

Analysys Of The Procedure For Granting Working Capital Credit At The Head Office Of PT. Bank Sulawesi Selatan & Sulawesi Barat

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ABSTRACT

Analysis of Procedures for Providing Working Capital Loans at the Head Office of PT. Bank Sulawesi Selatan & Sulawesi Barat This research and writing aims to identify and explain: 1) Know the procedures for granting working capital loans at the Head Office of PT. Bank Sulselbar, 2) Knowing the supporting and inhibiting factors for granting working capital loans at the Head Office of PT. Sulselbar Bank. To achieve this goal, researchers used data collection techniques through observation, interviews, and documentation. The data that has been obtained from the research results are processed using descriptive qualitative where descriptive qualitative research is a formulation of the problem that guides research to explore or photograph social situations which will be thoroughly, broadly and in-depth examined to find out the Analysis of Procedures for Granting Working Capital Loans at the Head Office of PT . South Sulawesi & West Sulawesi Banks. Informants of this study amounted to 4 people. The research results show that: (1) PT. Bank Sulselbar in providing Working Capital Loans (KMK) goes through several stages, such as the debtor preparing application files, KTP, KK, Business Legality Files then checking B.I checking then, doing On The Spot (OTS), after that the credit decision stage which contains approval there will be the provision of working capital credit according to the application submitted, then the credit disbursement stage is notifying the prospective debtor that the KMK application has received approval or a decision on the date of disbursement, preparing a letter of acknowledgment of debt, filling out the KMK receipt, and signing the KMK disbursement agreement. (2) The determinant factors that influence the provision of working capital loans are supporting factors consisting of third party funds and the influence of CAR on credit. The inhibiting factors are ignorance of the flow and procedures by prospective creditors.

Keywords:*Procedures, Effectiveness, Credit, Banks, KMK.*

INTRODUCTION

Indonesia is a developing country that is still lagging behind in various sectors, one of which is in the economic sector. Underdevelopment in the economic sector is the main problem that must be resolved, where the economy is the basis of sustainability for developing countries. In terms of economic growth itself, there are still various problems to be faced, one of which is development inequality between regions. Inequality itself occurs due to factors on the part of the government in carrying out development in an urban area or in areas that only a few are touched. Therefore the government must increase development in an area evenly so that economic growth in that region can be optimized.

The development of the country's economy is inseparable from the participation of financial institutions, especially banking, almost all sectors of the economy always need banking services. Banking is one of the financial institutions that has the main function as a financial intermediary institution (*financial financial intermediary*) between parties with excess funds (*surplus unit*) with those who need funds (*lacks unity*) both for productive and consumptive needs. In addition, the existence of a bank can also affect a country's economic condition, in accordance with its strategic role as a tool for state development (*agent of development*) namely that banks can help smooth economic transactions for every economic actor, and assist the government in supporting national development projects, encouraging economic growth and national stability in order to achieve the prosperity and welfare of society.

As a financial institution, a bank is a place where private companies and individuals as well as government agencies deposit funds. Through credit activities and various services provided, banks meet the financing needs of all economic sectors and promote payment mechanisms. Therefore, over time, banks have become a necessity for the people of a country. Same is the case with the Head Office of PT. South Sulawesi & West Sulawesi Bank or commonly known as PT. Bank Sulselbar which is one of the government banks which also provides credit facilities to its customers. In several implementing banks that direct people to commercial loans, Bank Sulselbar is the executive bank that distributes the most commercial loans to Indonesian people. The importance of the need for these services, then PT. Bank Sulselbar is one of the institutions that can help overcome the problems that occur. Based on Banking Act No. 7 of 2011, one type of current technology implementation in terms of increasing business competition and product company owners is the use of *Electronic Commerce (E-Commerce)* to market various kinds of p1992 concerning banking, Bank Sulselbar is an institution that accepts deposits only in the form of time deposits, savings, or other forms that are equated with it and distribute funds as an effort in its implementation, which means implementation is an operational form of an activity using certain steps to achieve a goal. Policy implementation is the steps taken by policy actors based on predetermined goals or objectives. Policy implementation can

be evaluated after the implementation process takes place, whether the policy is successful or not to be applied to society, and the impact it has (Kasmita et al., 2020).

Based on initial observations made by researchers from January to February through interviews with employees in one of the credit groups of PT. Bank Sulselbar, which deals directly with problem credit problems, said that there were difficulties in extending credit to prospective creditors, where the files provided at the time of credit application did not match the facts on the ground. Meanwhile, according to other employees, one of the problems with non-performing loans is the lack of understanding of prospective creditors about the flow or procedures set by the Bank. where the lending between one bank and another is not the same both in terms of requirements and in terms of procedures. The Financial Services Authority (OJK) reported that in December 2022 bank lending grew 11.35% compared to the previous year (year-on-year/yoy). Thus, if calculated from OJK data for December 2021, the value of bank credit at the end of 2022 will have reached around IDR 6.42 quadrillion. The ratio of non-performing loans (NPL) in December 2022 reached 2.44% of total loan disbursement. This means that the NPL value reached IDR 156.7 trillion. Both in terms of value and ratio, at the end of 2022 banking NPLs will be at the lowest level since the start of the Covid-19 pandemic.

One of the credit services provided by PT. Bank Sulselbar in order to increase the production of a business or business, namely productive credit in the form of working capital loans. Working capital loans are loans given for the benefit of smooth customer capital. In general, working capital loans are used by debtors to procure company operational activities such as buying basic or raw materials, tools, payroll and employee remuneration, and other costs related to company production activities. Credit distribution is carried out by banks to help people support their lives, both for individualist economic activities or business activities that are being carried out. This implementation is expected to be a solution to the problems faced by business unit actors in obtaining the additional working capital they need.

The amount of credit given by banks to the public usually increases from time to time. This is mainly influenced by the annual increase in the level of economic activity. Therefore, banks must have sufficient capital to meet the public's need for credit. If the bank has sufficient capital, the bank's operations can run smoothly, so that during a critical period the bank can remain safe because it has capital reserves at Bank Indonesia. Capital is an important factor in the development and progress of banks, and is a very important factor in the development and progress of banks, while maintaining public trust. Credit distribution is carried out by banks to help people support their lives, both for individualist economic activities or for business activities. At Bank Sulselbar, those given to debtors are carried out in accordance with the rules and procedures set by each bank. which procedure The purpose is to obtain adequate confidence in the ability of the debtor to return the loan that has been given. The Bank must be detailed in assessing the documents

submitted by prospective customers and not only based on trust. One of them needs to be considered and assessed about *Capacity* (ability) and *Condition of economy* (economic conditions) prospective customers in order to avoid the occurrence of problem loans. Very good prospects are needed for each customer so that bad credit does not occur. From all the explanation above, the writer is interested to know more about “**Analysis of Procedures for Providing Working Capital Loans at the Head Office of PT. South Sulawesi & West Sulawesi Banks**”

RESEARCH METHODS

Approach and Type of Research

Research methods are needed in a scientific research, because the method is a way to achieve goals. The method basically means the method used to achieve the goal. Therefore, the general purpose of this research is to uncover problems, so the steps to be taken must be relevant to the problems that have been formulated. In this writing, researchers use a type of descriptive qualitative research approach, where descriptive qualitative research is a formulation of the problem that guides research to explore or photograph social situations that will be thoroughly, broadly and in-depth researched. Holistically and by means of descriptions in the form of words and language in a special scientific context and by utilizing various scientific methods. Qualitative research is defined as a research method based on the philosophy of postpositivism, used to examine the condition of natural objects, (as opposed to is an experiment) where the researcher is the key instrument, data collection techniques are carried out by triangulation (combined), data analysis is inductive/qualitative in nature, and the results of qualitative research emphasize the meaning of *generalization* (Sugiyono, 2019)

Data Types and Sources

In this study, the data required consists of primary data and secondary data (Sugiyono, 2019)

1. Primary data is data that can be obtained directly from the field, namely the results of interviews with informants.
2. Secondary data is data obtained indirectly through intermediary media but can be utilized in research.

Data analysis

Data analysis in qualitative research is carried out when data collection takes place, and after completing data collection within a certain period. When interview, the researcher has conducted an analysis of the answers from the informants. If the answers interviewed after being analyzed are not satisfactory, the researcher will continue the question again, up to a certain stage so that credible data is obtained.

In general, qualitative research in conducting data analysis uses the analytical model initiated by Miles and Huberman which is often referred to as the interactive data analysis method. They revealed that the activities in qualitative data analysis were carried out interactively and continued continuously until complete, so that the data was saturated. There are three activities in qualitative data analysis, namely the data reduction stage, data display and conclusion or verification (Sugiyono, 2014)

1. Data reduction

The data obtained from the field is quite a lot, so it needs to be recorded carefully and in detail. As previously stated, the longer the researcher is in the field, the more, more complex and complicated the amount of data obtained will be. For this reason, it is necessary to immediately carry out data analysis through data reduction. Reducing data means summarizing, choosing the main things, focusing on the important things, and looking for themes and patterns. Thus the reduced data will provide a clearer picture, and make it easier for researchers to carry out further data collection, and look for it if needed.

Data reduction can be assisted with equipment, such as computers, notebooks, and so on. In reducing data, each researcher will be guided by the goals to be achieved. The main goal of qualitative research is on the findings. Therefore, if researchers in conducting research find anything that is considered foreign, unknown, does not yet have a pattern, that is precisely what the researcher should pay attention to in carrying out data reduction.

2. Display Data

After the data is reduced, the next step is presenting the data. In quantitative research, data presentation can be done using tables, graphs, pictograms, and so on. Through the presentation of the data, the data is organized and arranged in a relationship pattern, so that it will be easier to understand. Unlike the case in qualitative research, where the presentation of data is done in the form of brief descriptions, charts, relationships between categories, and the like. According to Miles and Huberman (2014), what is most often used to present data in qualitative research is narrative text. With the presentation of data, it will make it easier to understand what happened, and plan further work based on what has been understood. Furthermore, Miles and Huberman suggested that in displaying data, in addition to narrative text, it can also be in the form of graphs, matrices, networks, and charts.

3. Conclusion Drawing and Verification

The third step in data analysis in qualitative research according to Miles and Huberman (2014) is drawing conclusions and verification. The initial conclusions put forward are still temporary, and will undergo changes if strong evidence is not found to support the stage subsequent data collection. But if the conclusion presented at the initial stage is supported by valid and consistent evidence when the researcher returns to the field to collect data, then the conclusion presented is a credible conclusion. Thus, the conclusion in qualitative

research may be able to answer the formulation of the problem formulated from the beginning, but it may not.

RESULTS AND DISCUSSION

The research results were obtained from interviews with informants. The results of interviews conducted with informants can be described as follows:

1. Procedure for Granting Working Capital Loans

Based on the results of interviews conducted with employees of PT. Bank Sulselbar Makassar, the procedure for granting working capital loans can be described as follows:

a) Level of Credit Application

Prospective debtors apply for credit to the local Bank Sulselbar Branch Office, by making and submitting a Credit Application Letter to Bank Sulselbar, accompanied by attaching all credit requirements documents. The Head of the Branch Office receives a Credit Application Letter from the prospective debtor and gives a disposition to the branch credit officer (Credit Section Head and Credit Analyst) for follow-up.

b.) Credit Analysis Stage

At this stage the branch credit officer verifies the validity of all documents submitted by the prospective debtor. If there are documents that have not been fulfilled, the branch officer will notify the prospective debtor via a Letter of Submission / Request for Documents. If an invalid document is found, the debtor's application will be rejected. The branch officer will convey the rejection of the credit application in writing to the prospective debtor. If the document verification has been completed and declared valid, then the process continues on the visit/*on the spot* (OTS) to the business location as well as the collateral location of the prospective debtor. This is to see directly the business conditions of the prospective debtor and at the same time evaluate the collateral / collateral submitted. After carrying out OTS, the bank proceeds with the credit analysis process to assess the feasibility of granting credit to prospective borrowers. The important aspects analyzed are as follows: Character (judging from the history of cooperation with other banks /*supplier /costumer*)Capital (measures the capital owned by the prospective debtor in running the business), Capacity (measures the financial capacity of the prospective debtor, for example: ability to pay, level of income/profit, working capital requirements, etc.), Condition (assesses the influence of conditions outside the prospective business debtor who can affect the course of the business, for example: market conditions, economic conditions, etc. Collateral (assessing the feasibility of an asset submitted from a prospective debtor to serve as credit guarantees, for example: collateral value, location of collateral, designation of collateral and others.).

After the analysis process is carried out, it enters the Credit Committee Meeting stage to discuss credit applications from prospective borrowers. Committee members will provide relevant views, suggestions and inputs with the business conditions and credit applications of the prospective debtor. If the members of the credit committee assess the credit application of the prospective debtor as feasible, then the members of the committee will give approval accompanied by the addition of credit conditions (if any) as one of the steps to mitigate credit risk. All decisions made by the Credit Committee will be set forth in the Credit Application Note (NAK) and the Credit Committee Decision Results (Tuskom) signed by all members of the credit committee.

c.) Credit Granting Phase

The Branch Office conveys the conditions of the credit approval and its conditions through a Credit Approval Offer Letter (SPPK) to prospective borrowers. If the debtor agrees with all the conditions of the credit agreement, then the SPPK is signed by the prospective debtor together with the Bank. The SPPK that has been signed then becomes the basis for the Branch Office to coordinate with the Notary Partner of the Bank to prepare agreement documents such as the Credit Agreement and Collateral Bonds (APHT / Deed of Installing Mortgage Rights). If the Credit Agreement and Collateral documents are ready, then the credit contract is signed jointly by the prospective debtor and the bank. After signing the credit agreement, credit realization / credit disbursement is carried out to the prospective debtor's account at Bank Sulselbar. After credit realization, the Branch Office's task is to monitor credit in the form of periodic supervision.

2. Supporting and Inhibiting Factors for Working Capital Loans

The determinant factors that influence the provision of working capital loans are supporting factors consisting of third party funds and the effect of CAR on credit. The inhibiting factor is ignorance of the flow and procedures by potential creditors. Third Party Funds (DPK) on credit Based on the test results regarding the effect of TPF on credit, it shows that Third Party Funds have a positive and significant effect on credit, this is in accordance with the theory regarding credit. The higher the Third Party Funds that are successfully collected by banks, the higher the ability of a bank to extend credit, because the largest source of funds obtained by banks for lending is from collecting DPK. This is because Third Party Funds are one of the sources of bank funds that have been successfully collected from the public, which must later be channeled back in the form of credit. This is in line with the function of banks as financial intermediaries. The results of this study are in line with research by Hasyim (2014), Yoga (2013), and Trimulyanti (2014) which state that Third Party Funds (DPK) have a positive and significant effect on credit. Effect of Capital Adequacy Ratio (CAR) on credit Capital Adequacy Ratio (CAR) has a positive and insignificant effect on credit. The results of this study support the statements of Sania (2016),

Yuwono (2012), and Galih (2011) which states that CAR has a positive and insignificant effect on the amount of credit extended by foreign exchange national private commercial banks (BUSN). This indicates that the increase or decrease in CAR during the study period will not affect credit distribution. The greater the level of CAR, the higher the ability of bank capital to maintain the possibility of risk of loss arising, but in this case it is not certain that it can significantly affect the increase in the amount of credit disbursement to foreign exchange national private commercial banks (BUSN). In addition, a high CAR can also reduce a bank's ability to expand its business such as lending because the larger capital reserves are used to cover the decline in its assets as a result of bank losses caused by risky assets. The results of this study contradict research conducted by Trimulyanti (2014), Maharani (2011), and Arifati (2016) which state that CAR has a positive and significant effect on credit.

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