The influence of giving people business credit (KUR) on increasing UMKM profit

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Info Artikel	ABSTRACT
	The purpose of this study was to analyze the effect of KUR on increasing micro business profits on KUR customers at Bank BRI Sangeti Unit and to analyze how much influence KUR provides on increasing micro business profits on KUR customers at Bank BRI Sangeti Unit. The method used in this study is quantitative with the research object KUR Bank BRI customers, Sangeti Unit, Muara Jambi Regency, 2022 research year. The popuation in this study were 644 customers and the sample used in this study was 10% of the population, namely 64 customers. the results of the study that there is an influence between the provision of people's business loans on increasing profits of UMKM customers of Sengeti bank units, this is proven by a significance value of 0.000 <0.05 and a large effect of 18.5%. The People's Business Credit Program (KUR) as a whole has been well implemented, therefore it should be maintained so that this program can continue to benefit micro and small businesses in meeting their capital needs and business development, and being able to increase the profits or profits they get from business results. which is executed.

INTRODUCTION

The economic crisis that hit Indonesia since mid-1997, which began with the rupiah exchange rate crisis against the US dollar and the monetary crisis, has resulted in the Indonesian economy experiencing a major recession and negatively affecting almost all levels of society (Darmawan, 2019). Level shape inflation, people's real income per capita decreases, and unemployment and poverty increase.

In this regard, the Micro, Small and Medium Enterprises (UMKM) sector is a formidable business in the midst of the economic crisis (Hasri et al., 2014). UMKM's are becoming more resilient and remain optimistic in the midst of the crisis, this is evidenced when the storm of the monetary crisis hit Indonesia in 1997-1998, small and medium-scale businesses were relatively able to survive compared to large companies (Fifi, 2020). The importance of small and medium enterprises, especially in developing countries, is often associated with economic and social problems such as poverty, unemployment, inequality in income distribution, and others (Indika & Marliza, 2019). That is, the existence of SMEs is expected to make a positive contribution to efforts to overcome the problems mentioned above (Arisandi, 2018).

This data has been studied by many other researchers, one of which is done by Atin (2019), in a thesis entitled the effect of the effectiveness of people's business credit (KUR) on increasing micro business profits. The results of that study indicate that the people's business credit (KUR) bank bri purwomartani unit has been running effectively; and shows that the effectiveness of the correct use of fundss, the amount of credit, credit load, and procedures have a significant positive effect on increasing micro business profits both partially and simultaneously.

The data we use is from 2019-2021 during the Covid-19 pandemic, SMEs are one of the businesses that have experienced a major impact due to Covid-19 due to the pattern of consumption of goods and services by the public from offline to online. SMEs must have difficulties in achieving their targets. targets to be achieved when the economy is disrupted (Mulyantomo et al., 2021).

The phenomenon or problem that occurs in our writing is a mismatch between expectations and facts where the bank (creditor) and the UMKM owner (debtor) hope that the provision of people's business credit can increase profits or profits, but in fact not a few debtors are experienced a loss until

it went bankrupt and moreover the guarantee was confiscated by the bank itself. That is the problem that underlies this research.

The results of Saragih & Nasution (2015) research show that Own Capital and People's Business Credit (KUR) are positively correlated with the income of Toba Samosir MSME entrepreneurs (KUR) are positively correlated with the income of Toba Samosir MSME entrepreneurs. The results of Manullang (2022) research show that the provision of people's business credit has a positive and significant influence on MSME income. From the test results, it is proven that the t value of people's business credit is 3.827 with a significance level of 0.000 or smaller than 0.05.

To obtain optimal results, of course, guidance and assistance to business actors must be carried out so that the use of the funds provided is in accordance with what it should be, namely increasing working capital so that their business can develop and be able to support the economy (Prayogi et al., 2021). The purpose of this study was to analyze the effect of KUR on increasing micro business profits on KUR customers at Bank BRI Sangeti Unit and to analyze how much influence KUR provides on increasing micro business profits on KUR customers at Bank BRI Sangeti Unit.

RESEARCH METHOD

This type of research is a quantitative research. According to Sugiyono (2019), research with quantitative methods is a research method based on the philosophy of positivism, quantitative methods are used in research with a determined population or sample, data is collected using research instruments, quantitative or statistical data analysis is carried out, aimed at testing predetermined conjectures.

The type of data used in this research consists of primary data and secondary data. Primary data is data taken directly from the object of research, namely KUR customers of Bank BRI Sangeti Unit, Muara Jambi Regency, while secondary data is data obtained indirectly from the object of research, namely related institutions such as Bank BRI (Bank Rakyat Indonesia), books, journals, and the internet related to this research. the research was conducted in 2022. The population in this study were 644 customers and the sample used in this study was 10% of the population, namely 64 customers. Operational definitions of the dependent and independent variables in this research.

1. Profit Increase (Y)

In this study, the increase in business profit/profit is defined as the change in profits generated by customers before obtaining KUR and after obtaining KUR.

2. Giving KUR (X)

The definition of giving credit in this study is the amount of loans given by the bank to credit borrowing customers from funds previously submitted by customers (Setyawan, 2020).

The data collection technique used in this study was a questionnaire and the analysis technique used by researchers in this case was simple linear regression analysis.
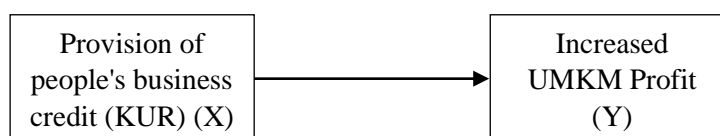

Figure 1 Research Framework

Based on the framework above, the research hypothesis is as follows:
H0: it is suspected that the giving of KUR does not have a partial effect on increasing MSMEs profits
Ha: giving credit has a partial effect on increasing MSME business profits.

The results of this study indicate that this research is in line with previous research conducted by Budi Setyo Nugroho (2013), in a thesis entitled The Impact of Providing People's Business Credit (KUR) on Increasing the Income of Micro, Small and Medium Enterprises (MSMEs) in Karanganyar Regency. The results of this study indicate that the KUR assistance program in Karanganyar Regency is said to be effective when viewed from the input and output point of view, but is still classified as less effective when viewed from the process. And the results of this study indicate that the KUR assistance program has a positive impact on increasing the income of Micro, Small and Medium Enterprises (MSMEs) in Karanganyar Regency.

RESULT AND DISCUSSION
Research Result

Coefficients ᵃ

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Beta		
(Constant)	6,944	3,778		1,838	.071
Giving KUR	0.647	0.173	0.43	,746	0

a. Dependent Variable: increase in profit

Source: SPSS calculation results 2 4 , 202 2

Based on the table above, it is known that the constant value (a) is 6.944 meanwhile the value of the granting of credit variable is 0.647 so that the regression equation is known:

$$Y = a + bX \qquad (1)$$
$$Y = 6.944 + 0.647X$$

It means:
1. A constant of 6.944 means that the consistency of the variable y is 6.944
2. The regression coefficient X of 0.647 states that for every 1% addition in the value of the x variable, the value of the y variable increases by 0.647
   The regression coefficient is positive, so it can be said that the direction of the influence of variable X on Y is positive.

Results of the Analysis of the Magnitude of the Effect of Giving KUR on Increasing Profits UMKM Bank BRI Unit Sengeti customers

Model Summary

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	,430 ᵃ	0.185	0.171	2,057

a. Predictors: (Constant), giving KUR

Source: SPSS calculation results 2 4 , 2022

The table above explains the value of the correlation/relationship (R) which is 0.430. From the output, the coefficient of determination (R square) is 0.185, which means that the effect of the value of the curating variable (X) on the variable value of increasing MSME profit (Y) is 18, 5% (0.185 x 100%) while the remaining 81.5% is influenced by other variables not examined in this study, one of which is the marketing strategy, the use of funds, the use of technology for media promotion.

Discussion

Banks are known as financial institutions whose main activities are accepting demand deposits, savings, and time deposits. Banks are also known as places to exchange money, move money or receive all kinds of payments and deposits such as payments for electricity, telephone, water, taxes, school fees, and other payments (Kasmir, 2014).

KUR is credit or financing for working capital or investment specifically intended for Micro, Small and Medium Enterprises and cooperatives (UMKMK) in the productive business sector whose businesses are feasible but have limitations in meeting the requirements set by banks (not yet bankable). KUR is a program included in the Poverty Reduction Program Group Based on Empowerment of Micro and Small Economic Enterprises in order to increase access to capital and other resources for micro and small businesses (Ulfa & Mulyadi, 2020).

According to (Tarima, 2016), profitability is the company's ability to earn profits in relation to sales, total assets and own capital. The most important goal that a business wants to achieve is to obtain maximum profit or profit. Profit is the ability of a company to generate profit (profit) at a certain level of sales, assets and share capital (Paranesa et al., 2019). Relationship between the Effect of Lending on Increasing Micro Business Profits of Customers of Bank Rakyat Indonesia Sengeti

Unit Lending credit is very important for business continuity (Puspita et al., 2022), loan funds obtained from banks can be utilized properly by business actors, so that the credit received is able to increase business development and profit / profit (Sujarweni & Utami, 2015).

Based on the test results, a constant of 6.944 was obtained, which shows that the consistency of variable y, namely the increase in MSME profits, is 6.944. The regression coefficient X (KUR granting) of 0.647 states that every 1% increase in the value of KUR granting, the profit value of MSMEs increases by 0.647. The regression coefficient is positive, so it can be said that the direction of the influence of variable X on Y is positive. So it is concluded that the provision of KUR has a positive influence on increasing MSME profits. From the output, the coefficient of determination (R square) is 0.185, which means that the effect of the value of the curation variable (KUR provision) on the value of the variable on increasing MSME profits (Y) is 18.5% (0.185 x 100%) while the remaining 81.5% is influenced by other variables not examined in this study, one of which is marketing strategy, use of funds, use of technology for promotional media.

From the result, it can be concluded that the provision of KUR (X) has an effect on the variable of increasing MSME profit (Y). The results of this study are in line with the results of research by Atin (2019) which shows that people's business credit (KUR) has been running effectively; and shows that the effectiveness of the accuracy of the use of funds, the amount of credit, credit charges, and procedures has a significant positive effect on increasing micro business profits both partially and simultaneously.

Conclusion

There is a partial effect between the provision of people's business loans to the increase in the profit of SME Bank customers in the Sengeti unit, this is proven by the significance value of 0.000 <0.05, it can be concluded that the KUR variable (X) has an effect on the variable of increasing MSME profit (Y). Based on the value of t; it is known that the t arithmetic value is 3.746 > t table 1.670, it can be concluded that the provision of KUR (X) has an effect on the variable of increasing MSME profit (Y). The magnitude of the influence of the provision of people's business credit to the increase in the profit of the Sengeti unit bank UMKM customers is 18.5% while the remaining 81.5% is influenced by other variables that are not examined in this study.

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