

## THE INFLUENTIAL FACTORS TOWARDS CREDIT UNION MEMBERS (STUDIES IN CU NETWORK BOARDS OF CU IN KALIMANTAN)

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### ABSTRACT

*Credit Unions, in Indonesia, have well-developed and played an important role in supporting its members 'economic empowerment. In 2008, there were 33 Regional Coordinating Bodies of Credit Cooperation (BK3D) and one Central Office of Credit Cooperation (PUSKOPDIT). Among them, it is Kalimantan Coordinating Body of Credit Union (BKCUK). This research attempts to find out the relationship and influences among the variables as used in this research. The data which include the abovementioned key variables were collected from respondents using questionnaires. Path analysis was used to estimate the magnitude of direct or indirect causal relationships between exogenous variables and endogenous variables. AMOS Version 16 was used to perform the analysis. Results of the study shows that: (i) leadership of managers was directly affected by both strategic plan and financial performance; (ii) quality of product/service was directly affected by strategic plan, and was indirectly affected by financial performance through managers' leadership; and (iii) satisfaction of PCU's members was directly affected by either leadership of managers or quality of product/service, and was indirectly affected by financial performance and strategic plan through leadership of manager. Results of the study shows, That: (i) the leadership of managers was directly affected by both the strategic plan and financial performance, (ii) quality of product / service was directly affected by the strategic plan, and was indirectly affected by financial performance through managers' leadership ; and (iii) the satisfaction of PCU's members was directly affected by Either leadership of managers or quality of product / service, and was indirectly affected by financial performance and strategic plan through leadership of manager.*

**Key words:** Credit Union Management.

### INTRODUCTION

There are three dominant actors in Indonesia economy namely state-owned, private, and cooperatives, in which they participate in moving the progress of the economy. However, since this country was built, there has been a much stronger bargaining position in the control of economic resources e.g., at two major state-owned and private actors compared with cooperatives. Even in the late 1992, the trend of a stronger global economic issues affected the nation's economy and emerged as conglomerates based economy, so that life spirit of cooperative is now not so popular anymore. Even some com-

munities in Indonesia, are concerned about the future life of the cooperative. In consequence, the questions raised here is whether the cooperatives in Indonesia are still relevant to the life of global era.

After the monetary crisis, in some countries in Asia (Korea, Thailand, Indonesia, and Malaysia) since 1997, there has been some lesson learned. This is vital for the policy makers and regulators for making decisions and arrangements, in which all must be truly nation-based economic development. Thus, by doing so, the conglomerates are not vulnerable to impact of the monetary crisis. In that condition, it can be seen that the eco-

conomic populist and microfinance institutions (such as cooperatives), which is different from the economic characteristics of the conglomerate. They are able to demonstrate their resistance against the onslaught of economic disaster that hit the Indonesian monetary crisis. Martowijoyo (2002) said that microfinance institutions have proven to maintain the continuity of his life with self. Through microfinance and economic revival, the poverty can be reduced. This can be done by the people themselves by finding their own way to overcome the problems.

So far, several types of cooperatives in Indonesia have been of Credit Union, in which they have well developed and played an important role in supporting its members' economic empowerment. In 2008, there were 33 Regional Coordinating Bodies of Credit Cooperation (BK3D) and one Central Office of Credit Cooperation (PUSKOPDIT). The Kalimantan Coordinating Bodies of Credit Union (BKCUK) has members number and assets, and this coordinating body was regarded as the best. In the Asian Credit Union Forum, was held in 2007. In this, there were about 15 Primary Credit Unions (PCU), which have been selected to be included into Asian Access Branding evaluation. Ten of which were PCUs within BKCUK. Based on PCU's rate of growth and development, a number of key variables have been identified to have significant contribution to the management of PCUs. These include strategic management, leadership, financial performance, and product/service quality. In line with these findings, this study was carried out to analyze the impact of the five identified key variables on satisfaction of PCU's members.

Ten PCUs in Kalimantan BKCU (i.e., 8 in Western Kalimantan and 2 in Central Kalimantan) were taken as the sample in this study. No less than 386 respondents are of managers, administrative staff, activists, and members of the selected PCUs. All these were randomly selected and used as sources of primary data. The data include the above-mentioned key variables and they were collected from respondents using questionnaires. Path analysis was used to estimate the magnitude of direct or indirect causal relationships between exogenous variables

and endogenous variables. AMOS Version 16 was used to perform the analysis.

The results of the study show that: (i) leadership of managers was directly affected by both strategic plan and financial performance; (ii) quality of product/service was directly affected by strategic plan, and was indirectly affected by financial performance through managers' leadership; and (iii) satisfaction of PCU's members was directly affected by either leadership of managers or quality of product/service, and was indirectly affected by financial performance and strategic plan through leadership of manager.

Most of them are well developed. They are in their existence of being cooperative credit unions; known by the so-called KOPDIT (Credit Union) level of government, while among the community is more familiar with the call credit union. Even in some media it was reported that credit union (CU) is considered a non-formal microfinance institutions, to conduct microfinance activities namely financial services providers and capacity building for members.

Credit union was introduced by Schulze (1808-1883) with FW Raiffeisen (1818-1888). The subsequent development was more popular for F. W. Raiffeisen as a farmer's son who, in 1845, became mayor of Weyerbush, Germany (WOCCU, 2005). German society in that period was in trouble. Therefore, three policies were adopted by F. W Raiffeisen. First, they collected money from the rich being used for sharing the money with the poor. Yet, the people remained in the same condition. Secondly, they collected bread from a bakery to share it with the poor but the Poor's condition remained the same. Third, they collected money from the poor fellows then lend it to others, and then policy could change their condition.

The action of collecting and lending the money at that time in Germany was formerly called the credit union. In this practice, the credit union is a collection of people who trust one another in an agreed unified bond

saving their money, thereby creating a joint capital for lending among themselves with a decent interest for productive purposes and welfare. Now, credit union in Indonesia is interpreted as credit by cooperatives (KOPDIT). This is more popularly called credit union. The term is also consistent as by the credit union association in Asia and worldwide.

The Association of Asian Confederation of Credit Union (ACCU) is based in Bangkok. The World Council of Credit Union (WOCCU) is based in Madison, Wisconsin, USA. The Association of credit union organizations in Indonesia is classified by their grade and area of their operation. At the management level of direct services to community groups, they are called primary or credit union of primary credit cooperatives (KOPDIT). This primary Kopdit should have minimum five primary credit cooperatives, which are formed as a Regional Credit Union Coordination Board (BK3D) located in each region. From this level, it is then BK3D throughout Indonesia to establish a bond which is called the Parent Credit Cooperatives (INKOPDIT) or Credit Union Central Of Indonesia (CUCO Indonesia), which is located in Jakarta (KOPDIT, 2007).

In the development of a national credit union, Credit Union Coordination Board of Borneo (BKCUK) has been eight years last year (2001-2008). They are located in the position of always being on the top views of the members and the number of assets. The asset is much more striking compared with other regions BK3D. Similarly, the development of network of Primary BKCUK Credit Union, Pontianak shows the growth rate of the amazing members and assets, in which the primary CU achieved high growth rates of 100%. The deal results of the Asian Credit Union Forum workshop, on December 20 to September 22, 2007 in Bali has set a 15 primary credit unions prepared to be included in the assessment of the level of accreditation Access Branding in Asia. Of the 15 CU, 10 primary CU BKCUUs are de-

rived from Kalimantan (ACCU, 2007). The national conditions and developments within the primary CU BKCU Kalimantan, motivate and inspire this study, and try to see the symptoms of development of the specialty organization and their management.

Based on such tremendous development, it can be formulated for the analysis of the influence of strategic planning, financial performance, management leadership (managerial) and quality of products/services towards the satisfaction of members. The scope of research activities include discussion and testing (1) the influence of strategic planning and financial performance against the leadership of board (managerial), (2) the effect of management leadership on the quality of products/services, (3) influence of the quality of products / services towards member satisfaction.

In general, the study aims to analyze the influence of strategic planning, financial performance, leadership, and quality of products/services towards the satisfaction of members. In particular, this study aims to analyze the influence of strategic planning, financial performance against the leadership of board, analyze the influence of strategic planning and financial performance of the quality of products/services through management leadership variables (managerial), and analyze the influence of strategic planning, financial performance against member satisfaction through the variable quality of products / services and management leadership variables.

## **THEORETICAL FRAMEWORK**

Several previous studies have similar results using five variables as used in this research. First, Hopkins (1999) with the object of research on 112 banks uses the variables such as managerial studies, environmental, organizational, strategic planning and financial performance, and strategic planning intensity. The conclusions stating that these have direct and positive impact on the performance of the bank. Second, Foedjiawati (2003) with the object of research on con-

sumer restaurant in Surabaya use variables such as customer satisfaction (x): X1 = Attributes related to the product, X2 = Attributes related to the service, and brand loyalty (Y). The conclusion asserts that there is positive and significant relationship between consumer satisfaction and brand loyalty. Third, Budiarto (2004) with the object PT. Telkom uses strategic planning variables (X) and financial performance division (Y). The results showed that of the four divisions studied only two divisions just showing strategic planning and it has a significant influence on financial performance, while against the staff division, it does not have any effect.

Other than the above researchers, Komenaung (2004) did the research with object Village Cooperatives in the province of Bali using an internal variable (KUD management, participation, finance, HR), external and KUD performance. The results show that performance of the village unit cooperatives in Bali Province is influenced by internal and external factors. Like Komenaung, Darmawan (2004) uses the object of research consumer electronics products, which are purchased at each retailer in Surabaya. He uses the variables such as employee performance, customer satisfaction, customer trust and loyalty of customers. The study shows that the performance of employees significantly influences customer satisfaction. Customer satisfaction significantly influences customers' trust. Customer trust significantly influences customer loyalty; Thoyib (2005) research with the object of PT. Telekomunikasi Indonesia, Tbk; Kandatel Malang PT. PKG uses the variables of leadership's organization culture, strategy and performance. The results conclude: (1) Leadership and Organizational Culture can affect each other influence, (2) Leadership influence the strategy of the Organization; (3) Organizational Culture affects the Organization Strategy, (4) Leadership and Organizational Culture affects the Organization Strategy, (5) Leadership, Organizational Culture and Organizational Strategies affect Employee Performance; Purba (2005) with

the object of research Robinson Department Store of the variables used service, customer satisfaction. Conclusion of research: (1) That there is a positive correlation of 75.88% and significantly among the variables between service and customer satisfaction, (2) The service variables affect customer satisfaction significantly; Zulfadil (2006) with cooperative secondary research object 204 KP-RI variables uses strategic management, entrepreneurship, performance as variables to be analyzed. Test results by partial variables: (1) application of strategic management including environmental analysis, strategy formulation, strategy implementation and evaluation strategy has positive and significant effect on the intensity of entrepreneurship. 2) Application of strategic management did not significantly influence the performance (3) entrepreneurship dimensions consisting of diversification of business and organizational renewals have significant and positive effect on performance. Testing simultaneously, the application of strategic management and entrepreneurship significantly influence performance. Based on these descriptions, differences and comparisons among the research variables used in the previous studies, it is now presented in Table 1. (See appendices)

When dealing with the service of saving, it is obvious that it can be described in terms of its characteristics. In this case, Schroeder (2003), explains that in the service of saving "by from and to members of" the credit union, there are characteristics of the flow of savings through the five stages of a cycle; Step one, Phase of unity: every member is able to save; Step two: then managed by a primary credit union; Stage Third: members obtain the right loan for productive business purposes or consumption; Stage four: every member who borrowed and with interest as a source of revenue services credit union; Stage five: then the results are managed by a credit union in part to pay the cost of capital in the form of interest savings and fringe benefits deposit back (JSA loans) to members, the rest is used for operational costs

and the difference in revenue with total cost of the remaining results of operations.

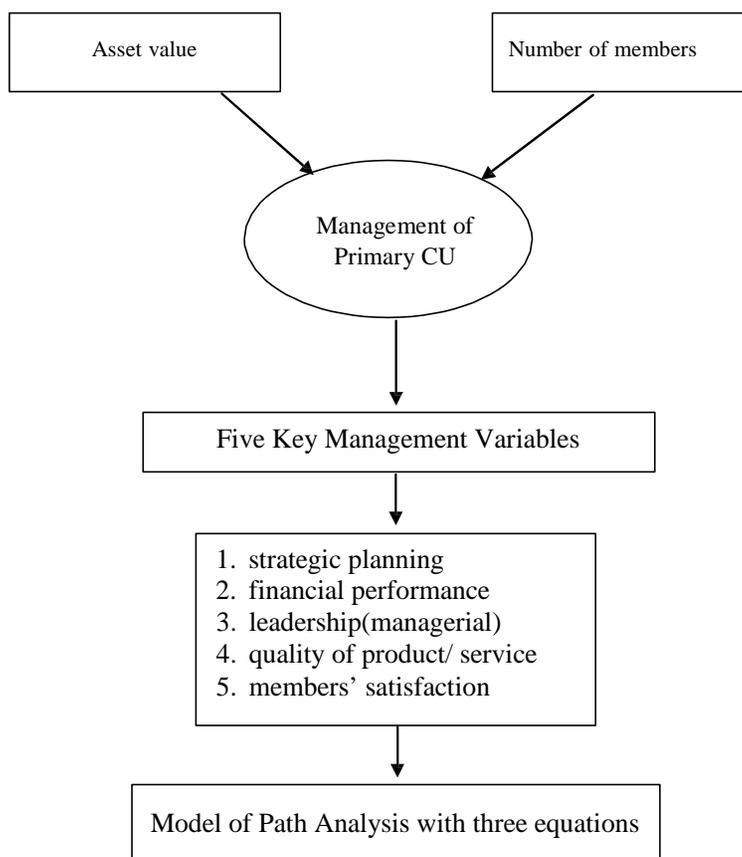
Based on the cycle of savings services and the principles by the members and to members as an ideology, it is clearly that they put the interests of members for themselves too so that members get the service and satisfaction from this money. In that case, financial performance has a relationship and a direct influence on the ability to manage assets and funding sources within business organizations (Van Horne, 1989; Riyanto, 1990; Brigham, 1990; Richardson (2006). Meanwhile, the ability to manage can be viewed from two aspects: aspects of asset and the source of the fund. This is influenced by the degree of the quality of products/services in the world market to give satisfaction to the consumers/ customers (Roque, 2006; Kotler, 2000; Copleland, 1992).

Aspects of non asset that is directly related to the level of knowledge possessed by the leadership is for formulating strategic planning, policy, and use of resource allocation decisions. These are all related to the fund to achieve overall company objectives that must be consistent with the vision, mission, and values of the organization's business (Jauch, 1994, David, 2003; David, 2000; Fred, 2006; Gibson, 1998). On the contrary, Mayo (20 010) asserted tangible assets and intangible assets were determined by the customers' financial position, organizational capital, and human capital with the ultimate goal to determine market value.

Regarding the previous studies on the influence and relationship among the variables, this research also uses three basic models of path analysis. Development of the model is as a paradigm of research.

Based on the picture above is a model

**Figure 1**  
**Chart of Framework**



study, the operational research to examine patterns of relationships and influences between variables in this study conducted in three stages, namely:

Phase I: to test strategic planning variables (pcs) and financial performance (kf) influence towards the leadership board (managerial) form of the equation:

$$MJRL = Pmjrl PmjrI pcs + kf + 1 \quad (1)$$

Equation (1) to test Hypothesis 1: The influence of strategic planning and financial performance management against leadership (mjrl) collectively.

Phase II: testing the influence of strategic planning (pcs), financial performance (kf) towards services (plyn) through management leadership variables (mjrl).

$$PLYN = Pplyn Pcs + PplynMjrl + PMjrlKf + 2 \quad (2)$$

Equation (2) to test Hypothesis 2: Strategic planning and financial performance variables influence the quality of products/services through management leadership variables (mjrl).

Phase III: testing a strategic plan (ps), financial performance (kf) affect member satisfaction (ka) through the service variables (plyn) and board leadership variables (mjrl).

$$KA = PkaKf + PkaMjrl + PkaPlyn + PplynPcs + 3 \quad (3)$$

Equation (3) to test Hypothesis 3: Strategic planning (ps), financial performance (kf) affect member satisfaction (ka) through the variable quality of products/services (plyn) and managerial variables (mjrl).

Phase IV: The evaluation model path diagram by entering all the data of the results in the calculation process by AMOS 16, obtaining the results fit to the criteria of suitability model Goodness of Fit.

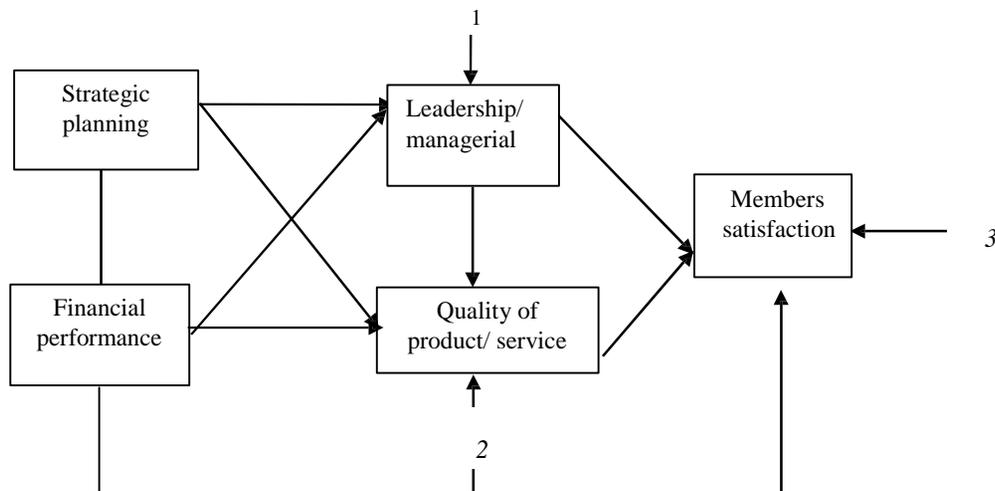
Based on the above framework, to test the relationship and influence among the variables as shown in Figure 2, heptoses can be as follows.

Hypothesis 1 (H1): Strategic planning, financial performance affect the board leadership (managerial) in the credit union.

Hypothesis 2 (H2): Strategic planning and financial performance affect the quality of products/services through management leadership variables (managerial) in the credit union.

Hypothesis 3 (H3): Strategic planning, financial performance affect member satisfaction through the variable quality of products/services and management leadership variables (managerial) in the credit union.

**Figure 2**  
**Research Paradigm**



**RESEARCH METHOD**

As in a brief procedure in the research, it can be seen in Figure 3.

Overall, this research is survey method. The respondents are 10 Credit Union Primary as described in Table 2.

The sample determination consisting of 10 Credit Union is based on several considerations, as the following.

- (A) It is based on the observations from 2000 up to 2008 primary credit union development in Indonesia, both of total assets and primary credit union members in Kalimantan. They are always on the top ranking position. Over 50% growth assets and the number of primary credit unions members in the Credit Union Coordination Board of Borneo.
- (B) The result of the Asian Credit Union Forum workshop, September 2007 in Bali has set a 15 primary credit unions in Indonesia including the assessment of Access Branding in Asia and from 15 primary credit unions. There are 10 credit unions, which concentrated on the primary credit union environment BKCU-Kalimantan (ACCU, 2007: 5).
- (C) The characteristics and uniqueness of the development of credit unions Kalimantan has become the primary concern

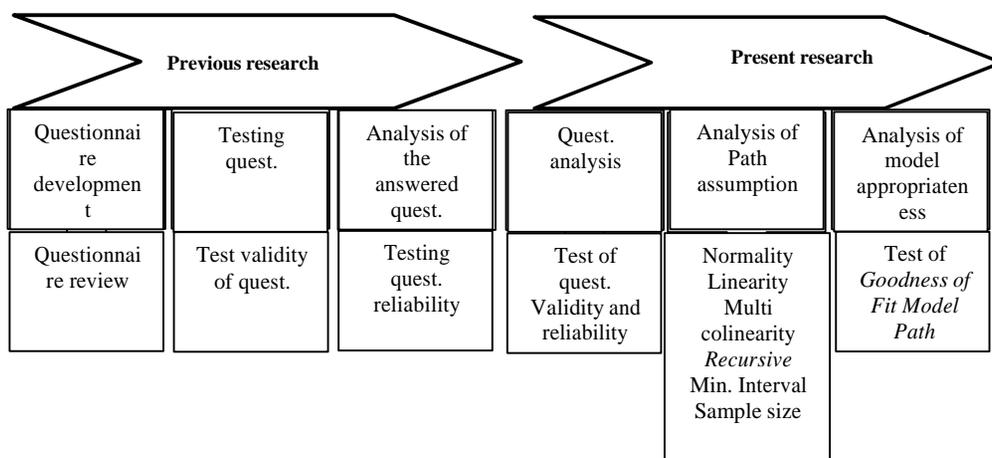
of various parties in Indonesia, even from among the managers themselves ACCU (Yati, 2008: 5; Randjith, 2008: 3).

- (D) Wahono, F in the Consolidated Annual Member Meeting BKCUK Year (2007) called the credit union organization and management of Borneo as a “Model Credit Union Modern”

The data and information were gathered starting from 21 July 2008 until 31 November 2008.

The types and sources of data in this study consist of two groups. It is the groups of primary data using a questionnaire adopted from the questionnaire assessment of primary credit union ACCU (2004). The respondents consisted of managers, supervisors, management and activist/volunteers. The secondary group is in the form of annual reports from CUCO Indonesia, Coordinating Body Credit Union and primary Credit Union in Kalimantan. The sampling technique of determining quantities of 10 primary credit union as a sample, using purposive sampling, determination of the board and management / staff using the stratified sample sampling, election activists / members as respondents use random sampling. It covers 440 people as the target respondents.

**Figure 3  
 Research Procedure**



## DATA ANALYSIS AND DISCUSSION

Tests on as many as 386 questionnaire validity and reliabilities generate high with alpha chrombach > 70 (have now, 1992). Having passed the test of normality, linearity, multicollinearity, recursive model, the scale used by the number of eligible sample (Hair, 1998; Gujarati, 1988; Guarati, 1992; Ghazali, I 2005-2007), followed by compatibility tests fit the model with the following results.

As shown in Table 3, it can be generalized that the model of Figure 3 can be best used as an analysis to test the research hypothesis and considered reliable.

### Hypothesis Testing Results

Hypothesis 1 (H1): strategic planning and financial performance management leadership influences the Credit Union.

Based on the output obtained by means of Amos 16; path coefficient value of strategic planning with the leadership of board (managerial) has a significance of 00:52, as shown in ( $P = ***$  or  $0.000 < 0.05$ ), while the path to financial performance management leadership (managerial) has value of -0.07 and its significance as shown in ( $P = 0:25 > 0.05$ ). The correlation coefficient value of strategic planning to financial performance of 0.05 and significance are shown in ( $P *** = 0.000 < 0.05$ ).

In estimating the level of strategic planning, it is at 0:16 with a significance as

shown in ( $P *** = 0.000 < 0.05$ ), the value of estimation for the financial performance is 0.12 with significance as shown in ( $P *** = 0.000 < 0.05$ ), estimate the value of  $e_1$  on managerial 0:14 significantly shown in ( $P *** = 0.000 < 0.05$ ). The  $R^2$  of the equation is at 12:18 with a significance at  $F(0:00 ** = P < 0.05$  (spss output). That the value of 18% < 20%, there is but little influence. Thus, the first hypothesis (H1) is proven, namely strategic planning variables (pcs) and financial performance (kf) has little influence on the leadership board (managerial) in the Credit Union.

Hypothesis 2 (H2): strategic planning and financial performance affects the quality of products/services through the managers' leadership variable in the Credit Union

Based on 16 Amos Output path with the coefficient value of management leadership (managerial) and the quality of products/services (plyn) have a value of 0:45 with a significant coefficient as shown in ( $P = ***$  or .000). Thus, the path of strategic planning with quality products/service (plyn) has a coefficient value of 0:13 with the significance indicated in ( $P = 0.007 < 0.05$ ); The level of estimate on the variable quality of the product/service has a correlation with financial performance (kf) of 0.1 and significance at ( $P = 0.02 < 0.05$ ); The estimate value on the quality of products/services (plyn) is at 0:11 with a significance that is shown in ( $P = 0.000 < 0.05$ ).

**Table 2**  
**10 Primary Credit Union Primer network BKCUK Kalimantan**  
**In Access Branding in Asia Level**

No	Name of Credit union	Head Office	Territory
1	Pancur kasih	Pontianak	Kodya Pontianak-Kalbar
2	Lantang Tipo	Sanggau	Kab. Sanggau-Kalbar
3	Khatulis tiwa bakti	Pontianak	Kodya Pontianak-Kalbar
4	Tilung jaya	Putusibau	Kab. Putusibau-Kalbar
5	Keling kumang	Sekadau	Kab. Sekadau - Kalbar
6	Pancur solidaritas	Ketapang	Kab. Ketapang- Kalbar
7	Bona ventura	Singkawang	Kab. Singkawang Kalbar
8	Canaga antutn	Manyumbang	Kab. Ketapang-Kalbar
9	Sumber rejeki	Ampah	Kab Bartim-Kalteng
10	Betang asi	Palangka raya	Kodya Palangka Raya-Kalteng

Source: BKCU-Kalimantan (2007).

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9	Sumber rejeki	Ampah	Kab Bartim-Kalteng
10	Betang asi	Palangka raya	Kodya Palangka Raya-Kalteng

Source: *BKCU-Kalimantan (2007)*.

The R2 results of the second equation is at 12:28 with significance of F (0:00 \*\*= P <0.05 (spss output). The value of 28% > 20 percent shows its influence. Thus, the second hypothesis (H2) is proved, that stating that strategic planning variables (pcs) and financial performance (kf) affect the quality of products / services through management leadership variables (mjrl) at the Credit Union.

Hypothesis 3 (H3): the influence of variables of strategic planning, financial performance towards the members, satisfaction through the variables of quality of products/services and management leadership variables (mjrl) at the Credit Union.

Based on 16 Amos Output, path coefficient value of financial performance (kf) towards the satisfaction of (ka) has a coefficient value of 0:23 with a significance as shown in (P = \*\*\* or .000), managerial path (mjrl) to the satisfaction of (ka) with the coefficient value and the significance of 00:20 as shown in (P = \*\*\* or .000) and the track of the quality of products/services (plyn) members' satisfaction (ka) has a coefficient value with the significance of 00:34 as shown in (P = \*\* \* or .000). The estimation of the level is at e3 on member satisfaction has a value of 0:06 with a significance that is shown in (P = 0.000 <0.05). The R2 results of the third equation at 12:47 with a significance is at F (0:00 \*\*= P <0.05 (spss out-

put). Thus, the value of 47% > 20 percent shows its influence

Thus, the third hypothesis (H3) is unanswered, meaning that strategic planning (pcs) and financial performance (kf) affect member satisfaction (ka) through the leadership of the board (mjrl) and quality of products/services (plyn) at the Credit Union.

The three forms of equations can be written based on the image path analysis model, which is explained as the following.

$$(A) \text{ mjrl pcs1} = 12:52 - 00:07 \text{ 00:14 kf1} + e1$$

$$R2.1 = 0:18$$

$$(B) = 0:13 \text{ kf2 plyn mjrl} + + 0:45 + 0:11$$

$$0:09 \text{ pcs2 e2} \quad R2.2 = 0.28$$

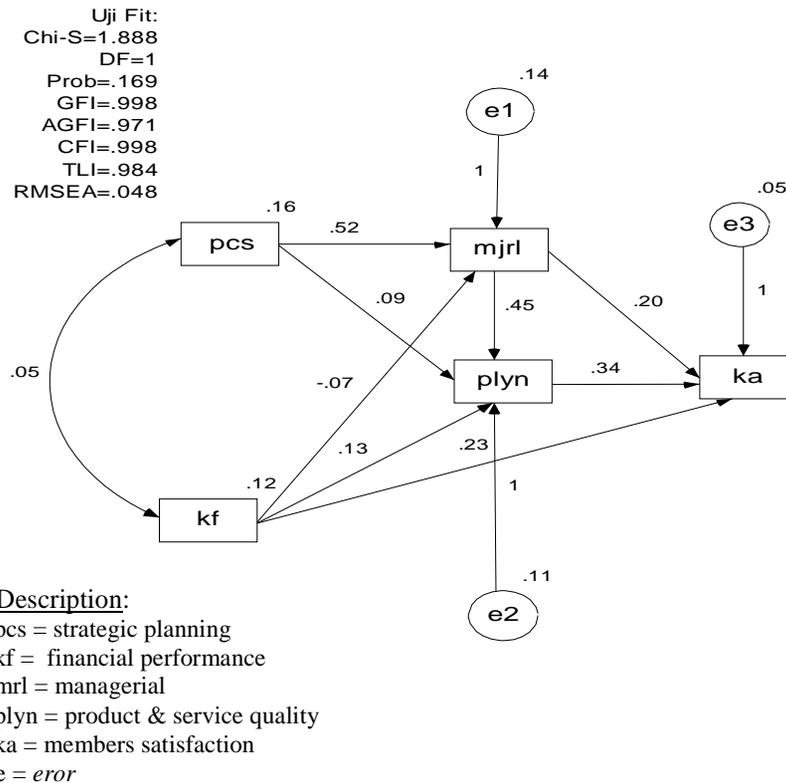
$$(C) \text{ ka} = \text{kf } 0:23 \text{ mjrl } 3 + 0:20 + 0:34 + 0:05$$

$$\text{plyn e3} \quad R2.3 = 0:47$$

### CONCLUSION, IMPLICATION, SUGGESTION AND LIMITATION

After analyzing and discussing the results of the research, some conclusions can be asserted as the following. First of all, (1) strategic planning and performance standards affect financial performance management leadership. For that reason, it is imperative that the government boost the quality of strategic planning. This, later on, can be followed by an increase in the achievement of financial performance standards. By doing so, it inevitably, will improve the management leadership. Second, the strategic planning, achievement of financial performance

**Figure 3**  
**Analysis Model**  
**(mjrl and plyn as moderating variables)**



standard affects the quality of products/services. Thus, increasing the quality of strategic planning followed by an increase in financial performance achievement standards will improve the leadership committee and followed the increase of quality products/services. Finally, (a) The increased quality of strategic planning, followed by an increase in financial performance achievement standards by the leadership of the board in its application will improve the quality of products / services and member satisfaction, (b) Three strategies to improve member satisfaction, improved quality and implementation of strategic planning, capacity building of management leadership/management and institutions, improving the quality of systems administration / finance and election to the application of information technology, and (c) Variable strategic planning and management leader-

ship variable is a variable key success factor and dominant in the path analysis model that is used to manage the primary credit unions.

### Implication

As an implication: (1) There are five key variables credit union management., (2) The implementation of five key management variables in each line has a dimension which is very useful to be considered to be more focused in order to achieve efficiency and effectiveness of the credit union management primary target is the fulfillment of member satisfaction, (3) variables that key management can be a practical guide for managing primary credit union to be more focused, efficient, effective, to meet members' satisfaction.

### Limitations and Suggestions

Research on the credit unions, both

abroad and in Indonesia, is still very limited. Moreover, mostly, they are with the specific research on management of primary credit union. In addition, in Indonesia, the availability of data and information about the credit unions, whether in relation to technical and operational aspects of social and economic, is too limited. This situation can directly impact on this research. Some difficulties exist such as (i) difficulty for getting references of the research required to build the theoretical foundation and develop research methods, and (ii) data relating to the credit unions is also limited.

Information on primary credit unions included in the assessment of accreditation Access Branding ACCU covers only 15 and 10 Credit Union Credit Union networks. This merely concentrated in the credit unions of Credit Union Coordination Board of Borneo. In connection with this condition, the study focuses on a single network, the Credit Union Coordination Board of Kalimantan with primary 10 Credit Unions. These are gathered by means of instrument in the form of questionnaire distributed to the respondents, in which they are the managers, management/credit unions' staff and activists. Yet, it seems that this study might not be independent of their perceptions and subjectivity although, statistically already qualified through the examination of validity, reliability `classical assumptions. The main subject is based on research topics, namely: the effect of strategic planning, financial performance, leadership, management and quality of products/services on the credit unions' members' satisfaction.

The five observed variables are the key management variables, while the factors of job satisfaction and implementation of continuing education for the members and management/staff, and the boards are not specifically included in the study. The test results are statistically against variables that track the financial performance coefficient with the leadership of the board is negative and not significant. This decision is one of the limitations because it makes the results

of research unable to represent the management of primary credit unions in order to satisfy its members, as well as with various factors that influence it.

Starting from these limitations, it is advisable to conduct research using the same format of the questionnaires by including the employees' satisfaction and educational variables related to the management of credit unions.

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**APPENDICES**

**Table 1**  
**Differences and Comparison of the Variables**  
**Used in this Research and Those Used in the Previous Ones**

No	Present Research Variables	Types/ Items	Description
1	Strategic planning.	1. overall Objectives 2. strategic Objectives 3. Clear Vision. 4. Rigorous Vision.	In Hopkins (1999): (1) Mission (2) Objectives (3) Internal (4) External
	Strategic planning.	5. Good vision formulation. 6. Core values. 7. Yearly Business Plan. 8. Projection of Cash flow. 9. SOP 10. POLJAK	In Zulfadil (2006), strategic variables as follows: 1. environment analysis 2. strategy formulation 3. Strategy execution. 4. Strategy evaluation.
			In Budiarto (2004), 1. Objective 2. Vision and mission 3. SWOT analysis
2	Financial performance	uses <i>PEARLS</i> : 1. P1= Ratio of risk provision toward non performing loan (NPL) more than 12 months. 2. P2= ratio of net risk provision towards NPL between 1 -12 months. 3. E1= Ration of net account receivables towards total asset. 4. E5= Ratio of non-capital stock towards total asset.	Hopkins (1999), uses: 1. <i>Income.</i> 2. <i>Equity.</i> 3. <i>asset growth.</i>  In Budiarto (2004), 1. <i>Debt ratio.</i> 2. <i>Debt to capitalization ratio.</i> 3. <i>Fixed Assets Turn Over.</i> 4. <i>ROA.</i> 5. <i>ROE.</i> 6. <i>Operating ratio.</i>
		5. E6= Ratio of total loan towards total asset. 6. E9=Ratio of net capital towards total asset 7. A1= Ratio of NPL 8. A2= Ratio of non earning asset. 9. R7= Dividend yields to stock price. R9= Ratio of operating cost towards average asset.	In Komenaung (2004);, Liquidity: 1. Current ratio. 2. quick ratio. 3. Cash ratio  Solvability: 1. Debt ratio 2. Debt to equity ratio. Long term loan to Equity ratio
	Financial performance	10. L1 = Net liquid non capital ratio. 11. S10= growth ratio. 13. S11= asset growth ratio.	Activities: 1. Inventory turn over ratio. 2. Working capital ratio. 3. Average account receivable ratio.
3	Leadership managerial skills	1. as the main decision making. 2. as advisor. 3. Sustainability.	In Hopkins (1999): 1. Experience/ knowledge. 2. self confidence.

		<ol style="list-style-type: none"> <li>4. trusteeship</li> <li>5. Symbolic</li> <li>6. Composition and commitment</li> <li>7. guidance and direction</li> </ol>	<p>In Thoyib (2005),</p> <ol style="list-style-type: none"> <li>1. style of leadership</li> <li>1. strategy determination.</li> <li>2. strategy implementation.</li> </ol>
4	Product and service quality	<ol style="list-style-type: none"> <li>1. Target</li> <li>2. Product presentation</li> <li>3. financial product coverage</li> <li>4. <i>Brand mind set.</i></li> <li>5. Building wealth product n.</li> <li>6. loan provision</li> <li>7. Access and comfort</li> <li>8. Price value.</li> <li>9. loyalty desire</li> <li>10. packaging</li> </ol>	<p>In Purba (2005),</p> <ol style="list-style-type: none"> <li>1. Product display.</li> <li>1. focus on customers</li> <li>2. Import product stock.</li> <li>3. Product price.</li> </ol>
5	Members satisfaction	<ol style="list-style-type: none"> <li>1. Keeping up data base of the members by CU.</li> <li>2. Yearly Program on good relationship.</li> <li>3. Survey on satisfaction evaluation.</li> <li>4. Percentage of members' opinion for CU.</li> <li>5. Super service development</li> <li>6. benefit of the program</li> <li>7. Yearly meeting implementation for the members.</li> <li>8. Participation by the members in planning.</li> </ol>	<p>Purba (2005):</p> <ol style="list-style-type: none"> <li>1. complaints and suggestion.</li> <li>2. matched products.</li> <li>3. attitude to move to buy others by the customers.</li> <li>4. Survey on members' satisfaction</li> </ol> <p>Darmawan (2004): Customers' satisfaction:</p> <ol style="list-style-type: none"> <li>1. Staff positive attitude.</li> <li>2. Desire to re-buying.</li> </ol>
		<ol style="list-style-type: none"> <li>9. Wealth building use.</li> <li>10. borrowed products use</li> <li>11. members awareness on responsibility measured with credit provision.</li> </ol>	<ol style="list-style-type: none"> <li>1. Recommendation for other people.</li> <li>2. Not to change trademark.</li> </ol> <p>Customers' loyalty:</p> <ol style="list-style-type: none"> <li>1. Increase of buying.</li> <li>2. Frequency of buying.</li> </ol>
	Customers satisfaction	<ol style="list-style-type: none"> <li>12. Infrastructure on physical building or offices</li> </ol>	<p>Foedjiawati (2003), Customers' satisfaction:</p> <ol style="list-style-type: none"> <li>1. <i>Attributes related to the product.</i></li> <li>2. <i>Attributes related to the service.</i></li> <li>3. <i>Attributes related to the purchase</i></li> </ol> <p>Trade mark loyalty:</p> <ol style="list-style-type: none"> <li>1. <i>Habitual behavior</i></li> <li>2. <i>Switching cost.</i></li> <li>3. <i>Liking of the brand.</i></li> <li>4. <i>Commitment.</i></li> </ol>

