



UDC 332

DOES THE ORGANIZATIONAL CULTURE MODERATE THE RELATIONSHIP BETWEEN GOVERNANCE ON MANAGERIAL PERFORMANCE OF COOPERATIVES IN MATARAM CITY?

Fitriani Baiq Titin*, Handajani Lilik, Pituringsih Endar

University of Mataram, Indonesia

*E-mail: titinmaks31@gmail.com

ABSTRACT

The purpose of this study is to examine the effect of governance on cooperative managerial performance with organizational culture as a moderating variable. Associative quantitative methodology was employed in this study, utilizing primary data. In this research, a questionnaire was employed as the data gathering method. The population utilized was all cooperatives in the city of Mataram. There are 594 cooperatives in the city of Mataram, with 159 active cooperatives and 435 inactive cooperatives. The sampling was carried out using a purposive sampling technique so that a sample of 318 was obtained. According to the study's findings, organizational culture and governance have a major and positive influence on Mataram City cooperatives' managerial performance. In addition, organizational culture can moderate the effect of governance on the managerial performance of cooperatives in the city of Mataram.

KEY WORDS

Governance, cooperative managerial performance, organizational culture, cooperative performance, cooperative.

Managerial performance is closely linked to how managers effectively and efficiently manage cooperatives to achieve organizational goals and member welfare. One of the cornerstones to an organization's success is the performance of its managers. High-performing managers will support the organization's ability to function effectively and efficiently, make wise business decisions, and adjust to changes in the business environment.

The managerial performance problem in cooperatives has become a significant issue, as seen from the number of cooperatives experiencing defaults and difficulties in facing business challenges. Law No. 25 of 1992 requires cooperative management to account for its performance to members through the Annual Members' Meeting (RAT). However, this practice is often neglected, as is the case in Mataram City. Out of the 505 cooperatives in 2020, only 68 conducted RATs, while in 2021, out of 593 cooperatives, only 48 conducted RATs, and in 2022, 67 out of 596 cooperatives. The absence of RATs can lead to a lack of member trust, negatively impact work ethic, and lead to ineffective and inefficient operations. Because they are unable to compete and adjust to changes in the commercial climate, many cooperatives are either dormant or have been disbanded.

According to the Regulation of the Minister of Cooperatives and SMEs Number 25/Per/M.KUKM/IX/2015, an Inactive Cooperative is a cooperative that has not conducted a Member Meeting in three consecutive years and or has not carried out business activities to serve members, resulting in decreased performance. Many cooperatives are inactive and only remain signboards, and some have even been dissolved.

Table 1 shows the data on the development of cooperatives from 2018 to 2022, indicating an interesting phenomenon that is worth investigating further, especially regarding managerial performance and governance. Although the number of cooperatives increased from 504 in 2018 to 596 in 2021, the percentage of active cooperatives remained stagnant at around 21% to 28%. This reflects the challenge of maintaining effective managerial performance, with more than 70% of cooperatives in an inactive state. The decline in the number of active cooperatives from 164 in 2020 to 159 in 2022 reflects the inability of some



cooperatives to function optimally, which might be due to poor management or inadequate governance. With an average percentage of active cooperatives of only 25%, there is great potential for improvement. The significant number of cooperatives that did not conduct RATs and cooperatives that are not active indicates that there are problems with the managerial performance of cooperatives in Mataram city.

Table 1 – The Data of Active and Inactive Cooperatives

Year	Total Cooperatives	Active Cooperatives	Inactive Cooperatives	The percentage of active cooperatives to the total number of cooperatives
2018	504	107	397	21%
2019	505	107	398	21%
2020	593	164	429	28%
2021	596	162	434	27%
2022	594	159	435	27%
Average				25%

Source: Annual Report of Cooperative & SME Office of Mataram City, 2022.

According to Yandani and Suryanata (2019), managerial performance is influenced by governance and organizational culture implemented in an organization. Governance principles help managers decide the direction and control of the business by acting as a tool for monitoring and controlling management performance. The application of these principles supports effective decision-making, encourages business development, and improves the organization's image in the eyes of the public. In addition, governance can align the interests of managers with stakeholders, resulting in a competitive advantage for cooperatives.

A governance system must be put in place in cooperatives so that the management can alter the organizational structure with the goal of improving performance, enhancing internal control, and minimizing the shortcomings of professional, accountable cooperative governance that enjoys positive relationships with stakeholders and shareholders. (Erstiawan and Soebijono, 2018). In 2022, the Government, through the KNKG, issued the Indonesian General Guidelines for Cooperative Governance (PUG-KOPIN) as a guideline for cooperatives in organising their operational activities so that existing cooperative governance can increase and have implications for improving cooperative managerial performance.

Melasari (2016), Suparsabawa and Kustina (2018), Yandani and Suryanata (2019) and Anggraeni & Rachmawati (2023) state that good governance has a positive and significant effect on the managerial performance of an organization so that when an organization can implement good governance in managing its organization, it will also improve its managerial performance. Meanwhile, according to Hildayana et al. (2021) claimed that the organization's managerial performance is unaffected by the application of good governance.

The implementation of an organizational ethical culture is also essential to improve cooperative managerial performance. A poor organizational culture can cause the company atmosphere to be less conducive so that employees become unproductive employees become less enthusiastic, the level of discipline decreases, and there is a lack of discussion between employees. Organizational culture is the values that guide human resources to overcome external problems and try to adjust integration within the company so that every part of the organization needs to delve into these values and become a guideline for behaviour (Anam, 2022).

Suparsabawa and Kustina (2018), Yandani and Suryanata (2019) and Anam (2022) claim that organizational culture affects managerial performance so that when the organizational culture developed and implemented in an organization is good, it will support the improvement of managerial performance owned by the cooperative. However, according to Oktarini (2013) and Tangdialla et al. (2021), organizational culture has an insignificant effect on managers' performance within a company.

Because previous research on the effect of governance on management performance yielded results that are inconsistent, researchers are interested in retesting this variable. However, previous studies measured governance using indicators that are more suitable for



private companies, while cooperatives have unique characteristics in organizational structure, vision, mission, and goals. Therefore, this study uses governance measurement indicators that refer to PUG-KOPIN 2022. This study also employs organizational culture as a moderating variable. Organizational culture plays an instrumental role in influencing governance implementation, managers' adaptation to policies, and employee motivation. The relationship between governance and performance can be strengthened by a positive culture, whilst a poor culture can make implementation less successful. By understanding the role of culture as a moderating variable, this study aims to provide deeper insights as well as practical recommendations for leaders in designing governance strategies that fit their organizational cultural context. Referring to the background presented, the formulation of this research problem:

1. Is there a positive influence of governance and organizational culture on managerial performance?
2. Is there a positive influence of organizational culture on the managerial performance of cooperatives in Mataram City?
3. Does organizational culture moderate the effect of governance on the managerial performance of cooperatives in Mataram City?

Based on the background explanation and the formulation of the problem, the conceptual framework model of the variables that affect the managerial performance of cooperatives can be clearly described as follows:

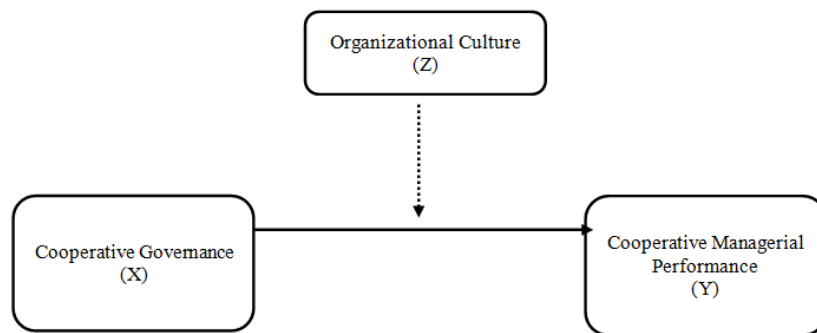


Figure 1 – Conceptual Framework

From this framework model, the strengthening of hypotheses can be deepened by examining the scientific basis and the results of previous research related to the variables that affect the managerial performance being investigated, namely:

Cooperatives employ good cooperative governance as a method to boost economic success and accountability in order to benefit cooperative members in the short and long term while also considering the interests of other stakeholders (Wibowo & Subagyo, 2017). In cooperatives, the application of governance concepts is crucial. Since the application of good governance in cooperative management has the potential to transform the cooperative system, enhance performance, and reduce governance flaws in cooperatives, this is essential in relation to transparency, accountability, and other good governance principles. If there are irregularities in the implementation of cooperative operations, it will greatly impact information manipulation (Pramesti and Tandio, 2018).

The results of research by Melasari (2016), Suparsabawa and Kustina (2018), Yandani and Suryanata (2019) and Anggraeni & Rachmawati (2023) indicate that governance affects the managerial performance of cooperatives. This means that when cooperatives can implement governance in the process of managing their organization, it will increase the managerial performance of cooperatives; It will eventually impact the cooperative's ability to fulfill its vision, purpose, and objectives.

H1: good governance has a positive effect on cooperative managerial performance.

The implementation of organizational culture can support the improvement of cooperative managerial performance. A common understanding of the values embraced in organizational life, which unites all members of the organization in a common understanding



of the true meaning of existence together, is known as organizational culture (Siagian, 2003). Organizational culture will affect the performance and satisfaction of organizational members, whether it is supportive or unsupportive. Organizational culture is the way people do things in the organization. It is a unit of norms consisting of attitudinal beliefs, care values and behaviour patterns that people do in the organization. Shared beliefs, care values and behaviour patterns affect organizational performance (Nawawi: 2013).

The results of research by Suparsabawa and Kustina (2018), Yandani and Suryanata (2019) and Anam (2022) state that organizational culture affects managerial performance. This means that when cooperatives apply and implement good organizational culture values in the process of activities and management of their cooperatives, it will undoubtedly have an impact on improving cooperative managerial performance.

H2: Organizational culture has a positive effect on cooperative managerial performance

Organizational culture can have a significant impact on the relationship between governance and the managerial performance of cooperatives. Elements that make up organizational culture, such as values, norms, and practices, play a role in creating an environment that supports or hinders governance effectiveness. Therefore, organizational culture and governance are complementary in that a positive culture can strengthen the impact of good governance on managerial performance. If a cooperative has an organizational culture that supports transparency and collaboration, then its managerial performance may improve significantly. Research conducted by Anugerah (2019), Mulyawan et al. (2017), Soraya and Suardana (2018), and Dahlan and Sumaryana (2017) shows that organizational culture can moderate the effect of *good governance* on organizational performance.

H3: Organizational culture can moderate the effect of governance on cooperative managerial performance.

METHODS OF RESEARCH

This research applied a quantitative approach with an associative causal design to explore the relationship between governance as the independent variable and managerial performance in cooperatives as the dependent variable, with organizational culture acting as a moderating factor. Data was gathered from cooperative managers and supervisors through questionnaires, utilizing a Likert scale ranging from 5 (strongly agree) to 1 (strongly disagree). The collected responses were then processed with appropriate data analysis methods.

This study was conducted on cooperatives in Mataram City, located in West Nusa Tenggara Province, where there were 594 cooperatives in 2022. However, just 159 cooperatives were operating, with 435 cooperatives being inactive. The sampling technique employed in this study was purposeful sampling, which selects samples based on preset criteria. Only operational cooperatives were selected out of Mataram City's 159 active cooperative units. The 318 respondents that were used were the Chairman and Supervisor of each cooperative (159 cooperatives x 2 respondents).

Meanwhile, the data analysis method utilized in this study was SmartPLS version 4.0 to apply covariance-based SEM (Structural Equation Modelling), specifically PLS (Partial Least Squares). PLS is a powerful analytical tool as it can work with both small and large datasets without requiring a specific data measurement scale. PLS is also used for theory confirmation (Ghozali, 2014). The steps in PLS analysis include designing inner and outer models, creating path diagrams, converting them into equations for both models, selecting estimation methods, testing hypotheses, and, finally, evaluating these models (Ghozali, 2014).

RESULTS AND DISCUSSION

The number of respondents based on gender, age, education level, and working period is presented in Table 2 below:



Table 2 – Respondent Characteristics

Characteristic	Criteria	Total	Percentage
Gender	Male	127	45%
	Female	154	55%
Age	< 41	253	90%
	≥ 41	28	10%
Education level	≤ SMA	34	12%
	D3	24	9%
	≥ S1	223	79%
Working Period	<5	178	63%
	5 - 10 years	66	23%
	> 10	37	13%

Table 2 above shows that there are 127 males and 154 females. This indicates the dominance of females in the leadership of the cooperative, reflecting the progress of gender equality. The high participation of both genders signifies good community engagement, contributing to the effectiveness of the cooperative.

In terms of age group, 253 people (90%) are under 41 years old, while 28 people (10%) are 41 years old and above. The majority of co-operative management being under the age of 41 indicates the potential for innovation and flexibility in decision-making. However, with only 28 people aged 41 and above, it is worth noting that a balance between dynamism and experience is important to maintain the long-term stability and success of the cooperative.

Respondents' education includes secondary education levels of 34 people (12%), D3 levels of 24 people (9%), and undergraduate levels of 223 employees (79%). The majority of respondents have a higher educational background, which can provide a good foundation of knowledge to carry out their duties and responsibilities in the co-operative.

In terms of working years, 178 people (63%) have less than 5 years of service, reflecting the large number of new recruits, 66 people (23%) have worked between 5-10 years, and 37 people (13%) have worked more than 10 years. This combination of leaders and supervisors with different levels of experience can enrich knowledge and support the development and sustainability of the cooperative.

Discriminant validity test is suggested to use three approaches, namely the Fornell-Larcker criterion, heterotrait-monotrait ratio (HTMT), and cross-loading.

Table 3 – Fornell-Larcker Criterion Value

n/n	Organizational Culture (Z)	Managerial Performance (Y)	Cooperative Governance (X)
Organizational Culture (Z)	(0.771)		
Managerial Performance (Y)	0.372	(0.780)	
Cooperative Governance (X)	0.220	0.478	(0.796)

Description: the number in brackets is the root AVE value, and the number not in brackets is the correlation value between latent variables.

Table 3 shows that the root AVE values of the latent variables, namely organizational culture (Z), managerial performance (Y) and cooperative governance (X), are 0.771, 0.780 and 0.796, respectively, all of which are greater than the correlation value between latent variables. Consequently, it is determined that the latent variables in this investigation meet the criteria for discriminant validity.

Table 4 – HTMT Ratio Matrix of Each Latent Variable

n/n	Organizational Culture (Z)	Managerial Performance (Y)	Cooperative Governance (X)	Organizational Culture(Z) x Cooperative Governance (X)
Organizational Culture (Z)				
Managerial Performance (Y)	0.401			
Cooperative Governance (X)	0.228	0.501		
Organizational Culture (Z) x Cooperative Governance (X)	0.338	0.064	0.332	



Table 4 shows that the HTMT values of the latent variables of organizational culture (Z), managerial performance (Y) and cooperative governance (X) are each less than 0.85. Therefore, it is determined that every latent variable in this study satisfies the criteria for discriminant validity.

Table 5 – Cross Loading Value of Indicators for Each Latent Variable

Indicator	Latent Variable			
	Organizational Culture	Cooperative Managerial Performance	Governance	Organizational Culture x Governance
BO1	0.722	0.233	0.111	-0.285
BO10	0.736	0.288	0.221	-0.328
BO2	0.796	0.273	0.206	-0.257
BO3	0.749	0.249	0.179	-0.254
BO4	0.743	0.27	0.176	-0.228
BO5	0.827	0.29	0.128	-0.243
BO6	0.812	0.286	0.151	-0.228
BO7	0.763	0.28	0.184	-0.265
BO8	0.765	0.368	0.18	-0.213
BO9	0.791	0.293	0.155	-0.203
KMK1	0.299	0.741	0.307	0.041
KMK2	0.286	0.835	0.385	0.071
KMK3	0.269	0.798	0.381	0.027
KMK4	0.322	0.833	0.431	-0.07
KMK5	0.284	0.738	0.401	-0.02
KMK6	0.239	0.757	0.376	0.084
KMK7	0.325	0.781	0.348	0.029
KMK8	0.296	0.753	0.34	0.039
TTK1	0.148	0.359	0.746	-0.224
TTK10	0.204	0.394	0.733	-0.271
TTK11	0.196	0.414	0.768	-0.171
TTK12	0.224	0.406	0.744	-0.275
TTK13	0.089	0.319	0.737	-0.177
TTK14	0.167	0.355	0.814	-0.256
TTK15	0.168	0.384	0.827	-0.225
TTK16	0.18	0.433	0.789	-0.261
TTK17	0.216	0.415	0.804	-0.18
TTK18	0.229	0.4	0.791	-0.269
TTK19	0.196	0.371	0.847	-0.299
TTK2	0.138	0.399	0.799	-0.267
TTK20	0.192	0.368	0.836	-0.325
TTK21	0.184	0.372	0.77	-0.276
TTK22	0.144	0.356	0.795	-0.288
TTK23	0.112	0.303	0.766	-0.238
TTK24	0.191	0.355	0.816	-0.282
TTK25	0.201	0.386	0.806	-0.28
TTK26	0.216	0.37	0.783	-0.302
TTK27	0.243	0.411	0.829	-0.282
TTK28	0.108	0.299	0.764	-0.237
TTK29	0.189	0.397	0.855	-0.308
TTK3	0.198	0.39	0.768	-0.209
TTK30	0.136	0.408	0.841	-0.299
TTK31	0.15	0.373	0.825	-0.276
TTK32	0.139	0.35	0.819	-0.246
TTK33	0.069	0.318	0.787	-0.246
TTK34	0.191	0.402	0.816	-0.29
TTK35	0.165	0.383	0.814	-0.274
TTK36	0.166	0.374	0.818	-0.293
TTK4	0.22	0.392	0.774	-0.298
TTK5	0.16	0.385	0.804	-0.269
TTK6	0.167	0.326	0.716	-0.313
TTK7	0.226	0.381	0.765	-0.246
TTK8	0.152	0.416	0.799	-0.261
TTK9	0.163	0.424	0.849	-0.203
Organizational Culture x Governance	-0.323	0.029	-0.329	1

Table 5 shows that all latent variable indicators, both organizational culture variables (Z), managerial performance (Y) and cooperative governance (X) have a cross-loading value



on one variable that is greater than all other variable indicator cross-loading values. Therefore, it can be concluded that all indicators for each latent variable meet the discriminant validity requirements.

A set of latent variable indicators is considered reliable if it has a Cronbach's Alpha value greater than 0.6 and a Composite Reliability value above 0.7. The Composite Reliability and Cronbach's Alpha values for each latent variable are shown in Table 7 below:

Table 6 – Value Composite Reliability and Cronbach's Alpha

n/n	Cronbach's alpha	Composite reliability (rho_a)
Organizational Culture (Z)	0.924	0.928
Managerial Performance (Y)	0.908	0.910
Cooperative Governance (X)	0.983	0.984

Table 6 above indicates that the Cronbach's alpha values of the latent variables of organizational culture (Z), managerial performance (Y) and cooperative governance (X) are 0.924, 0.908, and 0.983, respectively, all of which are greater than 0.7. Therefore, all latent variables in this study fulfil the reliability requirement.

The effect size, represented by the F2 value, shows the relative predictive power of exogenous variables in the model by assessing the impact when each variable is removed.

Table 7 – Effect Size of Endogenous Latent Variables on the Model

Exogenous Latent Variable	F2	Criteria
Organizational Culture (Z)	0.187	Moderate
Cooperative Governance (X)	0.355	High
Organizational Culture (Z) x Cooperative Governance (X)	0.129	Moderate

Table 7 shows that the latent variable organizational culture and the interaction variable (Organizational culture x Governance) have F² values of 0.187, and 0.129 respectively. This indicates that the two variables removed one by one from the model have a moderate influence in influencing the model. Meanwhile, the governance variable obtained an F² value of 0.355, which means that this variable has a strong influence in influencing the model.

The path coefficient (influence weight) for the TTK (governance) variable is 0.500, BO (organizational culture) is 0.362, BO moderation on TTK and KMK is 0.166. Based on the model drawing and the table of path coefficient values above, the model equation is obtained in the following form:

$$KMK = 0.362 \text{ TTK} + 0.362 \text{ BO} + 0.166 \text{ BO} * \text{TTK}$$

To find out how well exogenous factors can explain endogenous variables, SmartPLS is used to perform the R-Square test. If the R-Square value is greater than 0.67, it is considered good; if it is 0.33, it is called moderate; and if it is 0.19, it is deemed weak (Ghazali and Latan, 2015, 78).

Table 8 depicts that the *R-Square* value for the Organizational Culture and Cooperative Governance model is 0.376, which belongs to the moderate category. This means they can explain 37.6% of the influence on Cooperative Managerial Performance, while 62.4% is explained by other variables outside this model.

The next inner model test assesses the significance value to determine the effect between latent variables, using the bootstrapping method (Ghozali and Latan, 2015). The significance can be evaluated through the p-values and t-statistics in the path coefficient table. For a one-tailed hypothesis with a 95% confidence level (alpha 5%), the threshold t-statistic is 1.9685; if the t-statistic exceeds 1.9685, the hypothesis is accepted. Alternatively, the p-values can be considered, with a significance level of 5% (0.05); if the p-values are greater than 0.05, the hypothesis is rejected. The direction and magnitude of the effect are also indicated in the original sample table.

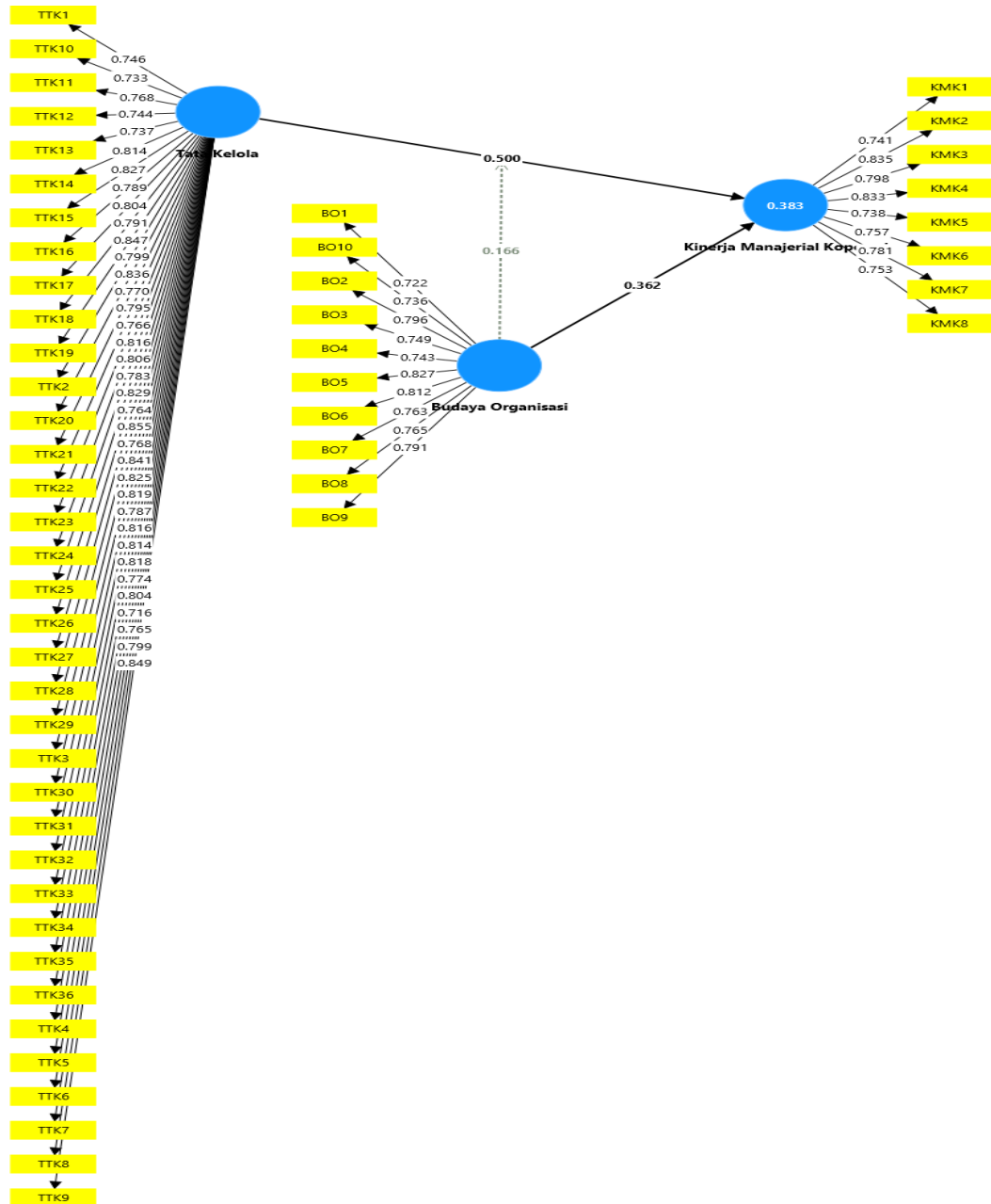


Figure 2 – Output Display of Resampling Method Algorithm Structural Equation Model

Table 8 – R Square Adjusted Value

n/n	R Square Adjusted
Cooperative Managerial Performance (KMK)	0,376

Source: Appendix 9 PLS, 2024.

Table 9 – The Result of Hypothesis Test Analysis

Influence	Original sample (O)	T statistics (O/STDEV)	P values	Remark
Organizational Culture (Z) -> Managerial Performance (Y)	0.362	3.607	0.000	Accepted H2
Cooperative Governance (X) -> Managerial Performance (Y)	0.500	5.484	0.000	Accepted H1
Organizational Culture (Z) x Cooperative Governance (X) -> Managerial Performance(Y)	0.166	2.520	0.012	Accepted H3



Table 9 shows that the relationship between governance and cooperative managerial performance has a T-statistic value exceeding the t-table threshold of 1.9685, with a significance level of 0.000, which is below the alpha level of 0.05. This indicates that cooperative governance has a significant effect on cooperative managerial performance. Similarly, organizational culture has a T-statistic value higher than the t-table value of 1.9685, with a significance level of 0.000, also below the 0.05 alpha level, suggesting that organizational culture significantly impacts cooperative managerial performance. Furthermore, the interaction between Cooperative Governance (TTK) and Organizational Culture (BO) on Cooperative Managerial Performance (KMK) yields a T-statistic greater than the t-table value of 1.9685 and a significance level of 0.012, which is below the alpha level of 0.05. This confirms that the interaction between TTK and BO also has a significant effect on KMK.

Table 9 shows that cooperative governance has a significant positive impact on cooperative managerial performance, with a t-count value of 5.484, which is higher than the t-table value of 1.9685, and a p-value of 0.000, which is below the 0.05 threshold. This indicates that the more effectively a cooperative implements organizational governance, the stronger its managerial performance.

Cooperatives employ good cooperative governance as a method to boost economic success and accountability in order to benefit cooperative members in the short and long term while also considering the interests of other stakeholders (Wibowo & Subagyo, 2017). In cooperatives, the application of governance concepts is crucial. This is necessary because it relates to transparency and accountability and other *good governance* principles, since the implementation of *good* governance in cooperative management can change the cooperative system, improve performance and minimise governance weaknesses in cooperatives. If there are irregularities in the implementation of cooperative operations, it will greatly impact information manipulation (Pramesti and Tandio, 2018). In its development, the implementation of cooperative good governance refers to PUG-KOPIN 2022. PUG-KOPIN 2022 further strengthens the implementation of good governance by regulating the rights, obligations, and responsibilities of cooperative management and supervisors, including cooperative ethics. Good governance contributes positively to managerial performance by creating an environment that supports sound decision-making, increases efficiency, and encourages innovation. The results of this study are in line with the results of research conducted by Melasari (2016), Suparsabawa and Kustina (2018), Yandani and Suryanata (2019) and Anggraeni & Rachmawati (2023) which state that governance affects the managerial performance of cooperatives.

Table 9 reveals that cooperative governance has a significant positive effect on cooperative managerial performance, with a t-count value of 3.607, which exceeds the t-table threshold of 1.9685, and a p-value of 0.000, below the 0.05 level. This suggests that the more effectively organizational culture is applied and implemented within the cooperative, the stronger its managerial performance becomes.

Organizational culture is a shared agreement on the values espoused in an organization, binding all members in the way they operate. This culture affects member performance and satisfaction, both as a support and an obstacle. As a collection of norms that include beliefs, attitudes, and behaviour patterns, an institutionalised organizational culture reflects the compliance of cooperative members to implement existing values and norms.

A strong organizational culture creates a positive working atmosphere, encouraging a sense of community and kinship. This increases the motivation of members to contribute better, which directly positively affects the managerial performance of the co-operative. With members feeling ownership and participation in the progress of the co-operative, synergies are created that encourage innovation, collaboration, and better results overall. The results of this study are consistent with the findings of Suparsabawa and Kustina (2018), Yandani and Suryanata (2019), and Anam (2022) which suggest that organizational culture has a significant effect on managerial performance.

Table 9 shows that the t-count value of 2.520 is higher than the t-table value of 1.9685, with a p-value of 0.012, which is less than 0.05. This indicates that organizational culture can



significantly moderate the relationship between governance and cooperative managerial performance. This finding highlights the importance of a strong organizational culture in strengthening the effectiveness of governance, thereby positively impacting managerial performance.

Within the *Agency Theory* framework, a culture that supports transparency and accountability serves as a control mechanism that reduces potential conflicts of interest between owners and managers. A positive culture encourages managers to act in accordance with the owners' interests, thereby improving their performance. *Compliance Theory*, on the other hand, emphasizes compliance with regulations and standards. A culture that promotes compliance can strengthen the implementation of good governance, encouraging leaders and supervisors to take the right steps to achieve optimal results. In general, organizational culture is not just an additional element, but a key factor that can enhance the synergy between governance and managerial performance, which in turn supports the sustainability and effectiveness of cooperatives.

The results of this study align with the findings of Anugerah (2019) and Dharu & Wahidahwati (2021) which show that organizational culture has a significant effect on managerial performance.

CONCLUSION

Governance has a positive effect on the managerial performance of cooperatives in Mataram City, where the t-test results show *p-values* (0.000) <0.05. The more robust and well-implemented governance in the cooperative, the better it will enhance managerial performance in the cooperative. *Good governance* encourages improved managerial performance of cooperatives by ensuring transparency, accountability and efficiency. With guidelines such as PUG-KOPIN 2022, cooperatives can strengthen supervision and ethics, minimise irregularities, and increase member trust, which in turn supports more optimal and sustainable performance.

Organizational culture has a positive effect on the managerial performance of cooperatives in Mataram City, where the t-test results show *p-values* (0.000) <0.05. These results indicate that a strong organizational culture, such as the values of cooperation, openness, and responsibility, plays an essential role in improving the managerial performance of cooperatives in Mataram City. A good culture creates an enabling environment for effective decision-making, collaboration among members, as well as increased productivity, which overall contributes to the success of co-operative operations. Additionally, organizational culture can moderate the effect of governance on managerial performance in Mataram City, where the t-test results show *p-values* (0.000) <0.05. This shows that although governance is expected to improve managerial performance.

This study has limitations as it uses all active cooperatives in Mataram City without taking into account the different characteristics of each type of cooperative, such as savings and loan or consumer cooperatives. Future researchers can focus on specific types of cooperatives to identify differences in performance. In addition, this study only tested the variables of governance and organizational culture, so it is recommended to add other variables, such as information technology implementation, internal control, and accounting information systems, to obtain more comprehensive results.

REFERENCES

1. Anam, K. (2022). Pengaruh Budaya Organisasi, Gaya Kepemimpinan & Partisipasi Penganggaran Terhadap Kinerja Manajerial (Studi pada PT. Pos Indonesia Persero Metro).
2. Anggraeni, A. P., & Rachmawati, T. (2023). Pengaruh Good Corporate Governance, Total Quality Management, & Sistem Informasi Akuntansi Manajemen pada Kinerja Manajerial. *Economic and Business Management International Journal (EABMIJ)*, 5(3), 115-224.



3. Anugerah, R. P. 2019. Pengaruh Good Governance, Desentralisasi, & Komitmen Organisasi Terhadap Kinerja Organisasi Dengan Budaya Organisasi Sebagai Variabel Moderating. *Pekbis Jurnal* 11(3): 179-188.
4. Dharu, H. S. D., & Wahidahwati, D. (2021). Pengaruh Good Governance, Komitmen Organisasi & Pengawasan Internal terhadap Kinerja OPD: Budaya Organisasi sebagai Variabel Pemoderasi. *Jurnal Ilmu & Riset Akuntansi*, 10(4).
5. Erstiawan, M. S., & Soebijono, T. (2018). Analisis Good Corporate Governance pada Koperasi (Pendekatan Sistem Informasi Studi Kasus Koperasi Setia Bhakti Wanita di Surabaya). *DEVELOP (Jurnal Program Studi Ekonomi Pembangunan)*, 2 (1).
6. Ghozali, Imam & Hengky Latan (2015). *Partial Least Squares Konsep Teknik & Aplikasi dengan Program Smart PLS 3.0*. Semarang: Universitas Diponegoro Semarang.
7. Ghozali, Imam. (2014). *Structural Equation Modeling Metode Alternatif dengan Partial Least Square (PLS) Edisi 4*. Universitas Diponegoro: Semarang.
8. Hilldayani, N.W.P.W., Putri, I.G.A.M.A.D., Mimba, N.P.S.H., & Wirawati, I.G.P. (2021). Implementasi Good Corporate Governance, Budaya Organisasi & Kinerja Manajerial pada Hotel Berbintang di Kabupaten Badung. *E-Jurnal Akuntansi*, 31(10), 2453-2466.
9. Kementerian Koperasi & UKM RI. (2015). Peraturan Menteri Koperasi & UKM RI Nomor 12/Per/M.KUKM/IX/2015 tentang Pedoman Umum Akuntansi Koperasi Sektor Riil. Berita Negara Republik Indonesia Tahun 2015 Nomor 1489. Jakarta.
10. Koordinator, K., Perekonomian, B., Nasional, K., & Governansi. (2022). *Pedoman Umum Governansi Koperasi Indonesia (Pug-Kopin)*. 1.
11. Melasari, R. (2016). Pengaruh Pengendalian Intern & Penerapan Prinsip-Prinsip Good Corporate Governance Terhadap Kinerja Manajerial (Studi Empiris pada Perusahaan Perbankan Di Tembilahan). 5, 1–7.
12. Nawawi, Ismail. 2013. *Budaya organisasi kepemimpinan & Kinerja*. Jakarta: PT. Fajar Interpratama Mandiri.
13. Oktarini, E. (2013). Locus of Control, Budaya Organisasi & Komitmen Organisasi terhadap Kinerja Manajerial. *Encyclopedia of Counseling*. <https://DOI/10.4135/9781412963978.n402>
14. Pemerintah Indonesia. (1992). Undang-Undang Nomor 25 Tahun 1992 tentang Perkoperasian. Tambahan Lembaran Negara RI Nomor 3502. Sekretariat Negara. Jakarta.
15. Pramesti, G. A. A. and Tandio, D. R. (2018). Analisis Implementasi Good Corporate Governance pada Koperasi di Kota Denpasar. *Jurnal Riset Akuntansi* No 8 (2).
16. Sekaran, Uma. 2013. *Research Methods for Business*. Jakarta: Salemba Empat.
17. Siagian, Prof Dr Sondang P. (2002). *Manajemen Sumber Daya Manusia*. Yogyakarta: PT. Bina Aksara.
18. Soraya, B. E., & K. A. Suardana. 2018. Budaya Organisasi Sebagai Pemoderasi Pengaruh Good Corporate Governance Pada Kinerja Keuangan Bank Pembangunan Daerah Bali. *E-Jurnal Akuntansi Universitas Udayana* 23(3): 2414-2443.
19. Suparsabawa, I. N. R., & Kustina, K. T. (2018). Pengaruh penerapan good corporate governance & budaya tri hita karana terhadap kinerja manajerial lembaga perkreditan desa (LPD). *Juara: Jurnal Riset Akuntansi*, 8(1).
20. Tangdialla, A. R., Kalangi, L., & Pinatik, S. (2021). Pengaruh Budaya Organisasi & Sistem Informasi Akuntansi Manajemen Terhadap Kinerja Manajerial Pada Kantor Sekretariat Dewan Perwakilan Rakyat Daerah Kota Manado. *LPPM Bidang EkoSosBudKum*, 5(1), 34–48.
21. Wibowo, Y. B. (2017). Partisipasi Dalam Penyusunan Anggaran, Budaya Organisasi, & Kinerja Manajerial Pada Balai Besar Wilayah Sungai Bengawan Solo. diligib.uns.ac.id.
22. Yandani, N. M. M., & Suryanata, I. G. N. P. (2019). Pengaruh Penerapan Prinsip-Prinsip Good Corporate Governance & Budaya Tri Hita Karana Terhadap Kinerja Manajerial Lembaga Perkreditan Desa (Lpd) Pakraman Padangsambian. *Jurnal Ilmiah Akuntansi & Bisnis*, 4(1), 24.