THE IMPACT OF FINANCIAL INCLUSIVE FOR ENSURING APPROPRIATE THE CUSTOMER SATISFACTION INDEX (CSI) AND IMPORTANCE PERFORMANCE ANALYZE (IPA) OF CSR PROGRAM IN SME’S BATIK LASEM

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ABSTRACT

The shift of the economic structure from agriculture sector to processing industry or trade and services sector raises some new potential in some areas. The development of the potential area can be measured by the identification model of strategic sector potential and model of creative position strengthening of Small and Medium Enterprises which is useful to raise competitiveness.

The measured potential is not yet fully covered in a financing model from the micro finance level facilitated by investors to help small and medium enterprises grow up. This study conducted two tests namely feasibility test and Importance Performance Index Test. For the feasibility of this research is to use analysis of development of Small and Medium Business Area of Kampung Batik in Lasem Rembang that is using Location Quotient, Shift Share and EFAS analysis.

The other measurements are the analysis of Community Satisfaction Index (CSI) and Importance Performance Analysis (IPA) to optimize the development model of Fair Finance Guide International (FFGI) of the banking in order to know the benefits and costs incurred from banking activities in functioning as an inclusive financial institution that develops service partnerships that suit the needs of the community.

The population of this research are 30 groups of business of Batik Lasem. The results of this study indicate the value of $LQ>1$ analysis, as well as in the development of SWOT matrix is in the quadrant 1 at Coordinate (3;3.54) with progressive recommendation. For the results of processing indicators in accordance with the methodology FFGI obtained Index Value Importance Performance has not shown the overall optimal of the level of conformance between the performance of financial programs with the expectations of businessman.

Key Words: Importance Performance, Location Quotient, Inclusive Financial, FFGI

INTRODUCTION

In recent years, while the the contribution of micro, small and medium enterprises to gross domestic product increased from 57.84 percent to 60.34 percent in the last five years. Labor absorption in this sector also increased, from 96.99 percent to 97.22 percent in the same period.

Although indicators of contribution to the formation of gross domestic product (GDP) and labor absorption increase, access of micro,
small and medium enterprises (SMEs) to the global supply chain is very minimal.

The contribution of SMEs in Indonesia to the global supply chain is only 0.8 percent (Kemenperin 2017).

However, the existence of this potential SMEs tends to be less maximized and less conceptually translated in the economic development strategy (Madueño, Jorge et al. 2016).

This research explore SMEs Batik Lasem that have the potential lacks opportunities to give contribution to the economic development of Lasem District. The existence of Lasem Batik is less good contribution to increase PDRB District Lasem because still less able to compete with other batik products.

Supposedly if some potential is maximized and well planned to improve the local economy. Therefore, it is necessary to study the economic potential based on local excellence in Lasem District through the identification of strategic sector that will be developed and the formation of economic planning strategy (Li, Li et al. 2016).

On the other hand the Financial Institution as banks are the dominant channel for providing access to industry. However their importance in funding smaller firms is even more pronounced since most small and medium enterprises (SMEs) are not able to access the capital markets for funds. Changes are necessary and awareness to prosecute financial institutions to better carry out their functions to reduce the social and environmental problems caused by firms that receive financial resources from banks becomes inevitable (Boyer and Laffont 1997).

2. LITERATURE REVIEW

Regional economic analysis is one of the development of economics combined with regional approach. According to (Saunders and Dalziel 2004)argued that regional economics can provide a complete economic solution spatial.

The main issues of economics include 3 things: 1) "What commodities shall be produced and in what quantities" ie what goods are produced. This is related to the mechanism of demand and supply that exist 2) "How shall goods be produced" is how or by whom it is produced. This is related to the choice of technology and the division of roles in production and 3) "For Whom are goods to be produced" is for whom or how the distribution of proceeds from the activities of producing the goods..

Regional economic potential is the economic capability that exist in the area that is possible and feasible to develop so that will continue to grow into a source of livelihood of local people that can even encourage the economy of the region as a whole to develop by itself and sustainable. In the development of a
region to consider which sectors or activities have many relationships to other sectors or activities.

The several analytical methods, namely the analysis of LQ (Location Quotient) (Billings and Johnson 2012), Shift Share (Dogru and Sirakaya-Turk 2017) and SWOT analyze (Strnad 2012). These analysis give the determination which the basis sectors lead. Location Quotient Analysis (LQ) is used to determine the extent to which specialization sectors in a leading region. LQ is widely used as a simple tool for measuring the relative specialization of a region in certain sectors. Location Quotient (LQ) is a comparison of the magnitude of the role of a sector or industry in an area to the magnitude of the role of the sector or industry nationally.

Shift Share Analysis Method is an analysis that measures how the development of a sector in a region when compared relative to other sectors, whether growing fast or slow. The results of this analysis can also show how the development of a region compared with other regions, whether growing fast or slow. SWOT is one of the most widespread methods commonly used as a tool for the analysis of internal and external factors in order to achieve a systematic approach and support to address the situation.

Banks need to identify the strategic sectors within the small and medium-sized enterprises which are measurable as potential sector realize to develop them process the growing (Retap, Abdullah et al. 2016). This is related to the banking financing and ensuring the funding strategy to provide potential inputs in accordance with the result of strategic identification.

Currently financial inclusion has become a global agenda. Fair Finance Guide International (FFGI) encourages sustainable finance in banking business practices. FFGI put forward several important themes that should be the principle of banking business. One of the themes is financial inclusion in which the Banks are required to develop products and services that meet the needs of the community as a whole, supporting sustainable economic development and social justice.

In its implementation, inclusive finance can not be seen narrowly by simply extending community access to the formal financial sector and increasing public interest in having savings accounts in banks, but should also be encouraged in providing micro credit or Customer Social Responsibility Program as well as for SMEs.

This is in line with the second pillar of inclusive finance, the public finance facility. The strategy on this pillar refers to the ability and role of government in providing public finance financing either directly or conditional to encourage economic empowerment of the community.
The objective of the Fair Finance Guide International is to encourage Corporate Social Responsibility (CSR) at financial institutions (Perrini 2006).

The Fair Finance Guide International hopes to stimulate a race to the top by enabling SME’S to compare financial institutions’ level of social and environmental responsibility.

Finally, for the measure the model financial inclusive as CSR, in this research was used the Importance Performance Analyze (Mullins and Spetich 1987) and Community Satisfaction Index (Chipuer and Pretty 1999).

The Both Model help to measure the Financial Institution benefits from the users’ perspective. It is a clear evaluation tool for Bank to find out attributes that are doing well and attributes that need to be improved.

The most empirical analyses of community satisfaction have focused on only one aspect of the available theory to predict community satisfaction.

**METHODOLOGI**

Based on the literature review along with opinions of the subject matter and experience of the researchers, initial insight were developed.

These were then validated with a survey on Potential Identification, Issue Strategic and Problem SME’s Batik Lasem. This was complimented with case studies where issues surrounding finance in the SME’s Batik Lasem.

The data is obtained from population SME’s Batik Tulis Lasem by purposive sampling (Umar 2000) using the entire population of 30 SMEs batik lasem still exist. Analysis in this study, in general, with Quantitative Analysis This analysis is done by using the tools of data that can be measured clearly.

1) Typology of Economic Sector Analysis of Lasem District through analysis of LQ and Shift Share. Conducted to categorize sectors of the economy using existing PDRB data into the categories of sectors, developing sectors, potential sectors, and backward sectors. While the Shift Share Analysis method is an analysis that measures how the development of a sector in a region when compared relative to other sectors, whether growing fast or slow.


3) 3) Analyze the benefits of Financial Inclusive program in the economic field that are considered important and analyze the performance in achieving community satisfaction, the method of Important Performance Analysis (IPA) and analysis Community Satisfaction Index (CSI)
Table
The Indicator Fair Financial Guide International

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<tr>
<th>No</th>
<th>Indicator FFGI in measurement Financial Inclusion</th>
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<tr>
<td>1</td>
<td>Financial institutions have policies, services and products that are specifically targeted to the poor and marginalized groups</td>
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<tr>
<td>2</td>
<td>Financial institutions have branches in rural areas, not only in the urban</td>
</tr>
<tr>
<td>3</td>
<td>Financial institutions provide the services without branches, without notes and through cell phone</td>
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<tr>
<td>4</td>
<td>The amount of loans to the SME sector more than 10% of the total credit disbursement of funds of financial institution</td>
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<td>5</td>
<td>Financial institutions do not require any collateral for the perpetrators of SMEs applying for loans/credit</td>
</tr>
<tr>
<td>6</td>
<td>Financial institutions have a policy to inform the rights of customers and the risk of the services / products offered (including the risk of excessive debt loads) to customers who have low literacy on financial services and small and medium micro enterprises.</td>
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<tr>
<td>7</td>
<td>The terms and conditions which are owned by financial institutions available in the national language / locale.</td>
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<tr>
<td>8</td>
<td>Financial institutions have a policy to improve the literacy of low-income groups, marginalized groups of small and medium micro enterprises.</td>
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<td>9</td>
<td>The financial institution does not charge or charge only a low cost account opening.</td>
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<td>10</td>
<td>Financial institutions do not require a minimum balance to keep the account activation.</td>
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<tr>
<td>11</td>
<td>Financial institutions have standards and provide clear information about the range of the credit granting process time</td>
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<td>12</td>
<td>Financial institutions have products that are feasible, affordable and convenient to receive and send remittances through customer accounts.</td>
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**MATRIX OF RESEARCH**

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<td>3</td>
<td>Knowing the degree of correspondence between service performance program with the hope or the interests of the beneficiaries of CSR</td>
<td>Importance performance Analysis (IPA) using Microsoft Office Excel</td>
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RESULT AND DISCUSSION

A. Sector Basis Analyze (LQ Analyze)
Overall, it can be concluded that LQ of all sectors in Lasem Sub-district has the majority to be the base sector, except for agriculture and services sector. It will also increase demand for goods and services in the area and will encourage an increase in the volume of economic activity rather than the base (effect multiplier). The main priority in economic development is in the strategic sector which has LQ > 1 namely on several sector. The LQ score of more than 1 indicates that the activities of the base sector are economic activities. It shows that Lasem District actually has various strategic economic sectors, especially in the processing industry sector which has become a viable base sector to be further developed in the future. This is considering that the processing industry has many potentials such as Lasem Batik and which can be developed further in order to improve the regional economy.

B. Shift Share Analyze
In the sector of processing industry mentioned does not have regional competitiveness because the value of Growth Component of Regional Share obtained is negative value is -1.48%. This means that the manufacturing sector, especially batik and other SME’s, has decreased competitiveness. This decline in competitiveness due to the existence of the processing industry does not have a good comparative advantage compared to other sub-districts, thus losing competitiveness, locally and regionally.

C. SWOT Analyze
In determining the firm's position on the quantitative SWOT quadrant calculated by EFAS and IFAS, the authors refer to the theory developed by Pearce and Robinson (1998) in order to know the exact position of the organization. The calculations are performed by subtracting the total number of factors S by W (d) and factor O by T (e); The number (d = x) is then divided by 2 into the value or point on the X axis, while the number (e = y) is then subdivided into 2 values or points on the Y axis.

From the SWOT matrix, it is seen that SME’S position is currently in quadrant I coordinate (3; 3.54) that is quadrant expansion (growth). Recommendation is Progressive, meaning that the organization is in good condition and steady so it is possible to continue to expand, increase growth and achieve maximum progress.

D. Importance Performance Analyze
The attribute performance appraisal weight is the value of the responses of 30 respondents on the performance indicators of the CGS CSR aid program. If the value is Tki <100% then the indicator performance has not fulfilled the public satisfaction, otherwise if the value of Tki> 100% then the performance indicator has been fulfilled. The weight of the rating of the
importance of interest is made averaged then it is condensed into Cartesian Diagram. Each indicator is positioned in a chart showing the average rating on performance level X, indicating the position of an attribute on the X axis, while the indicator on the Y axis is indicated by the average value of importance to the indicator (Y). SME’S Batik Lasem located ring one which means the four are located in the closest position to the Program Financial Inclusive operation area.

E. Community Satisfy Index (CSI)
CSI scores are calculated using the weighted average value of each program service indicator. In the index calculation community satisfaction with 12 indicators of services studied, each service indicators have the same weight. The value of community satisfaction index (CSI) was 1.75. After converted by multiplying, then the value of CSI equal to 58.57. The value of service quality of Financial Inclusive program is B which means the performance of program service unit categorized GOOD.

**Analyze of Community Satisfaction Index against Financial Service Financial Institution Services Support Program for the Economy**

After analyzing the performance indicators of the company's CSR program CGS, further analyzing community satisfaction index (CSI) against Financial Inclusive Of Bank assistance program services especially the economic field as a whole. This analysis can be done by calculating the index value of the service unit overall performance, while the value of satisfaction can be obtained by multiplying each element of the average value weighted value weighted average (NRR x 0.071). Based on the data overall satisfaction score obtained by 2.7453333 rounded to 2.75.

Thus the value of the satisfaction of the service unit results can be summarized as follows:

a. Value of SMEs after being converted = Value x Value Index weights = 2.75 x 25 = 68.75
b. B service quality
c. performance Good service unit

Based on the above calculations, the overall index of satisfaction with the services society Financial Inclusive of Bank assistance program can be said to be in good condition, but needs underlined that service quality needs to be improved because there are other indicators and sub-indicators that show the performance is not good. Of the 13 indicators studied there are 10 indicators with good service categories and is able to satisfy the community while 4 other indicators in the category was not good so is need for improvement in terms of service.
Importance Performance Analysis (IPA)

Importance Performance Analysis (IPA) was used to analyze the level of interest and performance Financial Inclusive of Bank conduct economics program in SME’S Batik Lasem. IPA in this study analyzed the public perception of the level of interest and performance Financial Inculsive program, and then determine the degree of correspondence between the level of public interest by Social Responsibilty performance with analyze and Cartesian based kuadran kuadaran in the diagram below:

1. **Quadrant I (K.I)**: In this quadrant sub indicators are low performing, but has a high level of importance. Reflecting the high level of importance that the community of beneficiaries have high expectations for these indicators. So the indicators are in this quadrant top priority of the company to do repair program.

2. **Quadrant II (K.II)**: sub indicators are in this quadrant are sub-indicators that have high expectations of society beneficiaries and the high performance of the company. The company needs to maintain its performance because then the image of the company in the development community will be good.

3. **Quadrant III (K.III)** in this quadrant there are several sub indicators of assessment with the level of interest and the level of performance low. Although the sub-indicators contained in this quadrant are considered less important by the community, the company should always improve its performance because the level of community interest program beneficiaries can be increased depending on the needs.

4. **Quadrant IV (K.IV)** is an area that contains sub-indicators were deemed less important by the community but the level of the performance of the company is too excessive. The company should not be too makes the sub-indicators in this quadrant priority assessment as it would only lead to wastage and costs can be allocated to the sub-indicators which are in the other quadrants.

**CONCLUSION**
Beneficiary communities Financial Inclusive programs mostly found programs provide
benefits, especially in terms of increasing the capability (skill) of business and the benefits of increased self-reliance in doing business. The benefits are felt very less for the people of the target Batik SME’s groups ie venture capital access benefits and sustainability.

Values of quality of service financial inclusive program is B, which means the performance of the service unit categorized WELL program. Overall satisfaction level of concordance between the performance of the public interests can be quite high as much as 78.37 percent. This means that the overall interests of the community has been met well by 78.37 percent. The results of diagram the Cartesian can be concluded also that each quadrant in the diagram to merit attention in the handling of program because there are many experienced gaps.

From the analysis of superior economic potentials in Lasem sub-district analyzed through LQ, shift share, and SWOT analysis of each commodity, it is found that Priority sub-sectors are SME.s Batik Lasem However, SME’S Lasem batik processing industry which becomes potential is still weak in its contribution to economic improvement because it is still lack of marketing and less able to compete locally. The community beneficiaries of financial inclusion programs through CSR mostly argue that the program serves benefits especially in terms of business skill improvement and the benefits of increasing community self-reliance in doing business.

REFERENCES


