a medium for measuring corporate governance was introduced by Grzybowski and Wojcik (2011) through the Internet Based Corporate Governance Rating (IBCG Rating), which was developed based on the 2004 OECD principles. This measurement framework is proxied into five aspects, namely shareholders, transparency, board of directors, executive management, and technical accessibility.

The IBCG Rating was constructed using 120 criteria distributed across five principal categories, namely shareholders, transparency, board of directors, executive management, and technical accessibility. Within the shareholder aspect, the IBCG consists of three discussion topics divided into several subcategories, including the disclosure of rights and obligations, ownership structure, ownership principles and shareholder departments, core ownership functions covering voting procedures and general meetings of shareholders (GMS), as well as

equal treatment in access to information, interactive participation in GMS, and shareholder notification mechanisms.

In the transparency section, the IBCG considers transparency procedures encompassing both audited and unaudited information, information storage, validation procedures, financial calendars, auditors, independent accounting reports, and non-financial reports. The presentation of financial data is directed toward annual reports, stock price changes, disclosure timing, and disclosures regarding the scope of capital involvement in both listed and unlisted companies.

Within the board of directors category, the discussion is divided into five subcategories, namely general regulatory disclosure, board committees, board composition, board remuneration, and reporting. Meanwhile, the executive management category is designed in a similar manner, although the questions are adjusted according to the specific roles and managerial involvement of executives.

Finally, in the fifth category, namely technical accessibility, the aspects assessed include the degree of technological conformity with website publication standards, usability, and other aspects related to the presentation of financial data.

The following is the IBCG Rating formula as explained by Grzybkowski & Wojcik (2011):

$$\text{IBCG Weighted} = ((\text{Score}/\text{Max Points}) \times 100\%) \times (\text{Max Weighted Points})$$

The categories and subcategories of the measurement were subsequently formulated to obtain a governance index ranging from 0 to 100.

**Table 1. Main Categories of the Modified IBCG Rating**

	<b>IBCG's Categories</b>	<b>Max Points</b>	<b>Max Weighted Points</b>
1.	Shareholders	42	30
2.	Transparency	38	30
3.	Board of Directors	26	10
4.	Executive Management	18	10
5.	Technical Accessibility	10	10
<b>Total</b>		<b>134</b>	<b>100</b>

Source: Ethic & Corporate Governance Textbook Hartono et al. (2021)

The quality of corporate governance was measured using the governance index developed by Musdholifah and Hartono (2015), which was proxied through the Modified IBCG Rating [3]. The original IBCG Rating measurement, which initially consisted of 120 criteria, was subsequently expanded into 134 criteria distributed across five principal categories, namely: (1) Shareholders; (2) Transparency; (3) Board of Directors; (4) Executive Management; and (5) Technical Accessibility.

The measurement model developed by Hartono and Musdholifah (2019) has been implemented in Indonesia to assess governance practices within state-owned enterprises (BUMN) and regionally owned enterprises (BUMD). Furthermore, the model has been modified to evaluate governance in foundations Musdholifah & Hartono (2019) as well as sharia-based companies Hartono et al. (2021).

## METHODS

This study employs a qualitative research method with a descriptive approach aimed at understanding and developing a more comprehensive cooperative governance measurement model based on empirical conditions and the prevailing regulations in Indonesia. The qualitative approach was selected because this research does not

merely focus on numerical measurement, but rather emphasizes an in-depth understanding of the implementation of Good Corporate Governance (GCG) within cooperatives through the interpretation of data, informants' experiences, institutional documents, and the actual conditions of cooperatives. According to Moleong (2021), qualitative research is intended to comprehensively understand phenomena experienced by research subjects through descriptions in the form of words and language within natural contexts by utilizing various scientific methods.

The focus of this study is to modify the IBCG Rating Modified developed by Musdholifah and Hartono (2015), which consists of five main categories and 134 governance assessment subcategories, and subsequently adapt them to the characteristics of cooperatives in Indonesia. In addition, this study also develops a cooperative governance model based on the concept introduced by Arda et al. (2021), which comprises 15 dimensions and 97 indicators for assessing cooperative governance quality. The development process was carried out by incorporating novel elements in the form of indicators related to cooperative compliance with cooperative regulations, accounting standards, taxation, as well as additional indicators derived from Focus Group Discussions (FGDs), literature reviews, and interviews with relevant parties. Accordingly, the study is expected to produce a cooperative governance measurement model that is more adaptive to digitalization developments and the supervisory needs of modern cooperatives.

The research objects were determined using purposive sampling techniques because the sample selection was conducted based on specific criteria relevant to the objectives of the study. According to Ulum and Juanda (2018), purposive sampling is a sampling technique based on particular considerations in order to obtain data that are more appropriate to the research needs. The research objects in this study were cooperatives that already possessed a Cooperative Identification Number and maintained official websites, either independently managed websites or websites facilitated by the Ministry of Cooperatives and SMEs. The selection of website-based cooperatives was undertaken because the research is oriented toward developing transparent and digitalization-based cooperative governance.

Data collection techniques were conducted through documentation, unstructured interviews, and Focus Group Discussions (FGDs). Documentation was utilized to obtain secondary data such as financial statements, annual reports, cooperative SOPs, annual members' meeting documents (RAT), organizational structures, cooperative regulations, and information available on cooperative websites. Unstructured interviews were conducted to explore in-depth information regarding the implementation of cooperative governance and the need for developing governance assessment indicators. Interviews involved various parties possessing expertise in the cooperative sector, such as the Indonesian Association of Cooperative Lecturers and Researchers (ADOPKOP), the Ministry of Cooperatives and SMEs, the East Java Provincial Cooperative Office, Regency/City Cooperative Offices, the Indonesian Cooperative Council (DEKOPIN), and cooperatives serving as research samples. Furthermore, FGDs were employed to obtain input, validation, and consensus regarding the cooperative governance indicators developed in this study. The primary instrument in this research was the researcher as a human instrument who played a role in determining the research focus, collecting data, interpreting data, and drawing research conclusions.

The data analysis technique in this study was conducted in stages in accordance with the qualitative research approach. The stages of data analysis referred to the framework proposed by Moleong (2021), namely reading and comprehensively examining the data, identifying keywords, determining emerging themes, discovering relational patterns among data, and conducting coding processes on interview, documentation, and FGD results. The analysis was carried out continuously from the data collection stage until the completion of the study, enabling the researcher to obtain a profound understanding of cooperative governance development.

The data collection phase in this study was conducted through in-depth interviews with various parties directly involved in the supervision, development, and implementation of cooperative governance in Indonesia. The primary information was obtained from ADOPKOP as the key informant, particularly in the supervision and cooperative development division. In addition, this study involved the Ministry of Cooperatives and SMEs of the Republic of Indonesia, the East Java Provincial Cooperatives Office, DEKOPIN, and one sample cooperative as empirical data sources. The involvement of these stakeholders was intended to obtain a more comprehensive

perspective regarding the needs, challenges, and implementation of digital-based cooperative governance in Indonesia.

Following the data collection process, the study proceeded to the regulatory adjustment stage by referring to various regulations related to cooperative governance and supervision in Indonesia, including Ministerial Regulation of Cooperatives No. 13 of 2015, Ministerial Regulation of Cooperatives No. 17 of 2015, Ministerial Regulation of Cooperatives No. 19 of 2015, Ministerial Regulation of Cooperatives No. 20 of 2015, Ministerial Regulation of Cooperatives No. 21 of 2015, Ministerial Regulation of Cooperatives No. 9 of 2018, Deputy Regulation No. 4 of 2018, Ministerial Regulation of Cooperatives No. 9 of 2020, as well as Technical Guidelines No. 15 of 2021. This stage was carried out to ensure that the internet-based cooperative governance model developed remained aligned with the legal provisions, supervisory standards, and cooperative operational principles applicable in Indonesia..

To ensure data validity, this study employed four criteria of qualitative data validity, namely credibility, transferability, dependability, and confirmability. Credibility was established through prolonged engagement in the field, persistent observation, triangulation of sources and methods, and member checking with research informants. Transferability was achieved by providing detailed and systematic descriptions of the research so that the findings could be applied to similar contexts. Dependability was maintained through auditing the entire research process, from data collection to conclusion drawing, while confirmability was ensured by verifying that the findings genuinely originated from empirical field data rather than the researcher’s subjectivity. Through these stages, this study is expected to produce a more comprehensive website-based Good Corporate Governance measurement model for cooperatives that is relevant, adaptive to digitalization developments, and capable of serving as a reference for improving transparency, accountability, and cooperative governance quality in Indonesia.

The following is the flow of the conceptual framework of this study:



Figure 1. Conceptual Framework

## RESULTS

The results of this study indicate that, to date, there has been no standardized model specifically designed to measure the quality of website-based governance in cooperative legal entities in Indonesia. Based on interviews, regulatory reviews, documentation, and literature studies conducted by the researchers, cooperative governance measurement has thus far primarily referred to cooperative health assessments and has not fully integrated aspects of digitalization or internet-based transparency. Consequently, this study formulated a website-based Good Corporate Governance (GCG) measurement design for cooperatives, developed from the Internet Based Corporate Governance (IBCG) model, various cooperative regulations, and the institutional characteristics of cooperatives in Indonesia. The findings demonstrate that website-based cooperative governance is not solely related to information transparency, but also encompasses accountability, regulatory compliance, digital accessibility, and the strengthening of relationships between cooperatives, members, and the wider community.

Based on observations and interviews conducted with Koperasi Setia Bhakti Wanita as a cooperative that has utilized a website in its institutional activities, it was found that the website has been used as a medium for disseminating information to members and the public. The cooperative's website contains several main menus, such as home, about us, business units, and contact. The home menu provides cooperative news and activity archives, while the about us section includes information regarding the cooperative's history, vision and mission, organizational structure, membership, and capital development. In addition, the business units menu contains information regarding savings and loan products, retail services, and cooperative service units. These findings indicate that websites can serve as important media in supporting cooperative transparency principles, particularly in disseminating organizational information, business services, and cooperative developments to members and the general public.

The study also found that the implementation of website-based cooperative governance requires the support of a strong supervisory system. Based on interviews with cooperative representatives, it was revealed that the cooperative conducts internal audits every month and external audits twice a year to maintain transparency and evaluate operational performance. The implementation of these audits constitutes an important indicator within the dimensions of accountability and transparency, given that cooperatives, as member-based institutions, bear direct responsibility for managing members' funds. Furthermore, the study discovered that cooperatives still rely on the previous guideline, namely Ministerial Regulation Number 17 of 2015, as the operational basis, despite the existence of the newer regulation, Ministerial Regulation Number 9 of 2020 concerning Cooperative Supervision. This finding indicates that compliance with updated regulations constitutes an important aspect that must be incorporated into the design of website-based cooperative governance measurement.

The findings from interviews with representatives of the Indonesian Association of Cooperative Lecturers and Researchers (ADOPKOP), the Indonesian Cooperative Council (DEKOPIN), and the Ministry of Cooperatives and SMEs of the Republic of Indonesia indicate that no specific component has officially been established as a standard for measuring internet-based cooperative governance. The Ministry of Cooperatives and SMEs still utilizes the Cooperative Health Examination Worksheet (KKPKK), which refers to Technical Guidelines Number 15 of 2021, as an instrument for evaluating cooperative governance. This study found that the examination system remains focused on cooperative health aspects and has not comprehensively accommodated the utilization of digital technology and website-based information disclosure. Therefore, this study developed a measurement model integrating cooperative governance principles with aspects of digitalization and public information accessibility.

To ensure data validity, this study employed triangulation of sources techniques by comparing and verifying information obtained from various informants, namely Koperasi Setia Bhakti Wanita, Asosiasi Dosen dan Peneliti Koperasi Indonesia (ADOPKOP), DEKOPINDA Kota Surabaya, the Cooperative Office, and the Ministry of Cooperatives and SMEs. The triangulation results demonstrated both alignment and differences in emphasis among informants, which essentially complemented one another. Koperasi Setia Bhakti Wanita emphasized the implementation of transparency, accountability, responsibility, and independence principles through Annual Members' Meetings (RAT) and audit mechanisms; ADOPKOP highlighted the importance of alignment with governance principles and regulations without necessarily being bound to specific technical components; DEKOPINDA emphasized the urgency of accountability oriented toward vision and outcomes;

while the Ministry and related offices stressed aspects of digitalization, supervision, and regulatory strengthening. Despite differences in perspective, all informants shared common views regarding the importance of GCG principles, transparency, accountability, and regulatory compliance. Thus, the triangulation results indicate that the data utilized possess a high level of credibility and are therefore valid in supporting the formulation of a website-based cooperative governance quality measurement design.

The results of the model development indicate that the website-based governance quality measurement design for cooperative legal entities consists of five principal aspects, namely stakeholders, transparency, responsibility, accountability, and technical accessibility. These five aspects were developed from the Internet Based Corporate Governance model previously utilized for corporations, state-owned enterprises, regionally owned enterprises, and foundations. This study subsequently adapted the model to cooperative principles as people-based organizations that position members as both owners and users of cooperative services. During the development stage, the study formulated a total of 167 assessment indicators based on the triangulation of interview results, regulations, and previous research findings.

Within the stakeholder aspect, the indicators developed include members' rights, disclosure of member information, member participation in Annual Members' Meetings (RAT), member communication mechanisms, and member involvement in cooperative decision-making. The study found that the people-based principle within cooperatives constitutes the primary distinction between cooperative governance and general corporate governance. Therefore, aspects related to member participation and organizational democracy became important indicators within the website-based cooperative governance measurement design.

In the transparency aspect, the study found that cooperatives need to provide information that is easily accessible through their websites, such as financial statements, annual reports, audit reports, organizational structures, business activity information, and announcements regarding Annual Members' Meetings (RAT). Furthermore, the study incorporated indicators related to digital information disclosure, including the availability of downloadable reports, data presentation in Excel or XBRL formats, and the provision of whistleblowing systems. These findings demonstrate that the digitalization of cooperative governance is not merely associated with the existence of a website, but also with the quality of information presented through the website itself.

Regarding the aspects of responsibility and accountability, the study identified the importance of the existence of Standard Operating Procedures (SOPs), internal and external audit systems, institutional legality, tax compliance, and compliance with cooperative accounting standards. New indicators added in this study include cooperative compliance with SAK ETAP, tax reporting obligations, ownership of Taxpayer Identification Numbers (NPWP) by cooperative administrators, and financial statement audits conducted by Public Accounting Firms. These additional indicators were included because the study found that regulatory and accounting compliance are important factors in enhancing cooperative credibility and preventing fraud in cooperative management.

Meanwhile, within the technical accessibility aspect, the study found that the quality of website-based cooperative governance is also influenced by the quality of the technology utilized. The study identified several important indicators, including browser compatibility, website security, the existence of search engines, site maps, ease of data retrieval, user personalization, and the availability of digitally processable data. This aspect demonstrates that modern cooperative governance cannot be separated from the readiness of information technology and digital security systems that support transparency and the protection of cooperative members' data.

Overall, the findings of this study indicate that the development of a website-based Good Corporate Governance measurement model for cooperatives constitutes an important step in promoting the modernization of cooperative governance in Indonesia. The resulting model not only integrates cooperative governance principles, but also accommodates digitalization developments and the need for public information disclosure. Through the implementation of this measurement model, cooperatives are expected to improve transparency, accountability, regulatory compliance, and member participation through more optimal utilization of digital technology and cooperative websites.

## DISCUSSION

The findings of this study indicate that the development of a website-based Good Corporate Governance (GCG) measurement model for cooperatives has become an important necessity in supporting the modernization of cooperative governance in Indonesia. Thus far, cooperative governance measurement has primarily focused on cooperative health aspects and has not fully integrated the principles of digitalization, information disclosure, and internet-based public accessibility. The findings demonstrate that the development of information technology has encouraged cooperatives not only to focus on internal management, but also on their ability to transparently disseminate information to members and the public through digital media. Therefore, this study develops a website-based cooperative governance measurement model as an adaptation to the evolution of modern organizational governance, which increasingly emphasizes the principles of transparency, accountability, and information disclosure.

The study also reveals that the concept of Internet Based Corporate Governance (IBCG), which has previously been widely utilized in corporations, can be adapted to cooperative governance by adjusting it to the characteristics of cooperatives as people-based organizations. In cooperatives, members hold dual roles as both owners and users of cooperative services, thereby making member participation a primary indicator of cooperative governance. This finding is consistent with cooperative principles that emphasize economic democracy, equality of members' rights, and participatory decision-making through Annual Members' Meetings (RAT). Consequently, this study positions stakeholders and member participation as important dimensions within the website-based GCG measurement model for cooperatives. Cooperative websites are therefore not merely positioned as information media, but also as digital communication platforms between cooperatives and members in supporting more open and efficient organizational participation.

This study finds that transparency constitutes one of the most dominant aspects in the development of website-based cooperative governance. The existence of a website enables cooperatives to provide access to various important forms of information, such as financial statements, annual reports, business activities, organizational structures, audit reports, and announcements regarding Annual Members' Meetings (RAT), in a manner that is more easily accessible to both members and the public. Such conditions support the creation of information disclosure and public oversight over cooperative management. These findings support Good Corporate Governance theory, which states that transparency is a fundamental principle in establishing healthy and trustworthy organizations. Information transparency through websites also has the potential to enhance members' trust in cooperatives because members are able to access information quickly and in real time without having to wait for the implementation of annual meetings.

In addition to transparency, this study demonstrates that accountability and regulatory compliance are important factors in developing cooperative governance models. The findings reveal that cooperatives possessing regular internal and external audit systems tend to demonstrate better organizational management and greater preparedness in addressing risks of fraud and financial mismanagement. This finding reinforces the perspective that supervision and internal control systems constitute essential elements of organizational governance. The study also found that compliance with taxation regulations, accounting standards, and institutional legality remains a challenge for many cooperatives. Therefore, this study incorporates indicators related to tax compliance, compliance with SAK ETAP, ownership of Taxpayer Identification Numbers (NPWP) by cooperative administrators, and financial audits conducted by Public Accounting Firms as novel elements within the website-based cooperative governance measurement model. The inclusion of these indicators aims to strengthen the quality of cooperative management and improve cooperative credibility in the eyes of members and external stakeholders.

The findings further demonstrate that the digitalization of cooperative governance is not solely related to the existence of websites, but also concerns the quality of technology and accessibility of the information provided. The study identifies that technical aspects such as website security, browser compatibility, the availability of search engines, ease of navigation, and digital data formats constitute important components in supporting the effectiveness of website-based cooperative governance. These findings indicate that modern cooperatives need to possess adequate information technology readiness in order to provide information services that are effective,

secure, and easily accessible. In this context, websites function not only as promotional media, but also as governance instruments that support organizational transparency and accountability.

This study also demonstrates that the development of a website-based cooperative GCG measurement model possesses practical implications for governments, cooperatives, and regulators. For the government and the Ministry of Cooperatives and SMEs, this model may serve as an alternative for developing a more modern and digital-based cooperative governance evaluation system. Up to this point, cooperative examination systems have remained oriented toward assessing cooperative health and therefore have not fully measured the quality of digital transparency and public information disclosure within cooperatives. Meanwhile, for cooperatives, this model may function as a guideline for improving organizational management quality through the optimization of information technology and the digitalization of cooperative services. The utilization of websites integrated with governance principles can assist cooperatives in enhancing member participation, expanding access to information, and strengthening the professional image of cooperatives within society.

From an academic perspective, this study contributes to the development of literature concerning digital-based cooperative governance. Previous studies have predominantly discussed corporate governance and Good Corporate Governance measurement within the corporate sector, whereas research concerning website-based cooperative governance remains highly limited. Accordingly, this study expands the discourse regarding the implementation of Good Corporate Governance within cooperative organizations by integrating cooperative principles, digitalization, and website-based transparency. The resulting measurement model is expected to provide a foundation for future research related to digital cooperative governance, information technology-based cooperative supervision, and the development of cooperative assessment systems that are more adaptive to the evolution of the digital era

## **Implication**

This study carries theoretical, practical, and policy implications for the development of digital-based cooperative governance in Indonesia. From a theoretical perspective, this research contributes to the development of the Good Corporate Governance (GCG) concept within the cooperative sector by integrating modern governance principles with website-based digitalization. To date, studies concerning GCG have predominantly been applied to corporations and the corporate sector, whereas research on website-based cooperative governance remains relatively limited. Therefore, this study expands the literature on cooperative governance by introducing a measurement model that not only evaluates cooperative health aspects, but also assesses information disclosure, digital accessibility, regulatory compliance, and member participation through website-based media. This research further reinforces the concept that organizational digitalization can function as an important instrument for enhancing transparency, accountability, and the effectiveness of cooperative supervision.

From a practical perspective, the findings of this study may serve as a guideline for cooperatives in improving organizational governance quality through the utilization of information technology and cooperative websites. The measurement model developed in this study can assist cooperatives in evaluating the quality of organizational management more comprehensively, particularly in aspects such as financial reporting transparency, information disclosure to members, digital document management, audit systems, and compliance with taxation regulations and accounting standards. In addition, the use of websites as governance instruments may help cooperatives strengthen communication with members, expand access to information services, and enhance the trust of members and the public in cooperatives. Another practical implication is the encouragement for cooperatives to become more adaptive to digitalization developments, thereby enabling cooperatives not only to function as traditional economic institutions, but also to evolve into modern organizations based on information technology.

From a policy perspective, this study may provide valuable input for the Ministry of Cooperatives and SMEs of the Republic of Indonesia, the Indonesian Cooperative Council (DEKOPIN), and cooperative supervisory institutions in developing a more modern and digital-based cooperative governance evaluation system. Thus far, cooperative assessment systems have remained focused on cooperative health aspects and have not fully integrated indicators related to digital information disclosure and the quality of cooperative websites. Through the implementation of a website-based cooperative GCG measurement model, regulators may develop

cooperative supervision standards that are more relevant to the advancement of the digital era. Furthermore, this study may also serve as a foundation for formulating national cooperative digitalization policies, particularly those related to information transparency, cooperative data security, cooperative website standardization, and the strengthening of information technology-based supervisory systems.

## CONCLUSION

This study aims to develop a website-based Good Corporate Governance (GCG) measurement model for cooperatives through the modification of the Internet Based Corporate Governance (IBCG) framework and the development of governance indicators adjusted to the characteristics of cooperatives in Indonesia. The findings indicate that the cooperative governance measurement systems currently employed remain primarily focused on cooperative health aspects and have not fully integrated the principles of digitalization, information transparency, and internet-based accessibility. Therefore, this study produces a more comprehensive website-based cooperative governance measurement model by integrating the aspects of stakeholders, transparency, responsibility, accountability, and technical accessibility.

The study also finds that cooperative websites play an important role in improving the quality of cooperative governance, particularly by supporting information disclosure, organisational supervision, communication with members, and accountability in cooperative management. Furthermore, this study introduces several novel indicators, including compliance with cooperative regulations, adherence to accounting and taxation standards, external audits, and aspects of digital security and accessibility, as part of the website-based cooperative GCG measurement model. The development of these indicators demonstrates that modern cooperative governance does not solely depend on internal supervisory systems, but also on information technology readiness and the quality of digital information management.

Overall, this study concludes that developing a website-based Good Corporate Governance measurement model for cooperatives may serve as an alternative governance evaluation system better aligned with the advancement of the digital era. The resulting model is expected to serve as a reference for cooperatives, regulators, and governments in improving transparency, accountability, regulatory compliance, and the professionalism of cooperative management in Indonesia. In addition, this study is expected to provide a foundation for future research concerning the digitalisation of cooperative governance and the development of information technology-based cooperative supervisory systems.

The final results of this study produce five principal aspects comprising 167 indicators, namely stakeholders, transparency, responsibility, accountability, and technical accessibility, which collectively form a measurement framework that is more adaptive, systematic, and relevant to technological developments. This model is expected to serve as a reference for assessing and improving the quality of cooperative governance in a more objective and standardised manner, while simultaneously fostering transparency, accountability, and public trust. Furthermore, this study also provides theoretical and practical contributions to the development of digital-based cooperative governance studies. It opens opportunities for further research to examine the implementation of this model across various types of cooperatives in Indonesia.

## Limitation

This study has several limitations that should be considered when interpreting the findings. First, this research employed a qualitative approach with a limited number of informants; therefore, the findings primarily emphasise an in-depth understanding of the development of a website-based Good Corporate Governance (GCG) measurement model for cooperatives and cannot yet be generalised to all cooperatives in Indonesia. In addition, the research informants were predominantly drawn from specific institutions and cooperatives, which may yield differing perspectives if the study were conducted with cooperatives of different types or in other regions.

Second, the objects of this study were limited to cooperatives that already possessed official websites and Cooperative Identification Numbers (Nomor Induk Koperasi/NIK). Consequently, this research does not yet fully reflect the governance conditions of cooperatives that have not implemented digitalisation or still lack adequate access to information technology. In reality, many cooperatives in Indonesia continue to face limitations

in digital infrastructure, human resources, and website management, which may lead to variations in the implementation of website-based governance across cooperatives.

Third, this study primarily focused on developing a conceptual model and governance measurement indicators for website-based cooperatives and therefore did not conduct quantitative empirical testing of the proposed model's effectiveness. This research also did not examine the relationships among the implementation of website-based Good Corporate Governance, cooperative performance, member participation levels, or members' trust in cooperatives. Therefore, future studies are expected to test the model using a broader sample empirically and to apply quantitative or mixed-methods approaches, thereby examining the validity and reliability of the proposed measurement model more comprehensively.

### Future Research Agenda

Future studies are expected to empirically examine the website-based Good Corporate Governance (GCG) measurement model for cooperatives developed in this research by employing quantitative or mixed-methods approaches. Such empirical testing is important to evaluate the validity, reliability, and effectiveness of the indicators used in the model. In addition, future research may expand the scope of research objects to include various types of cooperatives and regions across Indonesia, thereby making the findings more representative.

Subsequent studies may also investigate the influence of website-based cooperative governance implementation on cooperative performance, member participation, transparency, and fraud prevention. Furthermore, the development of an index-based or digital scoring assessment system may serve as an alternative approach to facilitate more measurable, standardised evaluations of cooperative governance quality.

On the other hand, future research may further develop studies concerning cooperative digitalisation by incorporating broader information technology aspects, such as cooperative information systems, digital data security, artificial intelligence, and cloud accounting. Such studies are expected to support the development of modern cooperatives that are more transparent, accountable, and adaptive to technological advancements.

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**Regulations and Laws Applied:**

1. Minister of Cooperatives and SMEs Regulation No. 13 of 2015 concerning Accounting Guidelines for Savings and Loan Businesses by Cooperatives
2. Minister of Cooperatives and SMEs Regulation No. 17 of 2015 concerning Cooperative Supervision
3. Minister of Cooperatives and SMEs Regulation No. 19 of 2015 concerning the Implementation of Cooperative Members’ Meetings
4. Minister of Cooperatives and SMEs Regulation No. 20 of 2015 concerning the Implementation of Cooperative Accountability
5. Minister of Cooperatives and SMEs Regulation No. 21 of 2015 concerning Cooperative Rating Systems
6. Minister of Cooperatives and SMEs Regulation No. 9 of 2018 concerning the Implementation and Development of Cooperatives
7. Deputy Regulation No. 4 of 2018 concerning Criteria and Indicators for Cooperative Rating Assessments
8. Minister of Cooperatives and SMEs Regulation No. 9 of 2020 concerning Cooperative Supervision
9. Technical Guidelines of the Deputy for Cooperatives No. 15 of 2021 concerning Guidelines for Cooperative Health Examination Working Papers (KKPKK)

**APPENDIX**

**Appendix 1. Design of the IBCG Rating Measurement for Cooperatives**

No				Description IBCG Rating For Cooperative	Explanation	
					Available	Unavailable
1				<b>STAKEHOLDER S</b>		
	<b>1.</b>			<b>Rights and Obligations</b>		
		<b>1.1.</b>		<b>Statutes (Articles of Association)</b>		
			1.1.1.	The statutes are fully available on the cooperative’s website page.		
			1.1.1.	The statutes are provided in an easily searchable format.		
		<b>1.1.</b>		<b>Ownership of Savings</b>		
			1.1.2.	Availability of reports on members’ savings ownership.		

No				Description IBCG Rating For Cooperative	Explanation
			1.1.2. 2	Availability of reports on changes in members' savings ownership.	
			1.1.2. 3	Availability of reports on the total amount of members' savings	
			1.1.2. 4	Availability of reports on the total amount of members' savings	
		<b>1.1. 3</b>		<b>Existence of a Division/Agency Responsible for Public Relations</b>	
			1.1.3. 1	Availability of contact details and operating hours.	
			1.1.3. 2	Identification of the responsible officer.	
			1.1.3. 3	Availability of information regarding the cooperative secretary	
2				<b>TRANSPARENCY</b>	
	<b>2. 1</b>			<b>Core Ownership Functions</b>	
		<b>2.1. 1</b>		<b>Management Responsibilities</b>	
			2.1.1. 1	Important decisions must be made during the Annual General Meeting (AGM).	
			2.1.1. 2	Availability of reports indicating that management is responsible for non-performing loans and seeks to minimize them	
			2.1.1. 3	Retention of important documents for three to five years.	
			2.1.1. 4	Reports on the analysis and evaluation of	

No				Description IBCG Rating For Cooperative	Explanation
				performance outcomes uploaded no later than prior to the AGM	
			2.1.1.5	Reports on the analysis and evaluation of work plan outcomes uploaded no later than prior to the AGM.	
			2.1.1.6	Written reports on the analysis and evaluation of the Cooperative Revenue and Expenditure Budget Plan (RABK) uploaded no later than prior to the AGM.	
		<b>2.1.2</b>		<b>Open Voting Procedures</b>	
			2.1.2.1	Voting procedures during the AGM.	
			2.1.2.2	Procedures for proxy or delegated voting.	
			2.1.2.3	Direct real-time voting mechanisms.	
			2.1.2.4	Internet-based voting mechanisms.	
		<b>2.1.3</b>		<b>Announcement of the Annual General Meeting (AGM)</b>	
			2.1.3.1	Guidelines regarding the minimum amount of savings required to conduct the AGM.	
			2.1.3.2	Indication of the meeting date, time, and venue.	
			2.1.3.3	Disclosure of the meeting agenda.	
			2.1.3.4	Reports on the outcomes of the AGM.	

No				Description IBCG Rating For Cooperative	Explanation
			2.1.3.5	Deadline for returning proxy forms.	
			2.1.3.6	Disclosure of recent amendments or proposals presented during the AGM.	
			2.1.3.7	Procedures for submitting questions during the AGM	
			2.1.3.8	Availability of the latest detailed voting results.	
			2.1.3.9	Archives of previous meetings with detailed voting results	
		<b>2.1.4</b>		<b>Active Participation in the AGM</b>	
			2.2.4.1	Publication of speeches by cooperative advisors.	
			2.2.4.2	Publication of speeches by cooperative board members	
			2.2.4.3	Publication of speeches by cooperative supervisors.	
			2.2.4.4	Publication of cooperative member hearing meetings.	
			2.2.4.5	Publication of the overall AGM proceedings on the internet.	
	<b>2.2</b>			<b>Transparency Procedures</b>	
		<b>2.2.1</b>		<b>Digitalization of Cooperative Information</b>	
			2.2.1.1	Availability of media facilities for disseminating information beyond	

No				Description IBCG Rating For Cooperative	Explanation
				the cooperative website alone.	
			2.2.1.2	Availability of cooperative digitalization applications linked to the cooperative	
		<b>2.2.2</b>		<b>Distinction Between Audited and Unaudited Information</b>	
			2.2.2.1	Availability of warning notices and emphasis regarding audited and unaudited data information.	
			2.2.2.2	Availability of direct links to the legal section of the cooperative website.	
			2.2.2.3	Avoidance of presenting audited and unaudited data on the same webpage.	
		<b>2.2.3</b>		<b>Retention Period for Cooperative Report Information on the Website</b>	
			2.2.3.1	Three years.	
			2.2.3.2	More than three years	
		<b>2.2.4</b>		<b>Financial Calendar</b>	
			2.2.4.1	Availability of a financial calendar on the cooperative website.	
		<b>2.2.5</b>		<b>Auditors</b>	
			2.2.5.1	Information regarding the Internal Audit Unit.	
			2.2.5.2	Information regarding contracted auditors.	

No				Description IBCG Rating For Cooperative	Explanation
			2.2.5.3	Disclosure of fees for non-audit services.	
		<b>2.2.6</b>		<b>Other Reports</b>	
			2.2.6.1	Environmental reports.	
			2.2.6.2	Reports on charitable activities.	
			2.2.6.3	Certification activity reports.	
			2.2.6.4	Accounting reports.	
			2.2.6.5	Cooperative governance reports.	
		<b>2.2.7</b>		<b>Development Plans</b>	
			2.2.7.1	Work plans	
			2.2.7.2	General cooperative development plans	
			2.2.7.3	Human resource development plans.	
	<b>2.3</b>			<b>Presentation of Financial Data</b>	
		<b>2.3.1</b>		<b>Financial Reports</b>	
			2.3.1.1	Availability of complete, detailed, and timely financial reports.	
			2.3.1.2	Information regarding annual reports and cooperative accounts.	
			2.3.1.3	Applicable legal regulations governing annual reports.	
		<b>2.3.2</b>		<b>Timing of Financial Report Announcements</b>	
			2.3.2.1	Availability of monthly reports on the cooperative website.	

No				Description IBCG Rating For Cooperative	Explanation
			2.3.2.2	Availability of four-monthly reports on the cooperative website.	
			2.3.2.3	Availability of mid-year reports on the cooperative website.	
			2.3.2.4	Availability of annual reports on the cooperative website.	
		<b>2.3.3</b>		<b>Scope of Capital Participation</b>	
			2.3.3.1	Guidelines on capital participation determining ownership in the cooperative.	
			2.3.3.2	Guidelines on capital participation not determining ownership in the cooperative.	
3				<b>RESPONSIBILITY</b>	
	<b>3.1</b>			<b>PROFESSIONALISM</b>	
		<b>3.1.1</b>		<b>Cooperative Independence</b>	
			3.1.1.1	Cooperative decisions must be made independently, as confirmed by supervisors and board members.	
			3.1.1.2	Separation between Savings and Loan Unit (USP) management and non-USP management	
			3.1.1.3	Separate presentation of USP financial reports from non-USP units	
	<b>3.2</b>			<b>Cooperative Ethics</b>	

No				Description IBCG Rating For Cooperative	Explanation
			3.2.1.1	Availability of a cooperative code of ethics	
			3.2.1.2	Availability of integrity pacts for management and supervisors, including freedom from conflicts of interest.	
			3.2.1.3	Availability of an appropriate remuneration system for management levels	
	<b>3.3</b>			<b>FAIRNESS (EQUAL TREATMENT)</b>	
		<b>3.3.1</b>		<b>Information Disclosure</b>	
			3.3.1.1	Announcement of savings bonuses	
			3.3.1.2	Information regarding capital increases without pre-emptive rights.	
			3.3.1.3	Reports on material transactions and changes in business activities	
			3.3.1.4	Availability of an English-language version of the website	
			3.3.1.5	Accessibility and compliance with disability discrimination regulations (1995).	
		<b>3.3.2</b>		<b>Loan Procedures and Annual General Meetings</b>	
			3.3.2.1	Announcement of equitable loan procedures in USP/KSP for all members	
			3.3.2.2	Equal interest rate policies for members' voluntary savings.	

No				Description IBCG Rating For Cooperative	Explanation
			3.3.2.3	AGM notifications delivered to all members through the website.	
			3.3.2.4	Comprehensive distribution of AGM outcome reports.	
			3.3.2.5	Announcement of awards for outstanding members based on years of service, performance, and contributions to members' welfare.	
			3.3.2.6	Announcement of sanctions for underperforming members based on years of service, performance, and contributions to members' welfare.	
4				<b>ACCOUNTABILITY</b>	
	4.1			<b>Organizational and Management Accountability</b>	
		4.1.1		<b>Legal and Managerial Aspects</b>	
			4.1.1.1	Availability of legal entity status evidenced by the deed of establishment and official legalization decree.	
			4.1.1.2	Availability of legal entity status evidenced by a cooperative registration certificate number	
			4.1.1.3	Availability of reports on efforts to increase member participation in capital accounting	

No				<b>Description IBCG Rating For Cooperative</b>	<b>Explanation</b>
				through mandatory savings.	
			4.1.1.4	Availability of reports on efforts to increase member transactions with the cooperative	
			4.1.1.5	Availability of job descriptions and job specifications announcements.	
			4.1.1.6	Availability of an organizational structure	
			4.1.1.7	Availability of guidelines ensuring no dual positions or vacant positions.	
			4.1.1.8	Availability of Standard Operating Procedures (SOPs) for cooperative institutions.	
			4.1.1.9	Availability of Standard Operational Management (SOM) for cooperatives.	
			4.1.1.10	Regular and timely implementation of AGMs in accordance with prevailing regulations.	
			4.1.1.11	Availability of announcements regarding ratified AGM decisions.	
			4.1.1.12	Availability of collaborative training programs for board members and supervisors.	
			4.1.1.13	Availability of competency-based assessments administered to employees and management.	

No				<b>Description IBCG Rating For Cooperative</b>	<b>Explanation</b>
			4.1.1.14	Availability of formal education programs for administrators and management.	
			4.1.1.15	Announcement regarding the increase in the number of members during the past year	
			4.1.1.16	Announcement regarding the number of members who withdrew during the past year.	
			4.1.1.17	Availability of information regarding awards received by the cooperative during the past three years from both internal and external institutions.	
	<b>4.2</b>			<b>Cooperative Business Accountability</b>	
		<b>4.2.1</b>		<b>Business and Inter-Business Relations</b>	
			4.2.1.1	Availability of reports on the conformity between business licenses and cooperative business activities.	
			4.2.1.2	Availability of reports on business involvement among members and inter-member transactions	
			4.2.1.3	Availability of reports on business relations between the cooperative and members as providers of goods	

No				Description IBCG Rating For Cooperative	Explanation	
				and services, or vice versa		
			4.2.1.4	Availability of reports on increased turnover.		
			4.2.1.5	Availability of reports indicating an increase in profit percentages compared with the previous year		
			4.2.1.6	Availability of written cooperative work plans for a minimum period of three years.		
			4.2.1.7	Availability of at least one-year work plans as guidelines for short-term cooperative operational activities.		
			4.2.1.8	Availability of vision, mission, objectives, and work plans		
			4.2.1.9	Availability of information regarding operational decisions independently made by managers and confirmed by management and supervisors.		
	<b>4.3</b>			<b>Financial Accountability</b>		
		<b>4.3.1</b>		<b>Finance and Audit</b>		
			4.3.1.1	Availability of reports indicating that equity capital ratios exceed loan capital ratios.		
			4.3.1.2	Availability of reports on the cooperative's ability to provide funds to meet due		

No				Description IBCG Rating For Cooperative	Explanation
				obligations (liquidity level).	
			4.3.1.3	Availability of reports indicating a real increase in mandatory savings compared with previous mandatory savings.	
			4.3.1.4	Availability of reports regarding the cooperative's solvency ratio, measured through asset-to-liability percentages.	
			4.3.1.5	Availability of reports on Return on Assets (ROA)	
			4.3.1.6	Availability of percentage increases compared with the previous year.	
			4.3.1.7	Completeness of internal financial report presentations, including balance sheets, operating results, cash flows, changes in equity, and notes to financial statements.	
			4.3.1.8	Availability of reports indicating that the cooperative has been audited by a Public Accounting Firm (KAP).	
			4.3.1.9	Availability of audit opinion reports issued by the Public Accounting Firm (KAP).	
			4.3.1.10	Availability of reports regarding the ratio between	

No				Description IBCG Rating For Cooperative	Explanation
				operating income and operating expenses.	
	4.4			<b>Capitalization</b>	
		4.4.1		<b>Cooperative Capital Growth Rate</b>	
			4.4.1.1	Availability of information indicating that equity growth is equal to or greater than asset growth, based on balance sheet data.	
			4.4.1.2	Availability of information indicating that equity growth originating from members is at least 10% higher than the previous year, based on balance sheet data.	
			4.4.1.3	Availability of reports indicating reserve allocations from SHU equal to or greater than one-quarter of the current year's SHU, and cooperative deposit savings increasing by 10% compared with the previous year.	
			4.4.1.4	Availability of information indicating that fixed asset investments and office expansion funds are financed through equity capital, as reflected in reports on sources and uses of funds	

No				Description IBCG Rating For Cooperative	Explanation	
	4.	5		<b>Productive Asset Quality</b>		
		4.5. 1		<b>Loans and Credit</b>		
			4.5.1. 1	Availability of reports indicating that at least 90% of loans are classified as current, evidenced by loan repayment reports.		
			4.5.1. 2	Availability of information indicating that each secured loan is backed by collateral equal to or greater than the value of the loan, except for unsecured loan facilities.		
			4.5.1. 3	Availability of information indicating that reserve funds for loan write-offs are equal to or greater than annual non-performing loans, evidenced by loan collectability and reserve reports.		
			4.5.1. 4	Availability of information indicating that at least one-third of the previous year's problematic loans were successfully collected, evidenced by annual bad debt collection reports.		
			4.5.1. 5	Availability of information indicating that the cooperative effectively implements loan procedures, verified		

No				Description IBCG Rating For Cooperative	Explanation	
				through cross-checking loan procedures with SOPs, including BMPP.		
			4.5.1.6	Availability of information indicating that KSP/USP cooperatives apply transparent loan procedures.		
			4.5.1.7	Availability of information indicating that lending decisions and/or fund placements are conducted by committees, supported by meeting minutes		
			4.5.1.8	Availability of information indicating that the cooperative analyzes, reviews, and binds collateral, evidenced through collateral documentation and/or collateral submission and credit limit assessments.		
	4.6			<b>Liquidity</b>		
		4.6.1		<b>Control Systems and Management Information Systems</b>		
			4.6.1.1	Availability of information indicating that the cooperative has written liquidity control policies evidenced by written business		

No				Description IBCG Rating For Cooperative	Explanation	
				planning documents.		
			4.6.1.2	Availability of information indicating that the cooperative has effective administrative guidelines for monitoring due obligations, evidenced by written documents.		
			4.6.1.3	Availability of information indicating that adequate management information systems are available for liquidity monitoring, evidenced through reporting systems, savings collection, and lending documents.		
	4.7			<b>Independence and Growth</b>		
		4.7.1		<b>Profitability and Cooperative Independence</b>		
			4.7.1.1	Availability of reports indicating that asset profitability ratios have increased over the past two years.		
			4.7.1.2	Availability of reports indicating that equity profitability ratios have increased over the past two years.		
			4.7.1.3	Availability of reports indicating that operational service independence ratios		

No				Description IBCG Rating For Cooperative	Explanation
					have increased over the past two years.
		<b>4.7.2</b>		<b>Gross Participation and Cooperative SHU</b>	
			4.7.2.1	Availability of reports indicating that gross participation ratios have increased over the past two years.	
			4.7.2.2	Availability of reports on SHU profits relative to principal savings plus mandatory savings.	
			4.7.2.3	Availability of membership declaration letters based on the principle of voluntarism.	
	<b>4.8</b>			<b>INSTITUTIONAL ASPECTS</b>	
		<b>4.8.1</b>		<b>Security Systems and Cooperative Planning</b>	
			4.8.1.1	The cooperative possesses an effective security system for all important documents, such as encryption systems for document access.	
			4.8.1.2	Availability of Strategic Plans (RENSTRA), including vision, mission, objectives, targets, programs, and annual activities	
			4.8.1.3	Availability of reports on the Revenue and Expenditure Budget Plan (RAPBK).	

No				Description IBCG Rating For Cooperative	Explanation
			4.8.1.4	Availability of work evaluation reports concerning the Cooperative Revenue and Expenditure Budget Plan (RAPBK).	
			4.8.1.5	Availability of information indicating that the cooperative collaborates with external parties and/or other cooperatives to improve professionalism.	
			4.8.1.6	Availability of information indicating that the cooperative engages in business partnerships with other cooperatives or external parties	
	4.9			<b>Cooperative Compliance with Cooperative Regulations</b>	
		4.9.1		<b>Taxation and Certification</b>	
			4.9.1.1	Availability of information indicating that board members, supervisors, and cooperative administrators possess Taxpayer Identification Numbers (NPWP).	
			4.9.1.2	Availability of information regarding competency certification from Cooperative Certification Institutions (LSP) for board members	

No				Description IBCG Rating For Cooperative	Explanation
			4.9.1.3	Availability of information indicating that USP/KSP units possess special licenses issued by relevant authorities	
			4.9.1.4	Availability of information indicating that the cooperative has submitted annual tax returns (SPT) on time over the past two years	
			4.9.1.5	Availability of information indicating that financial statements submitted in tax reports are audited by Public Accounting Firms (KAP).	
			4.9.1.6	Availability of information indicating that the cooperative properly calculates, deposits, and reports Value Added Tax (VAT), Income Tax (PPH), and other tax obligations.	
	<b>4.10</b>			<b>Cooperative Compliance with Indonesian Financial Accounting Standards</b>	
		<b>4.10.1</b>		<b>Reports</b>	
			4.10.1.1	Cooperative financial reports are prepared in accordance with SAK ETAP standards.	
			4.10.1.2	Financial reports for USP units are	

No				Description IBCG Rating For Cooperative	Explanation	
				prepared separately from non-USP units.		
			4.10.1.3	Consolidated financial statements for USP and non-USP units are available		
			4.10.1.4	Availability of information indicating that financial statements are prepared based on accounting information systems.		
	4.11			<b>Benefits of Cooperatives for Members</b>		
		4.11.1		<b>SHU and Members' Businesses</b>		
			4.11.1.1	Availability of reports indicating annual increases in SHU surplus received by each member.		
			4.11.1.2	Availability of reports indicating members' businesses promoted from micro to small enterprises and from small to medium enterprises		
			4.11.1.3	Availability of goods/services offered at lower prices than competitors.		
	4.12			<b>Benefits of Cooperatives for Society</b>		
		4.12.1		<b>Employment and Charitable Activities</b>		
			4.12.1.1	Availability of employees recruited from the		

No				Description IBCG Rating For Cooperative	Explanation
				local community surrounding the cooperative	
			4.12.1.2	Availability of cooperative donations and financial support for religious, social, community, health, and educational activities in the surrounding environment.	
5				<b>TECHNICAL ACCESSIBILITY</b>	
	<b>5.1</b>			<b>Website Browsers</b>	
			5.1.1.1	Browser compatibility (Explorer, Opera, Firefox, Chrome).	
			5.1.1.2	Compliance with W3 Consortium standards.	
			5.1.1.3	Printable webpage features	
			5.1.1.4	Website security	
	<b>5.2</b>			<b>Functions/Usability</b>	
			5.2.1.1	Availability of a sitemap	
			5.2.1.2	Availability of a search engine feature.	
			5.2.1.3	Personalization features (login requirements or otherwise).	
	<b>5.3</b>			<b>Annual Reports and Use of Account Data</b>	
			5.2.1.1	Availability of data for instant review in searchable formats.	
			5.2.1.2	Financial data presented in Microsoft Excel format.	

No				Description IBCG Rating For Cooperative	Explanation	
			5.2.1. 3	Availability of financial data in machine-readable formats such as XBRL.		
			5.2.1. 4	Wistleblowing system		