

THE EFFECT OF BAD DEBTS ON RESIDUAL INCOME AT KAMON COOPERATIVE IN MALAKA DISTRICT

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ABSTRACT

Credit cooperatives are one of the most developed cooperatives in Indonesia. The business it runs is by collecting funds from members and then the funds provide loans to members. bad debts arise due to the failure of poor credit management and members as debtors do not fulfill their obligations, which will affect the acquisition of Residual Income. Based on the results of this study that the magnitude of the influence of bad debts and the remaining 47% of Sisa Hasil Usaha while the remaining 53% is explained by other variables that are not explained in this study such as member participation in making deposits, loans and income.

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1. INTRODUCTION

Cooperatives are basically a form of enterprise with a democratic character, which aims to fight for the improvement of the economic welfare of its members efficiently and effectively. Cooperatives are also one of the economic organizations that have room for movement and broad business opportunities that concern the interests of the people's economic life, thus the development progress of cooperatives plays an increasingly important role in the economy. This is where the true meaning of cooperatives is, namely a joint business association based on the principle of kinship, which has the same goal, namely, wanting to promote shared economic prosperity.[1], this is in accordance with the objectives of cooperatives, namely to improve the welfare of members in particular and society in general[2], [3].

Credit cooperatives or savings and loan cooperatives are one of the cooperatives that is quite developed in Indonesia. The business he runs is by collecting funds from members and then these funds provide loans to members. This is in accordance with the cooperative law No. 17 of 2012, namely credit cooperatives (kopdit) are cooperatives that run a savings and loan business as the only business that serves members.[4]. Thus the provision of loans to members can provide benefits for the welfare of members, so that in the end the goals of the cooperative for the welfare of members can be achieved. In addition to achieving the welfare of members, cooperatives also need to maintain their survival by paying attention to the loans given so that they can be returned on time so that there are no bad loans or problem loans.[5], [6].

Bad credit is credit in which there are obstacles caused by 2 elements, namely the creditor in analyzing and from the debtor who intentionally or unintentionally is in an obligation not to make payments as they should[7]. In accordance with the definition above, the researcher concludes that bad credit arises due to the failure of credit managers who are not good and members as debtors do not fulfill their obligations, which will affect the acquisition of SHU. According to Law No. 25 of 1992 SHU is cooperative income earned in one financial year minus costs, depreciation and other obligations including taxes in the relevant financial year.

Lending is a very important aspect in credit cooperative business activities, because it generates most of its income through interest on loans[8], credit cooperatives must also pay attention to their survival by paying attention to the loans provided so that bad credit does not occur.

The occurrence of bad loans will have an impact on decreasing income so that profits will also decrease[9]. This will adversely affect the survival of the company. In taking credit all obligations to take credit must be completed in accordance with the time of repayment, where settlement includes principal debt, interest payable, administration costs and fines.[10]said, basically taking credit that was returned was smooth or problematic. However, in practice the process of taking credit tends to experience problems. Furthermore, Dendawijaya also said that if taking credit is stagnant, of course it will cause bad

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credit to occur which must be faced by the bank or cooperative[11], [12]. Besides that, it will cause the profit (profit) to be generated.

The Kamon Cooperative, which is located in Bereliku Village, Malaka Regency, is a credit cooperative whose activities are collecting capital from members and non-members, and lending to members in need with the intention of improving the welfare of its members. Based on the results of the initial research, information was obtained that out of all the loans or credit given to members, there were a number of loans that could not be returned to the Cooperative. By the Cooperative, the loan is categorized as bad credit. The remaining business results owned by cooperatives come from members for capital services and business transaction services carried out by the members themselves, transaction services carried out by members to cooperatives, especially credit transactions,

Based on bad credit data at the Kamon Cooperative, then it can be explained that bad loans in 2017 amounted to Rp1,136,489,850 and in 2018 it increased by IDR 1,644,712,781 or 144.72%. in 2019 bad loans increased by IDR 2,982,183,835 or 107.23%. in 2020 bad loans increased by IDR 1,059,806,675 or 18.39%. in 2021 bad loans will increase by IDR 1,791,680,893 or an increase of 26.26%. SHU in 2017 amounted to IDR 1,110,605,789 and in 2018 it increased by IDR 10,974,644 or 0.99%. in 2019 SHU increased by IDR 102,046,052 or an increase of 9.10%. in 2020 SHU decreased by IDR 57,002,470 or decreased by 4.66%. in 2021 SHU has increased by IDR 3,728,459 or an increase of IDR 0.32%.

2. METHODS

This research is a type of associative research because it explains the relationship between two or more variables that are examined[13]. Associative research is research that aims to determine the effect of two or more variables. The data source in this study is the Kamon Cooperative in 2017-2021 in Malacca District. The technique used to collect data in research is documentation study, which is a data collection technique carried out by researchers through collecting documents related to the problem under study, such as data on the amount of bad loans and remaining business results obtained from financial report documents and RAT books. Kamon Cooperative 2017-2021. The data that has been collected is analyzed using statistical techniques, namely using simple linear regression to determine the effect of bad loans on the remaining business results in the Kamon Cooperative with the following formula:

1. Look for the correlation/relationship of bad loans to Remaining Business Results, using correlation techniques according to[14], as follows :

- a. Correlation formula:

$$r = \frac{n \sum XiYi - (\sum Xi)(\sum Yi)}{\sqrt{\{(n \sum Xi^2 - (\sum Xi)^2)\{n \sum Yi^2 - (\sum Yi)^2\}}}}$$

Information :

r = correlation coefficient
 n = total data for 2014-2018
 X = bad credit
 Y = SHU after tax

- b. Decision Rule

If r is close to 1 or -1, the relationship between the two variables, namely Bad Debt (X) and SHU (Y), will be even tighter. But if it is close to 0, then the relationship is getting weaker, Dewi Prianto (2012:20).

2. After knowing the level of relationship between the two variables, then analyzing the level of influence of the two variables using a simple linear regression analysis technique with the formula proposed[14].

- a. Formula: $Y = a + bx$

Information :

Y : dependent variable (SHU)
 a : Price Y if X = 0 (constant price)
 b : regression coefficient or number, which shows the increase or decrease in the dependent variable based on the independent variable.
 X : independent variable (bad credit) that has a certain value.

- b. Decision Rule

So the price b is a function of the correlation coefficient. If the correlation coefficient is high, then the b value is also large, conversely if the correlation coefficient is low, the b price is also low (small). In addition, the correlation coefficient is negative. then the price

is also negative, and vice versa if the correlation coefficient is positive then the price b is also positive.

3. Hypothesis test

To find out (get answers) whether there is a significant regression coefficient (estimator) or not. In this case, to determine the closeness of the relationship between credit and Remaining Results of Operations based on classification using the T test.

a. T Test Formula:

$$t = \frac{r\sqrt{n-k}}{\sqrt{1-r^2}}$$

Information :

t = product moment correlation

n = amount of data

k = the number of variables

r = correlation coefficient

Error rate () = 5% (0.05) α

b. Decision making rules:

If sig < then accept Ha and reject H0 meaning, bad credit (variable X) affects SHU. Conversely, if sig \geq then accept H0 and reject Ha, meaning that bad loans (variable X) have no effect on SHU (variable Y). α

4. Calculating the effect of bad loans on SHU after the Kampon cooperative tax in 2017-2021 using the coefficient of determination (KD) with the formula[15], as follows :

$$KD = r^2 \times 100\%$$

Information :

KD = Coefficient of Determination

r = Correlation Coefficient

3. RESULTS AND DISCUSSION

a. Total Savings and Loans at the Kamon Cooperative for 2017 - 2021

Table 1. Total Member Savings & Loans at the Kamon Cooperative for 2017-2021

Year	Member Savings	Member Loans
2017	14,497,224,267	26,766,082,691
2018	17,466,082,999	30,513,783,127
2019	19,792,448,164	41,910,347,036
2020	24,752,461,485	56,604,754,575
2021	29,375,252,297	71,932,554,813

Source: Kamon Cooperative in 2022

Based on the table above, it can be seen that the principal savings in 2017 amounted to Rp14,497,224,267 and in 2018 it increased by IDR 2,968,858,732 or 20.48%. in 2019 member savings increased by IDR 2,326,365,165 or 13.32%. in 2020 member savings increased by IDR 4,960,013,321 or 25.06%. in 2021 member savings will increase by IDR 4,622,790,812 or 18.68%.

Member loans in 2017 amounted to IDR 26,766,082,691 and in 2018 it increased by IDR 3,747,700,436 or 14.00%. in 2019 member loans increased by IDR 11,396,563,909 or an increase of 37.35%. in 2020 member loans increased by IDR 14,694,407,539 or an increase of 35.06%. in 2021 member loans will increase by IDR 15,327,800,238 or an increase of 27.08%.

b. Total Bad Loans and SHU of the Kamon Cooperative in 2017 - 2021

Table 2. Total Bad Credit & SHU at Kupang Adiguna Kopdit 2017 - 2021

Year	Bad credit	SHU
2014	1,136,489,850	1,110,605,789
2015	2,781,202,631	1,121,580,433
2016	5,763,386,466	1,223,626,485

2017	6,823,193,141	1,166,624,015
2018	8,614,874,034	1,170,352,474

Source: Kamon Cooperative in 2022

In the table above it can be seen that bad loans in 2017 amounted to Rp1,136,489,850 and in 2018 it increased by IDR 1,644,712,781 or 144.72%. in 2019 bad loans increased by IDR 2,982,183,835 or 107.23%. in 2020 bad loans increased by IDR 1,059,806,675 or 18.39%. in 2021 bad loans will increase by IDR 1,791,680,893 or an increase of 26.26%.

The remaining operating results in 2017 amounted to IDR 1,110,605,789 and in 2018 it increased by IDR 10,974,644 or 0.99%. in 2019 the remaining operating results increased by IDR 102,046,052 or an increase of 9.10%. in 2020, the remaining operating results decreased by IDR 57,002,470 or decreased by 4.66%. in 2021, the remaining operating results will increase by IDR 3,728,459 or increase by IDR 0.32%.

DISCUSSION

Based on the data that has been collected, the researchers analyzed the data using statistical techniques, namely using simple linear regression, the aim was to determine the effect of Bad Credit (Variable X) on Remaining Business Results (Variable Y) at the Kamon Cooperative in Malacca Regency in 2017 - 2021. Results of the analysis obtained with the help of the Statistical Package and Service Solution (SPSS) computer program version 16 and is described in the following sub-discussion:

a. Analysis of the Effect of Bad Loans on the Remaining Results of Operations at the Kamon Cooperative in 2017 - 2021

In analyzing the influence between bad loans and the remaining business results, it can be seen from the results of the correlation analysis. The results of the analysis show that the correlation coefficient (r) between bad loans and the remaining operating results is 0.685. The results of the analysis can be seen in the following table:

Table 3. Correlation Coefficient of Variables X and Y

		Bad Credit (X)	SHU (Y)
Bad Credit (X)	Pearson Correlation	1	.685
	Sig. (2-tailed)		.202
	N	5	5
SHU (Y)	Pearson Correlation	.685	1
	Sig. (2-tailed)	.202	
	N	5	5

Source: Attachment Spss

Based on the results of data analysis in table 1.4 above, it can be explained as follows: a correlation of 0.685 means that bad credit (variable x) and Remaining Business Results (variable Y) have a weak relationship.

b. Analysis of the Effect of Bad Loans on the Remaining Results of Operations at the Kamon Cooperative in 2017 - 2021.

After knowing the effect of bad credit (variable X) and Remaining Results of Operations (variable Y). the next step the researcher analyzed the effect of the two variables which was shown based on the processed data through the regression coefficient (b) with the regression equation $Y=a+bX$. To explain the effect of bad loans on the Remaining Results of Operations at the Kamon Cooperative in 2017 - 2021, it can be seen in table 4 below:

Table 4. Simple Linear Regression Results of Variables X and Y

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Betas		
1 (Constant)	1107485488.460	35622729690		31,089	.000
Bad Credit (X)	010	006	.685	1629	.202

Source: Attachment Spss

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Based on table 4 above, it can be explained as follows: Bad credit does not have a significant effect on Remaining Business Results where the value of 0.202 means that the alpha value is $0.202 > 0.05$.

$$Y = 1107485488.460 + 0.010X$$

Thus it is interpreted that:

1. The value of a (constant) = 1,107,485,488,460 means that if there is no bad credit, then the amount of remaining business results at the Kamon Cooperative will be IDR 1,107,485,488,460
2. Simple linear correlation value (b) = 0.010, explaining that if bad loans increase by Rp. 1, the remaining operating results will also decrease by Rp. 0.010.

c. Analysis of Hypothesis Testing Between Bad Loans and Remaining Results of Kamon Cooperative Business in 2017-2021

Hypothesis testing is carried out to ensure that the regression equation formed is able to predict the Remaining Results of Operations obtained through the t test. The t test is used to find out whether the regression model, namely bad loans, has an effect on the remaining operating results, which can be seen in table 5 below:

Table 5. Hypothesis Testing

	Model	t	Sig.
1	(Constant)	31,089	.000
	Bad Credit (X)	1629	.202

Based on table 5 above, it can be explained that the Sig value is 0.202 and the alpha is 0.05. From this value, it shows that there is no significant effect between bad loans and Remaining Business Results because the Sig value $> \alpha$ is $0.202 > 0.05$, so it can be decided to reject H_a and accept H_o , which means bad credit does not have a significant effect on the Remaining Operating Results.

d. Analysis of the Magnitude of the Effect of Bad Loans on the Remaining Results of Operations at the Kamon Cooperative in 2017 – 2021.

The magnitude of the effect of bad loans on the Remaining Operating Results is known through the analysis of the Coefficient of Determination (r^2). Can be seen in table 6 below:

Table 6. The Magnitude of the Effect of Bad Credit on SHU

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.685a	.470	.293	37856981.60451

The results of the analysis of the coefficient of determination (r^2) will show how large the percentage of variation in the independent variables used in the model, namely bad loans, is able to explain the variation in the dependent variable, namely Remaining Business Results. The magnitude of the effect of bad loans on the Remaining Results of Operations at the Kamon Cooperative in 2017-2021 shows that the value of the coefficient of determination (r^2) between bad loans and Remaining Operating Results is 47% while the remaining 53% is explained by other variables not explained in this study such as member participation in making deposits, loans and income.

4. CONCLUSION

The results of data analysis can be obtained by the regression equation $Y = 1,107,485,488,460 + 0.010X$ after testing the hypothesis, it can be seen that bad loans have no effect on the remaining operating results. Although statistically it has no effect, in reality bad loans still have an effect on Remaining Operating Results even though the effect is small. The magnitude of the effect of bad loans and Remaining Business Results is 47% while the remaining 53% is explained by other variables not explained in this study such as member participation in making savings, loans and income.

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