

FACTORS AFFECTING MICRO SMALL AND MEDIUM ENTERPRISES (MSMEs) REVENUE OF PEOPLE'S BUSINESS CREDIT (KUR) RECEIVERS IN DONGGALA REGENCY

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ABSTRACT

This research aims to determine the factors affecting micro small and medium enterprises (MSMEs) revenue of people's business credit (KUR) receivers in Donggala Regency. Factors that allegedly influenced the income of MSMEs of KUR recipients include turnover, length of business, number of manpower and number of KUR. This research was conducted in December 2016 until January 2017 in Donggala Regency. The number of samples used are 43 debtors from Bank Nasional Indonesia (BNI), Bank Rakyat Indonesia (BRI) and Bank Mandiri. The sample is using snowball sampling method, and the data analyzed using Multiple Linear Regression Analysis. Based on the analysis result, it can be concluded that the factors that influence the revenue of MSMEs of KUR receiver are the turnover, the number of labor and the KUR number while the old factor of business does not affect the revenue of MSMEs receiving KUR.

Key Words : Income of MSMEs of KUR recipients, KUR, MSMEs.

INTRODUCTION

Micro Small and Medium Enterprises (MSMEs) is one form of business activities that play a strategic role in the economic growth of the region and national economy. Proven when the Indonesian state faced the economic crisis in the past few years, where many large-scale businesses that experienced a downturn and even stop its activities, this sector proved more resilient in the face of the economic crisis. It is known that MSMEs generally located in rural areas will have a positive impact on poverty reduction, income distribution and economic development in rural areas. It is important that MSMEs need special attention from the government for not only generating income for most of the workforce but also spearheading the poverty alleviation effort in Indonesia (Kuncoro, 2010).

The weakness of the marketing system in obtaining market opportunities and increasing market share, the weakness

of capital structure and the limitations to obtain the path to the capital resources and the weakness of the organization system and human resource management are the main problems faced by MSMEs. Problems also arise in the network of cooperation among small entrepreneurs are very limited where, the business climate is less conducive to causing business competition that mutually deadly (Kuncoro, 2010).

Encouraging the growth of Micro Small and Medium Enterprises (MSMEs) the Government of the Republic of Indonesia inaugurated the credit for MSMEs with the guarantees under the name of People's Business Credit (KUR). People's Business Credit (KUR) is distributed without collateral prioritized on small and medium enterprises (MSMEs) and Cooperatives this is, because MSMEs and cooperatives is a form of business activities that most are in the community and most need capital to conduct business activities. The process of granting credit to MSMEs and Cooperatives

still refers to the mechanisms in accordance with the prevailing regulations and still put forward the principles of trust and prudent principles with reference to the principles of 5 C namely Character, Capacity, Capital, Conditions of Economy and Collateral (Sukarjono and Herry, 2014).

KUR receivers in 2016 in Central Sulawesi reached 9,191 debtors of SMEs where, KUR funds disbursed July period of 2016 in Central Sulawesi Province amounting to Rp 379,819,654,042. Donggala regency is one of the regions in Central Sulawesi region belonging to the region with share of KUR below the average share of Central Sulawesi KUR. The amount of KUR that has been distributed amounted to 5.78% or Rp21.593.576.004 with the number of MSMEs receivers KUR in Donggala District in 2016 reached 1,904 units of MSMEs (Bank Indonesia, 2016).

KUR capital disbursed to MSMEs in Donggala District is expected to provide a change towards a better or instead of capital that is distributed does not give effect to MSMEs. The effect of KUR can be seen from the change of MSMEs revenue after receiving KUR but, income change after receiving KUR is not only influenced by the amount of KUR capital received. There are several internal and external factors of the company contributing to the revenue of MSMEs after receiving KUR so that research needs to be done on Factors Affecting MSMEs Revenue of KUR receivers in Donggala District.

RESEARCH METHODS

This research was conducted in Donggala District, Central Sulawesi Province. The research was conducted in 2016.

The population in this study are all MSMEs receiving KUR from government-owned banks. The Bank's related banks are Bank Rakyat Indonesia (BRI), Bank Nasional Indonesia (BNI) and Bank Mandiri.

The sample in this study was determined by using the snowball sampling method. Snowball sampling is a snowball sampling technique, where the original sample

is small and then the sample members (respondents) are asked to show their relatives to be sampled and so on to increase the number of samples (Riduwan, 2013). Siregar (2013), said that snowball technique is used in research that prospective respondents are difficult to identify.

Determination of sample size in this study using Slovin technique, Slovin technique used to obtain samples that can mencandrakan population for the results of research can be generalized and the calculation does not use the table the number of samples. The Slovin formula for determining the study sample is as follows (Siregar, 2013):

$$n = \frac{N}{1 + Ne^2}$$

Information:

N = Number of Sample

N = Total Population

E = Percentage of Tolerance Error

The total population of MSMEs of KUR receivers in Donggala Regency is 1,904 MSMEs with percentage limit of fault tolerance (e) 15%. The number of MSMEs sample of KUR receivers in Donggala Regency is 43 units of MSMEs.

The type of data used in this study consists of primary data and secondary data. Primary data is obtained through observation and direct interview with respondents in the field, where the interview is done by using questionnaire. Secondary data were obtained from relevant agencies and literature studies such as books, journals, publications of Government Regulations and Act (UU) relevant to the purpose of this study.

Data analysis. Multiple linear regression analysis is a regression model used to make the relationship between one dependent variable and several independent variables (Nachrowi and Hardius, 2005). The general form of the regression model for k independent variables is as follows (Tiro, 2010):

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_k X_k + e \quad (i)$$

This study uses several quantitative independent variables, so based on equation (i) multiple linear regression model to know the factors that influence the income of Micro Small and Medium Enterprises (MSMEs) receiver of People's Business Credit (KUR) in Donggala Regency can be written as follows:

$$Y = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + e \quad (ii)$$

Information:

Y = MSMEs revenue of KUR receiver (Rp)

B₀ = Intercept

X₁ = Omzet (Rp)

X₂ = Old Business (Year)

X₃ = Number of Labor (People)

X₄ = Total KUR (Rp)

B₁ = Regression coefficient Turnover (Rp)

B₂ = Regression coefficient lama usaha (Year)

B₃ = Regression coefficient Number of Labor (People)

B₄ = Regression coefficient Total KUR (Rp)

E = Residual

Measuring the accuracy of multiple linear regression model is used the following formula:

1. Coefficient of determination (R²); Used to know the percentage of dependent variable can be explained by independent variable. The model is considered good if R² = 1 or close to 1, with the formula used:

$$R^2 = JK. \text{ Regression} / JK. \text{ Total} \quad (iii)$$

Information :

JK = The sum of squares.

2. F-test (over all test); Used to determine the influence of all independent variables together affect the dependent variable. Hypothesis to be tested:

$$H_0 : b_1 = b_2 = b_3 = \dots = b_i = 0$$

H_a : not all b_i ≠ 0, with formula that used

$$F\text{-count} = KT. \text{ Regression} / KT. \text{ Error} \quad (vi)$$

$$KT = JK. / Db \quad (v)$$

Information :

KT = Middle square,

Db = Free degrees

$$F\text{-table} = [k ; (n-k) ; \alpha]$$

If F-arithmetic > F table, then H₀ is rejected, meaning that simultaneously independent variable has real effect to dependent variable with α error rate.

If F-arithmetic ≤ F table, then H₀ is accepted, meaning that simultaneously the independent variable has no significant effect on the independent variable with the error rate α.

3. Test-t (individual test); Used to determine the influence of each independent variable in influencing the dependent variable.

Hypothesis to be tested :

$$H_0 : b_i = 0$$

H_a : b_i ≠ 0, formula that used

$$t\text{- arithmetic} = b_i / St.b_i \quad (vi)$$

Information :

b_i = regression coefficient b_i

St.b_i = standard error b_i.

If t-arithmetic > t table, then H₀ is rejected, meaning individually (partial) independent variables significantly affect the dependent variable with the error rate α. If t-arithmetic ≤ t table, then H₀ accepted, means that individually independent variables have no significant effect on the dependent variable with the error rate α.

Multiple linear regression model can be regarded as a good model if it meets the assumption of data normality and free from classical assumptions, both normality, multicollinearity and heteroscedasticity.

RESULTS AND DISCUSSION

Results of Data Analysis and Discussion

Normality Test. Normality test results known that the data spread around the diagonal line and follow the direction of the diagonal line, so it can be concluded that the data or regression model in this study meet the assumption of normality.

Multicollinearity Test. The result of multicollinearity test is known that each independent variable has a tolerance value greater than 0,05 and VIF value more than 1 and less than 10. In conclusion

that this regression model does not occur multicollinearity among independent variables.

Heterocedasticity Test. The result of the heterocedasticity test is known that the scatterplot graph has spots that spread randomly above or below the number 0 on the Y axis and does not form a certain pattern. The conclusion is that this regression model does not experience heterokedastisitas in observation.

Simultaneous Test with F-test. Based on SPSS analysis result F-test is seen in Table ANOVA that prob. F arithmetic (sig) < a significant level of 0,000 < 0.05. Based on comparison between F-arithmetic and F-table that F-count more than F-table that is 85,008 > 2,62. The conclusion is that the multiple linear regression model that is formulated is feasible to be used because the exogenous variable of turnover, length of business, the number of manpower and the number of KUR simultaneously or simultaneously have a significant effect on the income of MSMEs receiving KUR.

Partial Test with t-test. Based on the result of SPSS t-test on Coefficient table shows that the exogenous variable coefficient omzet, length of business, the amount of labor and the amount of KUR. The coefficients of exogenous variables form a regression equation are as follows:

$$Y_1 = 4,704 + 0,671X_1 + 0,048X_2 + 0,411X_3 + 0,460X_4 + e_2 \quad (\text{vii})$$

Based on the SPSS testing of individual parameters, an intercept value of 4,704 is obtained, which means that the amount of MSMEs revenue of KUR receivers is Rp 4.70 if the independent variable is considered constant. Turnover (X1) shows t arithmetic > t table is 6,504 > 2,024 and significant value < significance level that is 0.000 < 0,05. In conclusion that the turnover variable (X1) has a significant positive effect on the income of MSMEs receiving KUR. The value of Standardized coefficients beta of 0.671 means that any increase in turnover of 1% will increase MSMEs revenue of KUR receivers by

0.67%. The results of this study are in accordance with the Jamaican study, et al. (2014), about the analysis of factors affecting the income of furniture entrepreneurs in Kecamatan Leces in Probolinggo District that increased sales turnover will increase MSMEs revenue. Sales turnover is a gross profit that has not been deducted by these costs, illustrates that MSMEs do not need many additional costs to make profits so that sales can be improved.

The results of the test of the individual long-time (X₂) shows t count < t table is 0.902 < 2.024 and significant value > significant level of 0.373 > 0.05. The conclusion that the variable length of business (X₂) has no significant effect on the revenue of MSMEs receiving KUR. The value of Standardized coefficients beta of 0.048 means that any 1% increase in business time will increase the KUR income by 0.05%. The results of this study in accordance with the results of research Sinaga (2011), about the analysis of factors that affect the revenue of MSMEs in the City Pematangsiantar that the length of business is positive but not have an effect on the MSMEs revenue. This means that the length of business does not affect the establishment of business in generating income where, managers are less able to innovate products so that MSMEs are in a static position. In accordance with the opinion of Kuncoro (2010), that the challenges and problems faced by MSMEs with a turnover below Rp 300 million per year is the perpetrator of MSMEs in principle that selling safely is enough.

The results of individual testing the amount of labor (X₃) shows t arithmetic > t table is 5.077 > 2.024 and significant value < significant level of 0.000 < 0.05. The conclusion that the variable amount of workforce (X₃) has a significant positive effect on the income of MSMEs receiving KUR. The value of Standardized coefficients beta of 0.411 means that any increase in employment by 1% will increase the revenue of MSMEs receiving KUR by 0.411%. The results of this study in

accordance with research Sinaga (2011), on the analysis of factors that affect the revenue of MSMEs in Pematangsiantar City. The increasing number of workers will increase the amount of MSMEs revenue for KUR recipients because the more labor used in MSMEs, the greater the amount of production produced so that the income is also increased.

The results of individual testing the number of KUR (Y_1) shows $t_{count} > t_{table}$ is $5.561 > 2.024$ and significant value $<$ significant level of $0,000 < 0.05$. The conclusion that the variable number of KUR (Y_1) has a significant positive effect on the income of MSMEs receiving KUR. The value of Standardized coefficients beta of 0.460 means that any increase in the number of KUR by 1% will increase the income of MSMEs of KUR receivers by 0.460%. The results of this study in accordance with research Mahmudah (2015), on Analysis of the Effect of Granting of People's Business Credit (KUR) BRI Unit Laren Against Increasing Profits Micro (Small) In Laren District Lamongan District. The results showed that the value of X amounted to 0.320 which means the higher the credit capital will be the higher the rate of gain changes.

Coefficient of Determination (R^2). The coefficient of determination (R^2) model 2 (two) is aimed to know the amount of variable ability of turnover (X_1), length of business (X_2), total labor (X_3) and total KUR (Y_1) as a whole in explaining the dependent variable of SME revenue receiving KUR (Y_2). Based on SPSS analysis result obtained R Square value in Summary

Model table equal to 0,899 or 89,9%. This means that the income variable of MSMEs of KUR receiver can be explained by turnover, length of business, total labor and KUR amounting to 89.9% and the remaining 10.1% can not be explained or explained by other variables outside the model.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Based on the explanation of the results and discussion in the previous chapter, it can be concluded that the factors that affect the revenue of MSMEs receiving KUR is turnover, the number of labor and the number of KUR. The old factor of business does not affect the revenue of MSMEs receiving KUR.

Recommendations

Reccomendations that can be given based on the results of research that has been done are as follows:

1. Based on the results of research showing that the length of business does not affect the income of KUR, it is expected to the business actor that the success of MSMEs can not be measured from the age of MSMEs but how to improve production through capital utilization KUR and labor management.
2. For the next researchers who are interested to examine MSMEs receiving KUR in order to examine other variables that have not been studied in this study.

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