



THE INFLUENCE OF CREDIT PROCEDURES AND QUALITY OF SERVICE ON DEBTOR DECISIONS IN CREDIT MAKING (CASE STUDY AT ANUGRAH MEGA MANDIRI COOPERATIVE MEKARSARI BRANCH)

Matdio Siahaan¹, Damaris.Marpaung², Vica Apriyanto³

^{1,3}Bhayangkara University, Indonesia

²Mpu Tantular University, Indonesia

Email: matdio.siahaan@dsn.ubharajaya.ac.id

Abstract

This study aims to determine the effect of credit granting procedures and service quality on the debtor's decision to take credit. This research is a descriptive quantitative study with data sources derived from questionnaires and then processed using SPSS version 23. The number of respondents sampled in this study was 80 debtors registered in the Anugrah Mega Mandiri Cooperative Mekarsari Branch. The sampling technique is to use the Purposive Sampling method which is a sampling determination technique with certain considerations or criteria that are used as the basis for sample selection. The data analysis method uses multiple regression analysis methods to analyze the relationship between independent variables, namely the Credit Granting Procedure(and Service Quality(to the dependent variable, namely the Decision to Take Credit (Y). The results showed that partially and simultaneously Credit Provision Procedures and Service Quality significantly and positively influence Credit Decision Making.

Keywords: *Credit Provision Procedures, Service Quality, Credit Decision Making*

INTRODUCTION

Economic development efforts require the role of a financial institution to finance development because development requires the availability of funds. That is why the existence of financial institutions in financing and development is very necessary. This is because financial institutions are indeed their line of business to provide financing facilities for micro-enterprises, prospective entrepreneurs who require capital, or the general public for other personal reasons and there are almost no fields that do not require funds. Funds are the main problem that always exists in every business.

An example of one of the Savings and Loans Cooperatives (Credit) in Bekasi Jaya District is the Anugrah Mega Mandiri Cooperative (KAMM) Mekarsari Branch which also has the same main goal in its business, namely to support the economy of the general public and small entrepreneurs. The main activity of the Anugrah Mega Mandiri Cooperative Mekarsari Branch is to allocate funds in the form of loans or better known as credit. The granting of credit by KAMM Mekarsari Branch provides the possibility for a business to develop its activities or to the general public, both those who want to open new business fields and to fulfill their needs.

Based on data from the number of debtors in KAMM Cab. Mekarsari was quite good at the beginning of the year, then decreased quite a lot in June, but the number was gradually able to rise again even though it was still experiencing a decline at the end of 2019. When viewed from the side of debtors who took credit at KAMM Cab. Mekarsari, of course, there are many things that they take into consideration so they decide to take credit.

Credit decisions made by customers are driven by several influencing factors, namely internal factors, and external factors. The discussion in this study is on external factors, namely factors that come from the company such as service quality and credit procedures.

METHOD

Researchers in this study used a causal research design (Causal Comparative Research) which is also known as causal research, which is one of the ideas of scientific thinking to develop a research methodology (Siyoto & Sodik, 2015). Meanwhile, the research method used in this research is quantitative research. Siyoto & Sodik (2015) argue that in quantitative methods, the problems studied are more general, have a wide area and complex level of variation. This study emphasizes the analysis of numerical data (numbers) which are processed by statistical methods.

RESULTS AND DISCUSSION

Descriptive statistical analysis results are described in terms of frequency, percentage, and mean (average value) of each item and indicators and variables. Where this description can provide an overview of how big the perception of respondents is in providing an assessment of the three variables of this study. The variables in this study include the variables of Credit Provisioning Procedure (X1), Service Quality (X2), and Credit Decision Making (Y). The results of the analysis test are presented in the form of a table as follows:

Descriptive Statistics					
Variabel	N	Min	Max	Mean	Std. Deviation
Prosedur Pemberian Kredit	80	23	40	32,65	4,568
Kualitas Pelayanan	80	29	50	40,84	5,434
Keputusan Pengambilan Kredit	80	30	50	40,35	5,017
Valid N (listwise)	80				

Figure 1. Descriptive Statistical Analysis Results

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
Keputusan Pengambilan Kredit * Prosedur Kredit	Between Groups	(Combined)	1252.477	17	73.675	6.209	.000
		Linearity	1128.474	1	1128.474	95.097	.000
		Deviation from Linearity	124.004	16	7.750	653	.827
Within Groups			735.723	62	11.866		
Total			1988.200	79			

Figure 2. Linearity Test Results (X1 Against Y)

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
Keputusan Pengambilan Kredit * Kualitas Pelayanan	Between Groups	(Combined)	1427.428	19	75.128	8.038	.000
		Linearity	1312.076	1	1312.076	140.386	.000
		Deviation from Linearity	115.352	18	6.408	.686	.811
Within Groups			560.772	60	9.346		
Total			1988.200	79			

Figure 3. Linearity Test Results (X2 Against Y)

Based on the results of the linearity test in the table, it can be seen that the two independent variables above have a significance value of Deviation from Linearity greater than 0.05 so that this shows the research variables have a linear relationship.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.819	2.477		3.157	.002
	Prosedur Kredit	.332	.111	.302	2.981	.004
	Kualitas Pelayanan	.531	.094	.575	5.676	.000

a. Dependent Variable: Keputusan Pengambilan Kredit

Figure 4. Multiple Linear Regression Analysis Test Results

Based on table 4.23 above, the following regression equation is obtained

$$Y = 7.819 + 0.332 + 0.531 + e$$

which means that:

1. Constant = 7,819
 If the variables of Credit Provisioning Procedures and Service Quality are assumed not to exist, then the Credit Decision Making has a value of 7.819.
2. Coefficient of Credit Granting Procedures (X1)
 The coefficient value of the Lending Procedure is 0.332. This means that if every time there is an increase in the value of the Credit Provision Procedure, it will also be followed by an increase in the value of the Credit Making Decision by 0.332.
3. Service Quality Coefficient (X2)
 The service quality coefficient value is 0.531. This means that if every time there is an increase in the value of Service Quality, it will also be followed by an increase in the value of Credit Decision Making by 0.531.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1382.051	2	691.025	87.782	.000 ^b
	Residual	606.149	77	7.872		
	Total	1988.200	79			

Figure 5. Simultaneous Parameter Test Results (Test F)

From table 4.24 above, it can be seen that the significance value is 0.000, which is less than 0.05, which means H_0 is rejected and H_a is accepted. If based on the value of F, it is known that the calculated F is 87.782, while the F table is determined by the formula $(k ; n - k)$, where k (independent variable) = 2, then n (number of samples) = 80, then the results are $(2 ; 78)$. Based on these data, it is known that the F table is 3.11. Because $87.782 > 3.11$, it can be ascertained that H_0 is rejected and H_a is accepted, which means that in this study the variables of credit granting procedures and service quality jointly affect credit decisions at the Anugrah Mega Mandiri Cooperative, Mekarsari Branch.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.819	2.477		3.157	.002
	Prosedur Kredit	.332	.111	.302	2.981	.004
	Kualitas Pelayanan	.531	.094	.575	5.676	.000

Figure 6. Individual Parameter Test Results (t Test)

From table 4.25 above, it can be seen that for the Credit Provisioning Procedure variable () the t-count value is 2.981, and the t-table is taken by the formula $(\alpha/2 ; n - k - 1 \text{ or deresidual})$, where $\alpha = 0.05$, then n (number of samples) = 80 and k (independent variable) = 2, then the result is $(0.025 ; 77)$. Based on these data, it is known that the t table is 1.99125, which means t-count is $2.981 > t \text{ table is } 1.99125$, with a significant value of $0.004 < 0.05$. It is concluded that H_0 is rejected and H_a is accepted, which means partially the Credit Provision Procedure (significant and positive effect on Credit Decision Making (Y)).

Then for the Service Quality variable (it is obtained t count of $5.676 < 1.99125$ (t table), with a significant value of $0.000 < 0.05$. It is concluded that H_0 is rejected and H_a is accepted, which means partially Service Quality (significant and positive effect on Credit Decision (Y)).

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.834 ^a	.695	.687	2.806

a. Predictors: (Constant), Kualitas Pelayanan, Prosedur Kredit

Figure 7. Test Results Coefficient of Determination (R²)

Based on table 4.26 above, the R Square value is 0.695 or 69.5%. This means that 69.5% of the variables of Credit Making Decisions at the Anugrah Mega Mandiri Cooperative Mekarsari Branch can be explained by variations of the two independent variables, namely Credit Provision Procedures and Service Quality. While the remaining 30.5% (100% - 69.5%) is explained by other reasons that are outside the variables in this study.

CONCLUSION

Based on the results of the analysis and discussion of the effect of Credit Procedures and Service Quality on Debtor Decisions in Making Credit at the Anugrah Mega Mandiri Cooperative, Mekarsari Branch, the following conclusions can be drawn:

1. Credit Provision Procedures have a positive and significant impact on the Debtor's Decision in Making Credit. This is evidenced by the t-test where the t-count value is 2.981 > t table 1.99125 and the significant value is 0.004 < 0.05, it is concluded that Ho is rejected and Ha is accepted, which means partially the Credit Provisioning Procedure (positive and significant effect on Credit Decision Decision (Y) Based on the results of 80 questionnaires distributed and returned, there is a maximum number of answers that can be generated as many as 40, while the results of the answers from the credit-granting procedure questionnaire that achieves results of > 29 there are about 60 questionnaires (75%) , it can be concluded that the level of the Lending Procedure variable in this study is high.
2. Service Quality has a positive and significant effect on Debtor Decisions in Making Credit. This is evidenced by the t-test where the t-count value is 5.676 > t-table 1.99125 and the significant value is 0.000 < 0.05, it is concluded that Ho is rejected and Ha is accepted, which means partially Service Quality (positive and significant effect on the decision). Credit Retrieval (Y). Based on the results of 80 questionnaires distributed and returned, there is a maximum number of answers that can be generated as many as 50, while the results of the answers from the credit-granting procedure questionnaire that achieves results of > 37 there are about 58 questionnaires (72%), it can be concluded that the level of the Service Quality variable in this study is high.
3. Simultaneously based on the results of the F test, it is known that the calculated F value > F table is 87.782 > 3.11, it can be ascertained that Ho is rejected and Ha is accepted, which means that in this study the variables of Credit Provisioning Procedure and Service Quality jointly affect the

decision. The debtor in Taking Credit at Anugrah Mega Mandiri Cooperative Mekarsari Branch.

This can also be seen from the results of multiple regression testing where the significance value is 0.000, which is less than 0.05.

REFERENCES

- Ayodya, D., & Khasanah, I. (2016). Analysis of the Effect of Product Differentiation, Product Quality, Service Quality, and Consumer Attitudes towards Mortgage Making Decisions (House Ownership Credit). ISSN: 2337-379.
- Hana, C., & Supriyadi, SG (2019). The Influence of Service Quality and Credit Procedures on Working Capital Credit Decisions for MSME Actors. ISSN : 2598 - 0076.
- Indonesia, I. b. (2014). Managing the Quality of Banking Services. Jakarta: PT Gramedia Pustaka Utama.
- Jaya, I. (2019). Application of Statistics for Educational Research. Jakarta: Prenadamedia Group.
- cashmere. (2014). Bank And Banking Management. Jakarta: PT RajaGrafindo Persada.
- Finance, OJ (2020, March 30). Constitution. Retrieved from UU: www.ojk.go.id
- Latumerisa, JR (2017). Banks And Other Financial Institutions Theory And Policy. Jakarta: Media Discourse Partners.
- Lovelock, C., Wirtz, J., & Mussry, J. (2011). Service Marketing: An Indonesian Perspective. Jakarta: Erlangga.
- Putra, MP (2015, March 30). The Effect of Banking Image on Customer Decisions In Taking Credit With Credit Services And Procedures As Moderating Variables. Retrieved from Undergraduate Thesis: eprint.uny.ac.id.
- Salusu, J. (2015). Strategic Decision Making. Jakarta: Grasindo.
- Sari, FK (2016, January 23). The Influence of Service Quality and Credit Provision Procedures on Credit Making Decisions with Reference Groups as Moderating Variables at the Credit Agency (BKDGombong). Retrieved from Undergraduate Thesis: student.uny.ac.id.
- Sari, FR (2014, March 28). Analysis of Factors Influencing Customer Decisions In Taking Credit. Retrieved from Undergraduate Thesis: eprints.uns.ac.id.
- Schiffman, LG, & Kanuk, LL (2011). Consumer Behavior Seventh Edition. Jakarta: PT Index of the Gramedia group.
- Siahaan, M. (2016). Improving the Competitiveness of the Real Sector in the Era of the ASEAN Economic Community, 16 (2), 275-286. Retrieved from <https://scholar.google.com/citations?hl=en&user=fNLxaSUAAAJ>.
- Siahaan, M. (2017). Lecture Module for Banks and Non-Bank Financial Institutions, 1-50. ISBN: 978-602-61345-0-9. Retrieved from <https://scholar.google.com/citations?hl=en&user=fNLxaSUAAAJ>.
- Simarmata, HM (2017). The Influence of Service Quality, Corporate Image and Credit Interest Rates on Decisions to Make Microcredit Products. 16-31.
- Sodik, MA, & Siyoto, S. (2015). Basic Research Methodology. Yogyakarta: Media Publishing Literacy.
- Sugiyono. (2016). Quantitative, Qualitative, and Combination Research Methods (Mixed Method). Bandung: Alfabeta.
- Sumarwan, U. (2011). Consumer behavior. Jakarta: PT Ghalia Indonesia.
- Suprpto, E., & Puryandani, S. (2020). Analysis of the Effect of Service Quality, Interest Rates, Income, and Education on Customer Decisions to Take Productive Loans at Bank JATENG. Capem Margasari, 73-79.
- Testianingtyas, S. (2019, April 30). Analysis of the Effect of Credit Procedures, Locations, BPR Image, and Credit Interest on Decisions for Appropriate Harmony Loans at BPR Nusamba Cepiring, Kendal. Retrieved from Undergraduate Thesis: eprints.undip.ac.id.
- Thoharudin, M., Suryanti, Y., & Huda, FA (2019). The Influence of Financing Procedures on Financing Decisions at BPD West Kalimantan KCP Syariah Sintang Branch. ISSN: 2541-0938.
- Wibowo, M., & Subagyo, A. (2017). Good Cooperative Governance. Yogyakarta: Depublish.