

THE EFFECT OF CREDIT ASSESSMENT AND HUMAN RESOURCE QUALITY ON THE DECISION TO PROVIDE BUSINESS DEVELOPMENT CAPITAL

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Abstract:

Credit is a provision of loans to the community, in order for an activity that is consumptive and productive. Usually, credit is given by financial institutions such as banks, where banks will provide credit to people who have met the conditions set by the bank. In this case, productive credit is given to people who want to open a business or develop a business that is already owned. But most of the requirements given by banks or financial institutions are not in accordance with reality, where the bank also assesses the human resources that exist in the business being run. This research, is a quantitative study, with analytical tools using SPSS. As for the results obtained, that there is a partial influence of credit assessment on the decision to provide business development capital. The quality of human resources partially affects the provision of business development capital. And simultaneously, the credit assessment and quality of human resources affect the provision of business development capital, with a value of Rsequer 53.2%

Keywords: *Credit Assessment, Hr Quality, Business Development Capital*

Introduction

Credit or financing, is one of the instruments in helping the community to improve the family economy. This instrument, usually used in helping the community, to build or develop a business owned by the community. Therefore, the government will provide direct assistance, and indirectly to the community, and direct assistance in the form of a sum of money distributed to people who have businesses. This fund will be processed by the community, for business development and business development owned, so that the existence of these funds is easy for the community to run the business they want. In addition, the government also provides assistance to the community indirectly, namely through financial institutions in Indonesia, for example by providing financing with small interest, then assistance without interest and so on. It's just that, when the government helps the community in developing their business through financial institutions such as banks, the bank will ask for a letter that the correct person who applied for financing with the government

system, already has a business or will establish a business (Kar et al., 2015). The letter was corroborated by a statement from the head of the ward or other government officials. The provision of credit distributed by the government to people who have businesses, of course, is an encouraging thing for businessmen, where the money given will help the community in the development of business and the establishment of the desired business. In addition to the statement letter given by the public to get credit at the bank, the community must also tell the bank the number of employees they have, it's just that this is intended for businessmen who are already running.

Related to the human resources owned by businessmen, it is also a force in making decisions. That is, when a financial institution or commercial bank has analyzed what is owned by the businessman, then the thing that is seen as an added value is human resources. Because, human resources can determine about the development of the business to be carried out, so many of the financial institutions or commercial banks provide special assessments for businessmen who have human resources that forgive. But there are also businessmen who have human resources that are already forgiving, When applying for financing cannot be financed. After looking deeper, it turned out that the businessman applied for further financing (Lima & Galleli, 2021). That is, the businessman has obtained credit before, and has paid off his obligations, after reapplying for the development of his business, the intended bank or financial institution rejects his application. Meanwhile, businessmen really need further capital to develop the business they manage. Before discussing it too in depth again, the researcher tries to explain about venture capital.

Business capital is a cost to establish or develop a business to be managed. Business capital, can be given by anyone, be it relatives, relatives, and institutions. Business capital that is commonly discussed in society, is business capital provided by financial institutions such as commercial banks. Business capital provided by commercial banks is one of the indicators in helping the community to improve people's living standards, where the community will use the provision of business capital, which is used to develop businesses owned by the community (Behdad et al., 2012). But there are also many people who use this business capital for daily life. That is, there are some people who apply for business capital credit used for a consumptive thing, not used for something productive. Therefore, financial institutions or banks are more selective in providing business capital provided by banks to the public. These problems are commonly occurred by people who want to open a business, where when the capital is used to open a business, and the business runs a few days but does not get consumers, then most of them immediately close their business, so that the money given turns into consumptive. This is what makes researchers interested in conducting research related to credit assessment, the quality of Human Resources, and business development capital.

Literature Review

The theoretical foundations taken or presented in this study are sourced from journals, as for those taken or described in theoretical studies starting from the author's name, title, year of publication of the journal, methods used, and the results obtained. The theoretical foundations taken from several journals are as follows:

First, (Ibrahim et al., 2016) conducted a study with the title "The Political Interest of Managers' Associations towards Karyawan Feelings of Distributive Justice and Job Satisfaction in the Performance of the Assessment System". They conducted a study in 2016. This study investigated the relationship between managers' political interests in performance appraisal systems to distributive feelings of fairness and employee job satisfaction using self-report questionnaires collected from employees at a defense-oriented higher institution in Malaysia. The results of smartpls path analysis model show four important findings: first, motivational motives

are significantly correlated with distributive feelings of justice. Second, the motives of punishment are significantly correlated with the feeling of distributive justice. Third, motivational motives are significantly correlated with job satisfaction. Fourth, punitive motives correlate insignificantly with job satisfaction. The results confirm that the political interests of managers act as important determinants of distributive feelings of justice and the motives of employee motivation act as important determinants of employee job satisfaction in the organization under study. In addition, the study offers discussions, implications and conclusions.

Second, (Izvercian et al., 2014) conducted a study with the title "The Impact of Human Resources and Total Quality Management in the Company". They conducted a study in 2014. This study presents the author's views with respect to the existing relationship between the total quality of management, human resource management, competitiveness and ISO 9000 and the impact of this relationship on the sustainability of the company. The main results of the study are: a comprehensive literature review, the implementation of TQM in terms of human resource management has a positive impact on the sustainability and competitiveness of the company and the presented model offers a holistic view of the positive impact of TQM, human resource management, and ISO on the sustainability and competitiveness of the company.

Third, (Piwowar-Sulej, 2021) conducted a research with the title "Human resource development as an element of sustainable HRM with a focus on production engineers". They conducted research in 2021. The authors analyzed the results of three research projects based on survey methods and representative data from Eurostat and Polish Statistics. Research conducted shows that industrial enterprises in Poland have a shorter view of perspective when it comes to developing the potential of their engineers. Hr development practices focus solely on current needs not in line with SHRM principles from a long-term and flexibility perspective. It can also be seen the lack of employee participation in the decision-related training process, which is another principle of sustainable HRM. In addition, environmental sustainability remains a neglected area of knowledge in terms of training, and cooperation with outsiders of educational institutions is still low. This results in certain implications for HR managers and educational institutions.

Fourth, (Lima & Galleli, 2021) conducted a study with the title "Human resource management and corporate governance: Integration of perspectives and future directions". They conducted research in 2021. They solved it by answering two research questions: How has academic publication progressed? regarding the integration between HRM and CG? and Under which theoretical perspective has the integration between HRM and CG been studied? The study includes publications from 2000 to 2017, and the analysis consists of 79 articles from relevant international journals. The results reveal the dominance of the theoretical perspective of shareholders and the clear legitimacy of HRM as an important variable of CG, but with a secondary position, as a consultant or process provider. In addition to exploring and exposing the state of art in this area of knowledge, through a critical analysis of literature, this study highlights gaps in literature and provides advice for future studies.

Fifth, (Levy & Williams, 2004) conducted a study with the title "The Social Context of Performance Appraisal: A Review and Framework for the Future". They conducted a study in 2004. Performance appraisal research over the past 10 years has begun examining the effects of the social context on the assessment process. Drawing from previous theoretical works, we develop a model of this process and conduct a systematic review of the relevant research. This review of more than 300 articles shows that as a field we have become much more aware of the importance of the social context in which the performance appraisal of processes operates. First, research has expanded the traditional conceptualization of the effectiveness of performance appraisals to include and emphasize ratee reactions. Second, the influence of the feedback environment or feedback culture on the assessment of results performance is a recent focus that

seems to have theories and implications applied. Finally, there seems to be a sizable set of distal variables such as technology, HR strategy, and economic conditions that are potentially important for understanding the assessment process, but receive little attention research. We believe that the focus of recent performance appraisal research has far-reaching implications ranging from the development and improvement of theory to application practice.

Sixth, (Lira, 2014) conducted a study with the title "Satisfaction with the performance appraisal system in the Portuguese public sector: The importance of perceptions of fairness and accuracy". He conducted research in 2014. It aims to: (1) assess whether Portuguese public sector employees are (or are) satisfied with their grading system; (2) dissect the relationship between the perception of fairness and the accuracy of the performance appraisal and the satisfaction with the assessment. To achieve the aforementioned objectives, this researcher decided to conduct an exploratory empirical study, cross-cutting, focusing on a population of 2247 individuals, from which we obtained 334 responses ($n = 334$). After a statistical analysis of the collected data, with descriptive and inferential components, the results point to the fact that employees who have a better perception of the fairness and accuracy of performance appraisals tend to express greater satisfaction with them. However, in general, the sample elements consider the assessment process unfair, inaccurate, and dissatisfied.

Seventh, (Hafiz et al., 2019) conducted a study entitled "Determinant Factor Analysis of Return on Assets in State-Owned Banks Listed on the Indonesia Stock Exchange". They conducted research in 2019. The population used in this study was state-owned bank companies listed on the Indonesia Stock Exchange (IDX) which amounted to 4 companies. Based on the sampling criteria above, a research sample of 4 state-owned bank companies was obtained. The data analysis technique used to test the effect of Non Performing Loans (NPLs), Capital Adequacy Ratio (CAR), and Loan to Deposit Ratio (LDR) on Return on Assets (ROA) both partially and simultaneously is multiple linear regression. The results showed that partially Non Performing Loan (NPL) and Capital Adequacy Ratio (CAR) had a negative and insignificant effect on return on assets. Partially the Loan to Deposit Ratio (LDR) has a negative and significant effect on the Return on Assets. And simultaneously Non Performing Loans, Capital Adequacy Ratio and Loan to Deposit Ratio have a significant effect on the Return on Assets (ROA) of state-owned banks listed on the Indonesia Stock Exchange.

Eighth, (Rodiman et al., 2018) conducted a study with the title "The Influence of Marketing Mix, Service Quality, Islamic Values and Institutional Image on Student Satisfaction and Loyalty". They conducted a study in 2018. This study aims to develop a student loyalty model and apply and perfect the student loyalty model at Private Islamic Universities in Medan City. This research includes associative research. The questionnaire was distributed to 300 students and the survey implied some Likert scale. To process the data, we use Lisrel 8.80. The results showed that the marketing mix, service quality, Islamic value, and institutional image had a positive and significant effect on student satisfaction and loyalty for Private Islamic students studying in Medan.

Ninth, (Albara et al., 2021) conducted a study with the title "Business Intelligence Strengths In Data Science Visualization CPO Price Forecasting Process". They conducted research in 2021. Forecasting is one of the techniques in data mining by utilizing data available in data warehouses. With the development of science, forecasting engineering has also entered the field of computing where forecasting techniques use artificial neural networks (JST) methods. Where the simple forecasting method uses the Time Method series. However, the ability to create data visualizations certainly hinders researchers from maximizing research results. From of course, with the development of the Power BI software, the data science process is more neatly presented in the form of visualization, where the data science process involves various fields so that in this paper the results of forecasting the price of crude palm oil (CPO) are presented for the development of the CPO business in the hope of getting business processes. intelligence (BI) involving JST i.e. series time for forecasting. From the final result, accuracy in forecasting with the time series involving 2 accuracy techniques, the first using MAPE and getting a result of 0.03214% and the second using MSE to get 962.91 results.

Method

This research is a quantitative research with the SPSS analysis tool, where the research was carried out in the environment of the medan city financial institution. In this case, the sampling technique using nonprobability sampling. To determine the size of the sample, the researcher used a method by means of the number of indicators multiplied by 5 to 10 (Jufrizen et al., 2020). The number of indicator variables as a whole is 16, so that the sample needed in this study is $9 \times 10 = 90$ people.

Result and Discussion

1. Normlity Test

The normality test on the regression model is used to test whether the residual value resulting from the regression is normally distributed or not. A good regression model is one that has a normally distributed residual value. Normality testing in this study used the *Kolmogorov–Smirnov* (K–S) method at a significant level of 0.05. The full results of the normality test can be seen in the following table:

Table 1
Normality Test Results
One-Sample Kolmogorov-Smirnov Test
 Unstandardized Residual

N		90
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.33892198
Most Extreme Differences	Absolute	.084
	Positive	.084
	Negative	-.079
Test Statistic		.084
Asymp. Sig. (2-tailed)		.148 ^c

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.

Source: data processed in SPSS by the author, 2022

Based on the results of the Normality Test, it can be known that the significance value obtained is 0.148 That is, the value >0.05 . Then it can be concluded that the residual value is normally distributed.

2. Multiple Linear Regression Test

This study used multiple linear regression to prove the research hypothesis. This analysis uses inputs based on data obtained from the questionnaire. The results of data processing using SPSS Software are as follows:

Table 2
Multiple Linear Regression Test Results

Model	Coefficients ^a				Sig.
	Unstandardized Coefficients		Standardized Coefficients	t	
	B	Std. Error	Beta		
1 (Constant)	11.028	3.375		3.268	.002

Penilaian	.329	.082	.429	3.989	.000
Kualitas SDM	.296	.090	.354	3.289	.001

a. Dependent Variable: Pemberian Pengembangan Usaha

Source: data processed in SPSS by the author, 2022

From the calculation using SPSS, the following results are obtained:

a = 11,028

b1 = 0,329

b2= 0, 296

Based on the data of table 4.15 where regression analysis obtained regression equations as follows:

$$Y = 11.028 + 0.329(X1) + 0.296(X2) + e$$

The model of the multiple regression equation, namely:

- A constant value of 11.028 means that the independent variables, namely the Assessment and Quality of Human Resources in a constant state, have not changed. Thus, it will affect the Decision worth 11.02% on the Provision of Business Development
- The value of the regression coefficient X1= 0.329 indicates that if the Valuation increases, it will affect the Kdeviation of 3.29% in the Business Development Provision
- The value of the regression coefficient X2 = 0.296 shows that if the quality of human resources increases, it will affect decisions worth 2.96% in the Provision of Business Development.

3. Hypothesis Test

a) Determination Test (R²)

This determinant coefficient is used to find out how large the percentage of the relationship of independent variables to dependents is. The magnitude of the percentage affects all independent variables on the value of the dependent variable can be known from the magnitude of the coefficient of determination R2 regression equation. The determinant coefficient number is seen from the results of the SPSS calculation as follows:

Table 3
Determination Test Results

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.729 ^a	.532	.521	2.36565

a. Predictors: (Constant), Kualitas SDM, Penilaian

b. Dependent Variable: Pemberian Pengembangan Usaha

Source: data processed in SPSS by the author, 2022

Judging from table 2, the coefficient of determination of R Square can be obtained of 0.532 or 53.2%, meaning that the variable of Business Development Can be explained by the variable of Assessment and Quality of HUMAN RESOURCES of 53.2%, while the rest is 46.8 % can be explained from other variables outside the research variable.

b) Partial Test (t)

Basically, the t-test shows how far the influence of one independent variable is partially in explaining the variation of the dependent variable. The basis of the quality of Islamic banks using significant probability numbers of data processing results using *SPSS Statistics Software* can be seen as follows:

Table 4
Partial Test Results (t Test)
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.028	3.375		3.268	.002
	Penilaian	.329	.082	.429	3.989	.000
	Kualitas SDM	.296	.090	.354	3.289	.001

a. Dependent Variable: Pemberian Pengembangan Usaha

Source: data processed in SPSS by the author, 2022

Based on table 4.17 partial test results can be known by looking at the SPSS output of *coefficients* results at the sig < value. It can also be seen based on the comparison of t count with t table, it can be said to have an effect if the value of $t_{count} > t_{of\ the\ table}$.

It is known that t table is 1.987 obtained from t table $df = n - k - 1$ ($90 - 2 - 1 = 87$) and alpha (0.05). The following is a partial test discussion between the Assessment and Quality of Human Resources on the Implementation of Business Development, namely:

1. Based on the results of the t test for the Assessment variable (X1) obtained ($t_{count} 3.989 > t_{table} 1.987$) with a significant value of ($0.000 < 0.05$) then H_{a1} is accepted. This shows that the Assessment has a partial significant effect on the Business Development Administration.
2. Based on the results of the t test for the HR Quality variable (X2) obtained ($t_{count} 3.289 > t_{table} 1.987$) with a significant value of ($0.001 < 0.05$) then H_{a2} is accepted. This shows that the quality of human resources has a partial significant effect on the implementation of business development.

c) Simultaneous Test (F Test)

Simultaneous tests are used to determine the Effect of Assessment and Quality of Human Resources on the Implementation of Business Development Together. With the criteria of the table test F, if $F_{counts} > F_{of\ the\ table}$ then H_a is accepted H_0 is rejected meaning significant and vice versa if $F_{counts} < F_{of\ the\ table}$ then H_a is rejected H_0 is accepted meaning insignificant. As for the test on the sig value. if the value of the sig. < 0.05 then H_a is accepted and H_0 is rejected meaning significant and if the value of sig. > 0.05 then H_a is rejected and H_0 is accepted meaning insignificant. The hypothesis is as follows:

H_0 : The Assessment and Quality of Human Resources has no simultaneous significant effect on the Implementation of Business Development.

H_a : The Assessment and Quality of Human Resources have a simultaneous significant effect on the Implementation of Business Development.

The following is obtained ANOVA output with SPSS Statistics testing in table 5 below:

Table 5
Simultaneous Test Results (F Test)
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	552.909	2	276.455	49.399	.000 ^b
	Residual	486.879	87	5.596		
	Total	1039.789	89			

a. Dependent Variable: Pemberian Pengembangan Usaha

b. Predictors: (Constant), Kualitas SDM, Penilaian

Source: data processed in SPSS by the author, 2022

Based on table 5 of the ANOVA or F test results, a calculated F value (49.399) > F_{table} (3.10) with a significant level of 0.000. Since the probability is significantly much less than 0.05 then H₀ is rejected and H_a is accepted. This shows that simultaneously the Assessment (X1) and Quality of Human Resources (X2) jointly have an effect on the implementation of Business Development (Y).

Conclusion

Based on the results of research conducted by researchers, the conclusions that can be drawn in this study are:

1. Assessment (X1) as an independent variable has a positive and significant effect on the Business Development Provision (Y) as a dependent variable. This is evident from the significant value of 0.000 < 0.05.
2. The quality of human resources (X2) as an independent variable has a positive and significant effect on the Capability of Business Development (Y) as a dependent variable. This is evident from the significant value of 0.000 < 0.05.
3. Assessment (X1) and Quality of Human Resources (X2) simultaneously state that there is a significant influence together on the Business Development Provision (Y) Provision Of Business Development (Y). Where, the two variables support each other.

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