JIA (Jurnal Ilmiah Akuntansi) • Vol. 6, No. 1, Hal: 37-45 • Juni 2021

Determinant Factor of Small Medium Enterprises to Access Bank Credit

Eliada Herwiyanti[1, *], Ascaryan Rafinda[1,2]
[1]Universitas Jenderal Soedirman, Jl. Profesor DR. HR Boenyamin No.708, Kabupaten Banyumas, Jawa Tengah, Indonesia
[2]University of Debrecen, Károly Ihrig Doctoral School of Management and Business, H-4032 Debrecen, Böszörményi út 138, Hungary
*(eliada.herwiyanti@unsoed.ac.id)

Riwayat Artikel:
Tanggal diajukan:
15 November 2020

Tanggal diterima:
17 April 2021

Tanggal dipublikasi daring:
25 Juni 2021

Keywords: *access to bank credit; credit requirements financial literacy; quality of accounting information; small and medium enterprise.*

ABSTRACT

This study aims to identify the determinant factors of bank credit access to small and medium enterprises. As the country's economy's backbone, the facts do not make SMEs free from capital constraints. Although the Government of Indonesia has issued a policy regarding lending through financial institutions, it turns out that this support has not played a significant role in encouraging SMEs to obtain bank credit. This research was conducted in Banyumas Regency, with the research respondents being SMEs who had already received credit. The study results found that financial literacy, credit terms, and quality information accounting affect bank credit access. It is concluded that limited access to bank credit can be improved if SMEs understand financial literacy, credit requirements, and accounting information quality.

Pengutipan:
Herwiyanti, Eliada & Rafinda, Ascaryan. (2021). Determinant Factor of Small Medium Enterprises to Access Bank Credit. *JIA (Jurnal Ilmiah Akuntansi),* Vol. 6, No.1, Hal: 37-45.

ABSTRAK

Penelitian ini ditujukan untuk mengetahui faktor-faktor yang memengaruhi akses kredit bank pada usaha kecil dan menengah. Sebagai tulang punggung perekonomian negara, faktanya tidak membuat UMKM bebas dari kendala permodalan. Meskipun Pemerintah Indonesia telah mengeluarkan kebijakan tentang penyaluran kredit melalui lembaga keuangan, ternyata dukungan tersebut belum berperan efektif dalam mendorong UMKM dalam mendapatkan kredit bank. Penelitian ini dilakukan di Kabupaten Banyumas, dengan responden penelitian adalah pelaku UMKM yang sudah pernah mendapatkan kredit. Hasil penelitian menemukan bahwa literasi keuangan, persyaratan kredit dan kualitas informasi akuntansi berpengaruh pada akses kredit bank. Disimpulkan bahwa keterbatasan akses kredit bank dapat ditingkatkan bilamana pelaku UMKM memiliki pemahaman yang baik tentang literasi keuangan, persyaratan kredit, dan kualitas informasi akuntansi.

Kata kunci: akses kredit bank; literasi keuangan; kualitas informasi akuntansi; persyaratan kredit

INTRODUCTION

SMEs in Indonesia has the potential for the nation's economic development. This is shown by the ability to survive the SMEs during the monetary crisis in 1998. SMEs can be a lifesaver valve in the process of national economic recovery, especially in boosting the rate of economic growth and employment. In 2007, the government began to launch micro-business credit. Microbusiness credit is a credit or financing service provided by the government through banking for SMEs and cooperatives that are considered feasible but have not yet been able to meet the requirements for obtaining bank credit. Even though bank credit assistance is expected to be a solution for SMEs to develop their business further.

Data for 2012 from the Indonesian Central Statistics Agency (www.bps.go.id) shows that SMEs have a 98.82% share of Indonesia's total number of business entities. The absorption of the SME workforce is 90.12% of the total workforce in Indonesia. These figures show that SMEs are an important sector for the Indonesian economy. Furthermore, data for 2014 show that the SME workforce's absorption reaches 96.7% of the total national workforce. In addition, the 2016 data shows that public access to national banking credit is still deficient (https://databoks.katadata.co.id). Out of the 1.000 adult population, only 222 people or less than 25 percent have credit accounts in banks. What is more, out of the 1.000 adult population, only 64 have SMEs credit accounts.

Bank Indonesia (BI—Central Bank of Indonesia) is pushing for a reduction in lending rates to a single digit to get more business players getting funding from banks. This policy was adopted to make bank credit more affordable for business and to drive the economy further. Data from BI shows that from total credit delivery, SMEs received 20-25% from the total credit. Data showed on December 2017, SMEs received 990 Triliun, while non-SMEs received 3,893 Triliun. In the next year, in 2018 September, SMEs received 1,037 Triliun, and non-SMEs received 4,274 Triliun. Even the total credit that SMEs received is increased by 10% each year; BIn counted only 22% of SMEs' access to bank credit (Chandra, 2016).

BI has implemented a reasonably strict regulation on banks to support the development of SMEs in Indonesia. BI has issued regulation (Bank Indonesia, 2012) Concerning Providing Credit or Financing by

Commercial Banks and Technical Assistance for the Development of Micro, Small and Medium Enterprises. One of the regulations stated that banks must channel SMEs loans at a minimum of 20 percent of their total loan portfolio. This policy helps SMEs have access to financing from banks.

BI found in May 2018; around 20% of a local bank that does not obey the regulation should deliver the loans at least 20% to SMEs. That is one of the factors that predicted influence low accessibility SMEs to Bank Credit. This research tries to identify the other point of view. This research identifies the factors SMEs difficulty access to bank credit based on SME's preception. This is more important as they have experience in bank credit access, and they will provide factors that they believe it is important to get the bank credit.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Small and medium enterprises perceived the bank credit requirement as Complicated (Nkundabanyanga, 2014). Previous research on credit terms was conducted by Maisyaroh & Paramita (2018), Oktavianti (2017), Nkundabanyanga (2014), and Susan (2012). The results of these studies indicate that credit terms have a significant positive effect on access to credit. Credit terms can be measured using indicators of the amount of collateral, the repayment period of the loan, and the number of interest rates (Oktavianti, 2017). In line with the Theory of Planned Behavior (TPB) (Ajzen, 2001), it is suspected that someone who will access credit should meet the specified credit requirements. Thus, the following hypothesis is proposed:

H_1: Fulfilling the credit requirement have a positive relationship to accessibility to bank loans

Financial literacy is vital for MSME players. As a series of activities or processes related to increasing knowledge, confidence, and financial management skills, good financial literacy will make SMEs more successful in increasing financial and non-financial performance. Several studies on financial literacy ultimately led to the finding that the higher the level of financial literacy, the easier it is for SMEs to receive credit. A positive relationship between financial literacy and access to credit was found by Nkundabanyanga (2014), Lusimbo (2015), Oktavianti (2017), and Maisyaroh & Paramita (2018).

Financial literacy can be measured using indicators of knowledge about financial management, which include general knowledge, fund control, and the basics of applying for credit. Financial literacy is defined as knowledge of financial management concepts (Putra et al., 2018). In line with (TPB) (Ajzen, 2001) it is suspected that a person who will access credit should equip himself with good financial literacy. Thus, the following hypothesis is proposed:

H_2: Financial literacy has a positive relationship with accessibility to Bank Loans

Information is one of the most critical needs for individuals and organizations in making decisions. Information quality is determined by accuracy, timeliness, and relevance. The quality of accounting information is essential for SMEs because, after all, financial matters must be accounted for (Herwiyanti & Sugiarto, 2019). Research (Kitindi, E.G. et al., 2007) found that the quality of useful accounting information is a consideration for many parties to provide loans.(Kitindi, E.G. et al., 2007) found that the better the quality of accounting information, the easier it is to access the credit. Accounting information quality can be measured using relevant, reliable, comparable, and understandable indicators (Walther et al., 2009). In line with TPB (Ajzen, 2001) it is suspected that someone who will access credit should make sure that the accounting information they have is quality accounting information. Thus, the following hypothesis is proposed:

H_3: Accounting information quality has a positive influence on to access bank loans.

METHOD

The population used in this research is the SMEs in Banyumas Regency, Central Java, Indonesia. Data from the Department of Manpower, SMEs, and Cooperatives in Banyumas Regency (2020) that the total number of SMEs is 53,788 (http://data.jatengprov.go.id/).

This research use convenience sampling with specific criteria resulted in 13 in services, 68 trade, and 19 manufacturing. This amount is obtained through an approach and confirmation that the SME actors are willing to become research respondents. The research data was collected by distributing questionnaires to respondents. The questionnaire contains questions about the identity of the respondent and statements relating to respondents' perceptions of the variables studied.

The measurement of the variables in this study was adopted from previous research.

Table 1. Descriptive of Research Sample

Criteria	Information	Total sample
Monthly Revenue	< Rp.25.000.000,00	94
	>Rp.25.000.000,00 s/d Rp.100.000.000,00	2
	>Rp.100.000.000,00 s/d Rp.200.000.000,00	1
	>Rp.200.000.000,00	3
Business age	1 - 5 years	20
	6 - 10 years	49
	>10 years	31
Employee	1 - 9 employee	82
	10 - 25 employee	10
	>25 employee	8

Source: Primary data

Six indicators measure the variable of credit terms: the result of adoption from (Oktavianti, 2017).

Seven indicators measure the financial literacy variable: the result of adoption from (Putra et al., 2018). Eight indicators measure the variable quality of financial information: the result of adoption from (Walther et al., 2009). Meanwhile, the variable access to bank credit is measured by six indicators: the result of adoption by (Oktavianti, 2017).

RESULT AND DISCUSSION

Table 1 presents a sample description based on revenue per month, business age, and employees' number. Table 1 shows that SMEs, which is the sample of this study, is dominated by businesses that monthly revenue less than Rp. 25,000,000.00 monthly, which is equivalent to Rp. 300,000,000.00 annually From business age, the research sample is dominated by businesses aged between 6 -10 years. The research sample is dominated by businesses that employ less than ten employees from the number of employees employed. Following the business criteria determined by the World Bank and Lawn No. 20 of 2008 concerning Micro, Small, and Medium Enterprises, the research sample is dominated by micro-enterprises.

This study uses WarpPLS 6.0 software as a data processing tool. The data processing that has been done produces output, as shown in the image below. Figure 1 describes that credit requirement (CR), financial literacy (FL), and quality of accounting information (QIA) have a positive and significant relationship to accessibility to bank loans (ABL). The variable CR has a positive effect on ABL with a regression coefficient of 0.24 (P =

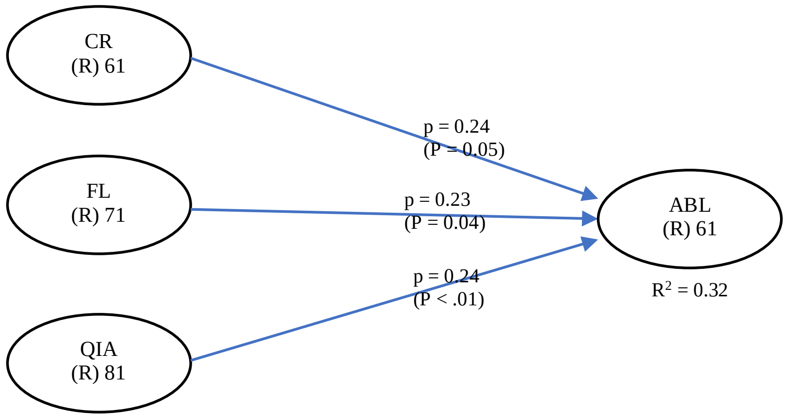

Figure 1. Result of Statistical Analysis

Tabel 2. Descriptive Analysis

Description	**Structural Model (Initial)**
Model Fit	APC=0,238, P<0,001 ARS=0,315, P=0,002 AVIF=1,538, acceptable if <= 5, ideally <= 3,300
Effect sizes for Path coefficient	CR→ABL= 0,109 (<0,15 =small) FL→ABL= 0,110 (<0,15 = small) QIA→ABL= 0,096 (<0,15 = small)
R-squared	QIA = 0,315 (<0,50= weak model)
Q-squared	QIA = 0,319 (> 0 shows that the model has predictive relevance)

0.05). FL variable has a positive effect on ABL with a regression coefficient of 0.23 (P = 0.04). The QIA variable positively affects ABL with a regression coefficient of 0.24 (P <0.01).

Furthermore, a summary of the results of the research model testing is presented in Table 2. From Table 2, it can be seen that the research model is good. Even though the effect size for the path coefficient is weak, and the R-Square value is also weak, the research model is good. It can be seen from the APC, ARS, AVIF, and GoF values, as well as the good Q-square values.

Discussion

The first hypothesis found a positive relationship between bank credit requirement and accessibility to bank loans. Thus, the better the SMEs fulfill the credit requirement, the easier it will be for SMEs to access bank loans. In other words, easy credit requirements will attract SMEs to access bank loans. Provide good collateral also improve the change of SMEs to access loans from the bank. The better the SMEs' collateral will influence the loans, payment period, and interest rates (Safavian et al., 2006). Associated with the TPB, the results show that in order to access bank credit, SMEs must understand the requirements set by the bank. Thus, the better MSMEs are in meeting credit requirements, the easier it is for banks to provide access to credit.

In the second hypothesis, this research found a positive relationship between financial literacy and bank credit access. Financial literacy makes it easier for SMEs to access bank loans. Individual with high financial literacy keep detailed financial records and have more access to credit than who not keep financial records and financially illiterate (Kidwell and Turrisi, 2004). People with high financial literacy could provide the bank with provisions that they will be more careful in managing bank loans. Financial literacy plays a vital role in determining SMEs' financial decisions (Nkundabanyanga et al., 2014). The better the level of understanding of financial literacy, the more people demanding the credit service from bank, then they could take advantage of access to bank credit (Cole et al., 2009).

The third hypothesis found a positive relationship between the quality of accounting information on bank credit access. Good quality accounting information makes it easier for SMEs to access bank loans. The better the accounting information they have, the easier it will be for SMEs to access bank loans. QIA not directly in credit granting, but it establishes trust in the SME financially (Palazuelos et al., 2017). Conversely, inadequate quality accounting information can have the distrust to the SME and will be influence decision in credit access. The decision-maker will look at how the information is presented in the report to determine whether a bank credit application is accepted or rejected. When the accounting information presented is of low quality, bank credit decision-makers are not sure that the debtor can pay off his credit on time.

CONCLUSION, IMPLICATION AND LIMITATION

This study shows that credit requirements, financial literacy, and accounting information quality affect the accessibility to bank loans. Thus, it can be concluded that SMEs actors who need access to bank credit must understand bank credit requirements, have sufficient knowledge of financial literacy, and quality accounting information.

The finding that this research model is still simple provides an opportunity for future research to add other variables that have not been studied in this study. Future research is expected to take the perspective of credit channeling institutions for SMEs. Thus, the research results will provide new insights for academics and researchers who study research on SME's credit.

REFERENCE

Ajzen, I. (2001). Perceived Behavioral Control, Self-efficacy, Locus of Control, and The Theory of Planned Behavior. *Journal of Applied Social Psychology*.

Bank Indonesia. (2012). *Peraturan Bank Indonesia Nomor 17/12/PBI/2015 Tentang Perubahan Atas Peraturan Bank Indonesia Nomor 14/22/PBI/2012 Tentang Pemberian Kredit Atau Pembiayaan Oleh Bank Umum Dan Bantuan Teknis Dalam Rangka Pengembangan Usaha Mikro, Kecil, Dan Menengah*.

Chandra, A. A. (2016). *BI: Baru 22% UMKM yang Memiliki Akses ke Perbankan*.

Herwiyanti, E., & Sugiarto. (2019). *Akses Kredit Bank untuk UMKM*. Saraswati Nitisara.

Kitindi, E.G., B., Magembe, & Sethibe, A. (2007). Lending Decision Making and Financial Information: The Usefulness of Corporate Annual Reports To Lender In Botswana. *International Journal of Applied Economics and Finance*, *vol 1(2)*, pp 55-60.

Lusimbo, N. E., W. M. (2015). Financial Literacy and The Growth of Small Enterprises in Kenya: A Case of Kakamega Central Sub-Country, Kenya. *International Journal of Economics, Commerce and Management*, pp 828-845.

Maisyaroh, A., & Paramita, R. A. S. (2018). Pengaruh Persyaratan Kredit, Literasi Keuangan, dan Demografi Terhadap Akses Kredit Formal pada UMKM di Sidoarjo. *Jurnal Ilmu Manajemen*, *vol 6(3)*, pp 270-277.

Nkundabanyanga, S. K. (2014). Lending Terms, Financial Literacy and Formal Credit Accessibility. *International Journal of Social Economics*, *41*, pp 342-361.

Oktavianti, V. (2017). Pengaruh Literasi Keuangan dan Persyaratan Kredit terhadap Akses Kredit Bank pada UMKM di Surabaya. *Jurnal Sains Dan Seni ITS*, *vol 6(1)*, pp 17-21.

Palazuelos, E., Crespo, Á. H., & del Corte, J. M. (2017). Accounting information quality and trust as determinants of credit granting to SMEs: the role of external audit. *Small Business Economics*.

Putra, A. A., Herwiyanti, E., & Widianingsih, R. (2018). Pengaruh E-Commerce, Literasi Keuangan, dan Kecakapan UMKM Terhadap Peningkatan Pendapatan UMKM Pengrajin Tahu. *Prosiding Simposium Nasional Akuntansi XXI, Samarinda*.

Susan, N. P. (2012). Credit Terms, Access to Finance, and Financial

Performance of SMEs in Kampala (Dissertation). *Tersedia Dari Institutional Repository Makerere University. (Reg.No 2008/HD10/14119U).*

Walther, L. M., J, C., & Skousen. (2009). *Using Accounting Information*. Bookboon.com.

http://data.jatengprov.go.id/

https://www.bps.go.id/