



**THE INFLUENCE OF CREDIT BANKING, BUSINESS PERIOD, AND EDUCATION LEVELS ON THE TURNOVER OF TENUN TAJUNG BUSINESS IN TUAN KENTANG PALEMBANG**

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**ABSTRACT**

This study aims to analyze the influence of Credit Banking, Business Period, and Education Levels on the Turnover of TenunTajung Business in Tuan KentangPalembang . The study used primary data from 30 respondents in the area of Tuan Kentang Palembang. The technique used is simple random sampling. The method used is linear regression to know the effect of Credit Banking, Business Period, and Education Level to Turnover TenunTajung Business. The results showed that the independent variables, that are Credit Banking, Business Period, and Level of Education both partially and simultaneously affect the dependent variable, the turnover of TenunTajung Business.

**Key Words:** Credit banking, business period, education levels, turnover.

**PRELIMINARY**

The position of small businesses in the Indonesian economy is becoming increasingly important especially after the crisis hit Indonesia. The crisis has proved that the endurance of small businesses is tougher when compared to most large businesses. If this business group is well-nurtured, it can absorb a large workforce that can help the development of our industrial sector. In general, attention to small businesses in Indonesia is not new in government policy. However, although it has long been echoed, attention to small business in Indonesia has never been effectively done. Various studies at the micro level alone indicate that the various small business development programs that are channeled by the government are almost not perceived by the small business actors effectiveness.

There are several factors that cause the low effectiveness of various programs. First, support programs for small business development are limited to credit issues or programs; they also do not significantly increase the growth of small businesses. Second, the weaknesses and limitations

of individual capacity of small business actors are believed to be the cause of the lack of development of small-scale enterprises in Indonesia, particularly the capacity of business management. Low individual capacity is influenced by low level of education, inability to run a business with good management, and not enough to strive for profit (Haryadi, et al in Astarina, 2008). Third, market information, difficulty

. obtaining new distribution channels as well as product marketing.

Difficulty obtaining capital (beyond the difficulty of rising raw materials due to economic crisis) is the most difficulty faced by small business actors. The interest of small-scale enterprises to the banking system is not only on the funds alone. Other banking services that are also required such as, the bank can check the bookkeeping because the funds used are all recorded on account, maintaining the safety of funds either pay or receive more secure and run fast.

It can not be denied that education today has a very important role in producing quality human resources and quality. Education is one of the elements that can change attitudes and behaviors, improve and develop the mindset, insight and facilitate entrepreneurs to absorb information that nature brings renewal and progress for business. Similarly, the social conditions of the community will affect the way or the mindset of people in the environment.

Education is very important for developing small businesses, because through education, there are good quality resources in accounting receipts and expenditures, technological mastery, and in terms of good management. Apart from banking and education credit, long business also affects the increasing turnover of the small entrepreneur. Where the longer the business stands, the turnover of entrepreneurs will increase.

The existence of small businesses in Indonesia does represent almost all business units in various economic sectors that live in our economy, because the amount is very much. One of the example of small business in Palembang is songket.

Small scale business of Tajung is one of industries that have potential to be developed in Palembang City. This is seen from the development of consumer needs, population growth and income that goes up every year. Such increase can provide income (prosperity) for employers and workers involved in it. Taking note of the great opportunities at the 18<sup>th</sup> Asian Games to be held in Palembang in August 2018 is a golden opportunity to market small businesses of Tajung Tenun and other small business.

The development of small-scaled businesses in Indonesia generally faces the same problem, namely limited capital, marketing difficulties, difficulty of raw materials with good quality and low price, low quality of human resources, weakness of entrepreneurship spirit, low technology use and mastery, weak market access and weak organization and management (Tambunan, 2002). The domestic marketing constraints faced by small producers Tajung weaving is intense competition, unstable demand, and business network.

As a result of these obstacles, small entrepreneurs such as tajung weaving craftsmen can not develop and expedite their business. Efforts to be taken to develop small businesses is to develop the necessary infrastructure such as showrooms, credit facilities, transportation facilities, eliminate regulations that hamper small business access to facilities, provide coaching and training to these small entrepreneurs.

Based on the description on the background above, the authors want to know and try to do research with the title "The Influence Analysis of Credit Banking, Business Period and Education Level OfTenunTajung Business in Tuan Kentang Palembang.”.

### **Problems**

1. What is the influence of credit channeled by the banks to the small business turnover of TenunTanjung in Palembang Potato Area?
2. How is the influence of the old business on the small business turnover of TenunTanjung in Palembang Potato Area?
3. What is the influence of education level on small business turnover of TenunTanjung in Palembang Potato Area?

### **Purposes**

1. To find out how much the influence of bank credit to the turnover of small business Weaving Tajung in the area of Mr Potato Palembang.

To find out how much influence the long business of small business turnover Weaving Tajung in the area of Tuan KentangPalembang.To find out how much influence the level of education to small business turnover Weaving Tajung in the area of Mr Potato Palembang.

## **THE LITERATURE AND DEVELOPMENT OF HYPOTHESES**

### **Definition of Banking Credit**

According to Article 1 paragraph 11 of Law no. 10 year 1998 about banking credit states that:

Credit is the provision of money or equivalent claims, based on a loan agreement or agreement between the bank and another party requiring the borrower to repay the debt after a certain period of time with the grant of interest. If someone uses a credit service, then he will be charged interest on the bill.

According to Firdaus and Ariyanti (2011), credit is an intangible thing that today is needed by society in order to encourage and launch trade, encourage and launch production, services and even consumption which all aimed to raise the living standard of human being.

### **People's Business Credit**

People's Business Credit, hereinafter abbreviated as KUR, is credit / financing to Micro Small Medium Enterprises Cooperative in the form of working capital and investment supported by guarantee facility for productive business. KUR is a program launched by the government but the source of funds comes from bank funds. The government guarantees the risk of KUR by 70% while the remaining 30% is borne by the executing bank. KUR guarantee is provided in order to improve access of UMKM-K to financing sources in order to encourage the growth of national economy. KUR is distributed by 7 implementing banks: Mandiri, BRI, BNI, Bukopin, BTN, BRI

Syariah and Bank Syariah Mandiri (BSM).

### Old Business

According to Asmie (2008) explains that "long business is the length of traders working on trading business that is in progress today". While Sukirno (in Rosetyadi, 2012) argues that "the length of a business can lead to a trying experience, where experience can influence a person's observations in behavior."

### Education

The word education comes from the English word "education" and the latin "educatum" which means the development from the outside to the inside. Whereas according to Article 1 Paragraph 1 of Law No. 20 of 2003 education is defined as education is defined as a conscious, real effort, planned in a process of learning and teaching to realize the quality of self-learners who are actively able to develop the potential within the self that they have the potential who are strong in religion, good personality, intelligent, have self-control, have critical and dynamic thinking, are responsible and have the necessary active skills both for themselves and society.

The definition of each educational unit that is:

- a) Formal education is a structured and tiered education pathway consisting of primary, secondary, and higher education.
- b) Non-formal education is an educational path outside formal education that can be implemented in a structured and tiered manner.

Informal education is the path of family and environmental education.

### Small Micro Medium

In each country has a different definition of small medium enterprises. if the review of the definition of small medium enterprises in Europe (European Commission), a small business is defined as:

Businesses that have a workforce of less than 50 people with assets of less equal to 10 million euros and turnover amounted to less equal to 10 million euros. Medium business is

defined as a business that has a workforce of less than 250 people with assets of less equal to 50 million euros and turnover amounted to less equal to 43 million euros (European Commission,2009).

### The Framework Of Thought

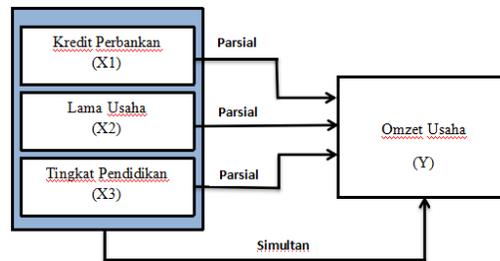


Figure 2.1 Frame of mind The hypothesis

#### Relationship Banking Credit against the Business Turnover

According to Firdaus and Ariyanti (2011), credit is an intangible thing that in adults is extremely needed by

the community in order to encourage and launch trade, encourage and launch production, services and even consumption all of which is aimed at raising the standard of living of humans. This indicates that the magnitude of the banking credit given is directly proportional to the turnover of the business acquired. Then from that hypothesis is arranged as follows: 1: there is a Suspected influence among the banking credit against the business turnover.

#### Relationship Long crusade against Business Turnover

Sukirno (in Rosetyadi, 2012) argues that "the length of a business may give rise to an experience of trying, where experience can affect a person's observations in behave." This opinion reflects that the longer the establishment of a business, then it will increase the turnover of his business. From the explanation above, the research hypothesis is derived as follows:

2: there is an influence between the long Predictably attempt against business turnover

#### Relationship of the level of education towards Business Turnover

Adoption of appropriate technology among small entrepreneurs more influenced by level of education. The increase in revenue that can be used as a support in the break the circle of poverty not utilized properly. Education will help create the quality and quantity of human resources are adequate this will reflect the good

work efficiently among pengraji. Formal education trails ranging from elementary to College to provide someone with a knowledge of the basics of the theory and logic,

character development and personality. From these descriptions, developed a research hypothesis, namely:

3: there is Suspected of influence between education level with business turnover

Relationship Banking Credit, the Long effort and level of education Towards Business Turnover

The third independent variable in this study have a direct relationship with the dependent variable that is the turnover of the business. All three have linkages both in terms of technical and non technical needs in the process of improving business turnover of small medium enterprises. From the explanation above, the research hypothesis is derived as follows:

H4: Allegedly there was a simultaneous influence between credit banking, long effort and level of education towards the turnover of the business.

## **RESEARCH METHODS**

This Type Of Research

This type of research is used quantitative methods.

Populations and Samples

Which became population in this study was small business Looms in the region hosting the Tajung in Tuan Kentang Palembang. Population

figures taken 30 respondent assuming the socioeconomic background of businessmen are relatively homogeneous. The retrieval of these populations is done with the interview and questionnaire filling. Then the data obtained is collected and processed.

Engineering Data Collection

In doing this research data collection techniques used are now engineering. Operational Definitions Of Variables In research undertaken researchers consists of one dependent variable and independent variable of four. The dependent variables in the study was the turnover (revenue), i.e. the whole of the money received will be used for consumption in meeting the cost of living.

The independent variables (X 1) of the banking Credit is a credit to the community for business activities, or the consumption of this credit granted by the bank the Government or private banks to the corporate world in order to finance their capital needs, and credit from the bank to individuals to finance the purchase of necessities of life as goods and services.

The independent variables (X 2) long Effort is a unit of rattan small business it started to stand and survive in the midst of economic turmoil, in which the units of the count in (year).

The independent variables (X 3) level of education is formal education which was held in the school on a regular

basis, multilevel, and following terms clear, regular, and tight (tied).

#### Data Analysis Techniques

Data analysis is activities processing of data has been collected to answer the problem formulation and test hypotheses have been proposed. Some of the techniques of data analysis used in this study are as follows:

In analyzing the magnitude of the influence of variables variable against non-free, this research uses tools of Econometric analysis, i.e. regression of existing variables in methods of OLS (Ordinary Least Square). Function used in this research are:

$$Y = f(x_1, x_2, X_3) \dots \dots \dots (1)$$

Of the function is transformed into a linear regression estimation models are rendered as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 \dots (2)$$

Where:

Y = UMKM Turnover (millions Usd/month)

X<sub>1</sub> = Credit Banking (millions Usd/month)

X<sub>2</sub> = Long Time Efforts (Years) X<sub>3</sub> = Level Of Education

A = Constant

$\beta_1, \beta_2, \beta_3$  = Regression Coefficient EI = error

#### Test t (Partial Test)

The t-test is a test that aims to determine whether each of the regression coefficients of the significance or not the dependent variables against assuming the other variables constant.

#### F-Test (Test Of Simultaneous)

The F-test is done to see the influence of the independent variables as a whole or together against the independent variable.

## THE RESULTS OF THE RESEARCH AND THE DISCUSSION

### Descriptive Statistics

Table 4.1 is the dependent and independent variable descriptions in this study, namely the banking Credit (X 1), long (X 2), and level of education (X 3).

**Table 4.1**

Descriptive Statistics	Mean	Std. Deviation.	N
Ln_Turnover	17.7973	.86357	14
Ln_Credit Banking	17.0094	.54814	14
Ln_Business Period	2.5418	.57917	14
Ln_Education Levels	.6110	.51484	14

analysis of the Kolmogorov-Smirnov (K-S) with a level of significance in the top 5% or p-value > 0.05.

Based on the appendix table 4.2 test results from One Sample Kolmogorov-Smirnov Test (1-Sample K-S) obtained the value of Asymp. SIG (2-tailed) of 0.200 greater than 0.05, then it can be inferred that the data has been Gaussian.

### Multicolinierity Test

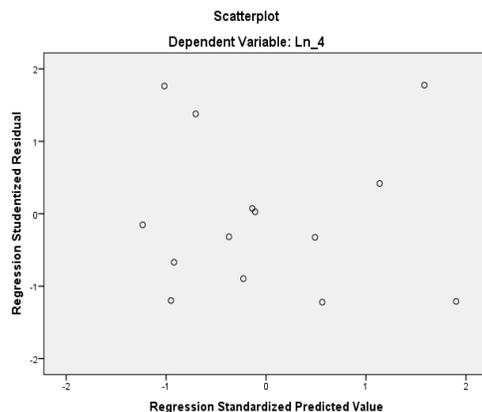
Multicollinearity test aims to see that in the presence of kolerasi regression model between independent variables. To detect whether there are multicollinearity of value Tolerance Variance Inflation Factor (VIF).Cut off values are commonly used to detect whether or not there are Multicollinearity is a regression model declared free of multicollinearity if as a value Tolerance above 0.1 and ariance inflation factor (VIF) under

0. The results in appendix table 4.3

Test of normality aims to test whether the regression model in the independent variable and the dependent variable or both terdistribusikan normally or not. In this study, a test of normality is seen through a non-parametric statistical olerance of credit banking, Long ffort and level of education have a value above 0.1 and VIF under 10 and based on it can be concluded that there are no symptoms multicollinearity between independent variables used in the regression models.

## Heteroskedasticity Test

Test Heteroskedasticity aims to test whether the model regression residual variance inequality occurs from one observation to another observation. Heteroskedasticity testing is done by making a Scatterplot (Groove distribution) between residual value and prediction of variable which has been standardized. Heteroskedasticity test results can be seen in Figure Scatterplot, as in the picture below



*Sumber : Output SPSS, Versi 24.*

## Autocorrelation Test

Autocorrelation test aimed at testing whether in a linear regression model, there is a correlation between residual. To find out or no autocorrelation test value should be seen Durbin-Watson. The results of the regression analysis in the Appendix Table 4.3 retrieved from the value of the Durbin Watson is 2,179. The value of the Durbin

Watson with  $\alpha = 5\%$ , for  $n = 14$

with the independent variable ( $k$ ) = 3 so that the retrieved  $dl = 0.7667$  and  $du = 1.7788$ . Therefore the value of 2,179 DW greater than upper limit ( $du$ ) of 1.7788. Thus it can be said that in the model occurs autocorrelation.

## Coefficient of Determination

Based on annex table 4.4 which indicates that the value of the adjusted value of the square of 0667 (66.7%), with the R square of 0.744 (74.4%). It can be inferred that 66.7% of the turnover variable (Y) is influenced by the banking Credit variables (X 1), long (X 2), and level of education (X 3) while the rest was 34.3% is explained by other variables not examined in this study.

### The Test of Hypothesis F-test statistics

The F-test is done to determine whether the whole of the independent variables are jointly giving effect on the dependent variable is significantly or not. Significant test of F can be seen from the F-statistics. If the F-statistic greater F-table, then the regression equation is significant. A model is considered significant if the value of the probability of Prof. (F-statistics) less than 0.05. Based on table 4.5 retrieved the value significance of Fhitung value of 0.003 9,679 > 2.85 because F calculate > F table value and the significance of 0.003 0.05, so can < concluded that a linear regression model being estimated worth is used to explain the influence of banking credit, the long effort, and level of education towards small business Turnover in the region the region of Tuan Kentang Palembang.

### The T-test statistics

Based on table 4.5 retrieved the value significance of X 1 credit banking with t-count of 3,399 > 2.0226. The significance of the values obtained showed 0.007 < 0.05. then it can be concluded that the first hypothesis is accepted, which means the influential banking credit significantly to Weaving small business Turnover in the region of Tuan Kentang Palembang.

Based on table 4.5 retrieved the value significance of X2 Business Period with t-count of 3,578 > 2.0226. The significance of the values obtained showed 0.005 < 0.05. then it can be concluded that the second hypothesis is accepted, which means Long influential Efforts significantly to Weaving small business Turnover in the region of Tuan Kentang Palembang.

Based on table 4.5 X 3 significance value obtained with the t-count education of 2,476 > 2.0226. The significance of the values obtained showed 0.033 < 0.05, then it can be concluded that the third hypothesis was accepted, meaning influential education levels significantly to small business Turnover in the region of Tuan Kentang Palembang.

## CONCLUSION

Based on data analysis and discussion of research results, the following conclusionsia 1) Partially variable Credit Bangking, Business

2)Simultaneously variable Credit Bangking, Business Period, and Education Levels have positive and significant effect to the turnover of TenunTajung Business in Tuan Kentang Palembang.

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