



The Influence of Management Performance and Management Performance on Member Satisfaction of Islamic Microfinance Institutions

**Muhammad Syihabul Falach¹, Wildan Fauzan²,
Bernaditha Barca³, Muhammad Tho'in⁴**

^{1,2,3} ITB AAS Indonesia

Email: msyihabul.falach@gmail.com

Abstract

This study was conducted to determine the Management Performance and Management Performance on the satisfaction of members of Islamic microfinance institutions. The object of this study is BMT Samara Sukoharjo. This research approach uses a quantitative approach. The research population is all members of BMT Samara, with a sample of 93 respondents. Data analysis tests were conducted using multiple linear regression models, t-tests, F-tests, and determination coefficient tests (R²). The results show that, partially, the management performance variable (X1) has a positive and significant influence on the satisfaction of members of Islamic microfinance institutions BMT Samara. Likewise, management performance (X2) has a positive and significant influence on the satisfaction of members of Islamic microfinance institutions BMT Samara.

Keywords: Member satisfaction, management performance, board performance

Introduction

Cooperatives mean cooperation. The term cooperative is used to describe an association formed by several members with relatively low costs aimed at advancing the shared economy. Sharia cooperatives are a form of cooperative whose principles, objectives, and business activities are based on Islamic sharia and in accordance with the fatwa of the National Sharia Council (DSN) of the Indonesian Ulema Council. Sholihin (2013) defines a sharia cooperative as a cooperative that encompasses all halal, good, beneficial, and profitable business activities with a profit-sharing system and does not contain usury. The existence of Baitul Maal Wat Tamwil (BMT) as a sharia cooperative is expected to be able to solve the community's financial problems due to dependence on loan sharks, which are considered suffocating the community and are considered non-sharia due to containing elements of usury (Aufa, et.al., 2021).

BMT is a sharia microfinance institution that serves the needs of its members such as financing and savings (Imaniyati & Bakti, 2010). One BMT present for the community is BMT Samara in Sukoharjo, which is a non-bank microeconomic institution that aims to strengthen the economy of its members and become a medium for preaching about sharia banking to the wider community. This BMT is a legal entity KSPPS (Sharia Savings and Loans and Financing Cooperative). In cooperative activities, management performance as managers is the spearhead of operational sustainability for



members. The leadership style of the management can also influence member participation. Many circulating on social media are many cooperatives and BMTs that are having problems or experiencing operational closures due to suffering losses. These various problems are often caused by misappropriation of member funds, a lack of prudential principles in disbursement of financing, and even wrong decision-making for business capital participation. This condition is one of the reasons researchers want to conduct research on the satisfaction of members of sharia microfinance institutions, especially in terms of management performance and the performance of their administrators.

Theoretical Review Management Performance

Performance is the result of a process that refers to and is measured over a certain period of time based on previously established provisions or agreements (Kristiyanti, 2012); (Faisal, et.al., 2017). The concept of performance is an abbreviation of work energy kinetics which is equivalent in English to performance. Performance is the output produced by the functions or indicators of a profession within a certain time (Rivai, 2011). In order to measure the level of success of an organization, clear indicators are needed by stakeholders. Therefore, performance indicators must be something that will be calculated and measured and used as a basis for assessing and used as a basis for assessing or seeing the level of performance, both in the planning stage, implementation stage and evaluation.

In the cooperative world, management, as fund managers, is fully responsible for its members. Therefore, good management is needed to achieve the cooperative's goals. Professional cooperative management is based on the management's ability to make decisions and policies that have been established at the annual member meeting. Furthermore, transparency and development of products and services are needed so that the cooperative can compete and attract new members.

Management Performance

Management performance is one of the keys to a cooperative's success in running its business. By carrying out operations according to procedures established at the annual members' meeting, it is hoped that this will provide satisfaction for members (Sulistyowati & Hadi, 2015). Even though procedures have been implemented according to procedures, members sometimes feel dissatisfied with the existing service. One such problem is the time-consuming financing application process because it goes through several processes before the financing application is approved by the management. This problem makes members dissatisfied with the management's performance, but the management certainly also needs to consider the approval of member financing by upholding the principle of caution in granting member financing requests. Management performance is



required to be optimal in meeting the expectations of members (Rebelo, et.al., 2017).

Member Satisfaction

Satisfaction is a person's feeling of pleasure or disappointment that arises from comparing the perceived performance of a product or result to their expectations (Keller & Kotler, 2018); (Sudarsono, 2020). Membership is the mental and emotional involvement of people in a particular group that encourages them to contribute actively to cooperative activities, express opinions, utilize services, and provide criticism and suggestions in order to achieve the expected cooperative goals. Consumer satisfaction is an emotional response to the evaluation of the experience of consuming a product, store, or service. Elements of consumer satisfaction are expectations, performance, comparison, confirmation or disconfirmation, and discrepancy (Băjenescu, 2014).

a. *Expectations*(Hope)

Consumer expectations for a product or service are formed before they purchase it. During the purchasing process, consumers expect the product or service they receive to meet their expectations, desires, and beliefs. Consumer satisfaction significantly influences consumer perceptions and expectations.

b. *Performance*(Performance)

Consumers' experience of the actual performance of a product or service when used, regardless of their expectations. While consuming a product or service, consumers become aware of the product's actual usefulness and accept its performance as an important dimension for them.

c. *Comparison*(Comparison)

After trying the goods or services, consumers will compare their expectations regarding the performance of the goods or services before purchasing with the actual performance of the goods/services.

d. *Confirmation* or Disconfirmation

Consumer expectations are influenced by their experiences with a brand of goods or services, which differ from those of others. Confirmation occurs when expectations match the product's actual performance, while disconfirmation occurs when expectations are higher or lower than the product's actual performance.

e. *Discrepancy*(Inconsistency)

Discrepancy indicates how the performance level differs from expectations. When consumers are satisfied, they will use the same product or service again, and when consumers are dissatisfied, they will demand improvements or complain to the company.

Research Method

This research used a quantitative approach. The population was all members of BMT Samara, with a sample size of 93 respondents. Data



analysis was conducted using multiple linear regression, t-test, F-test, and coefficient of determination (R²) tests.

Results and Discussion

Table 1. Multiple Linear Regression Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,430	1,202		2,021	,046
	Management Performance	,240	,071	,261	3,369	,001
	Management Performance	,661	,080	,639	8,242	,000

a. Dependent Variable: Member Satisfaction

The regression equation can be arranged as follows: $Y = \alpha + b_1X_1 + b_2X_2$
 $Y = 2.430 + 0.240 + 0.661$

From the regression equation above, it can be interpreted as follows:

- The constant value of 2.430 means that this value will remain constant. This indicates that the variables of management performance and management performance have a positive influence of 2.430.
- The coefficient value for the management performance variable is 0.240. This means that if the management performance variable increases by one point, member satisfaction will increase by 0.240.
- The coefficient value for the management performance variable is 0.661. This means that if the management performance variable increases by one point, member satisfaction will increase by 0.661.

Table 2. t-Test Results

Variables	t _{hitung}	Sign	Information
Management Performance (X1)	8,956	0,000	Significant
Management Performance (X2)	13,258	0,000	Significant

Source: processed data

Based on the results of the t-test in the table above, it can be concluded that:

- Results of calculating Management Performance on Member Satisfaction. The calculation results of the Management Performance variable on Member Satisfaction resulting from $t_{count} > t_{table}$ of $8.956 > 1.986$, so H_0 is rejected meaning that the Management Performance variable partially

has a significant effect on Member Satisfaction. Based on testing the probability value that can be known from the significance results of $0.000 < 0.05$ then H_0 is accepted and meaning that the Management Performance variable has a significant effect on Member Satisfaction.

- b. Results of calculating Management Performance on Member Satisfaction. The calculation results of the Management Performance variable on Member Satisfaction resulting from $t_{count} > t_{table}$ of $13.258 > 1.986$, so H_0 is rejected, meaning that the Management Performance variable partially has a significant effect on Member Satisfaction. Based on testing the probability value that can be known from the significance results of $0.000 < 0.05$, H_0 is accepted and meaning that the Management Performance variable has a significant effect on Member Satisfaction.

Table 3. F Test Results

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	120,363	2	60,181	103,555	,000b
	Residual	52,304	90	,581		
	Total	172,667	92			
a. Dependent Variable: Member Satisfaction						
b. Predictors: (Constant), Management Performance, Management Performance						

Based on the test results in table 3 above, it can be seen that the F count value $> F$ table or $103.555 > 3.098$, so H_0 is rejected, which means that the variables of management performance and management performance simultaneously influence member satisfaction.

Model Summary				
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	,835a	,697	,690	,76233
a. Predictors: (Constant), Management Performance, Management Performance				

Table 4. Results of the Determination Coefficient (R^2) Test

Based on the test results in the table above, it can be seen that the R Square value is 0.697, which means that the variables of management performance and management performance have a simultaneous effect on BMT Samara member satisfaction of 69.7% and the remaining 30.3% is influenced by other variables outside the research.



Discussion

a. The Influence of Management Performance on Member Satisfaction

Based on the t-test results, the calculated t value for the management performance variable was 8.956 with a significance value of 0.000. Meanwhile, the t-table value was 1.986. Therefore, $t\text{-count} > t\text{-table}$ ($8.956 > 1.986$) and the significance value was $0.000 < 0.05$, which means that management performance partially influences member satisfaction. Based on the research data processing, it can be seen that BMT Samara's management performance is influenced by existing management performance. The results of this study are inconsistent with the research of Teti Safari (2020) which stated that performance has no significant influence on member satisfaction.

b. The Influence of Management Performance on Member Satisfaction

Based on the results of the t test, it is known that the t-count value for the management performance variable is 13.258 with a significance value of 0.000. While the t-table value is 1.986. So that $t\text{-count} > t\text{-table}$ ($13.258 > 1.986$) and the significance value is known to be $0.000 < 0.05$, which means that management performance partially influences member satisfaction. Based on the research data processing above, there is a significant influence of management performance on member satisfaction. The results of this study are in line with Eli Dahlia's (2018) research that the level of management performance influences member satisfaction, the regression coefficient of 0.83 states that every 1 unit increase in management performance will increase member satisfaction by 4.760 units.

Conclusion and Recommendation

Conclusion

Based on the research results and discussion, this research can be concluded as follows:

- The management performance variable has a partial effect on BMT Samara member satisfaction. This is evidenced by a significance value of $0.000 < 0.05$ with $t\text{ count} > t\text{ table}$, namely $8.956 > 1.986$. Thus, it can be concluded that management performance influences member satisfaction at BMT Samara.
- The management performance variable has a partial effect on BMT Samara member satisfaction. This is evidenced by a significance value of $0.000 < 0.05$ with $t\text{ count} > t\text{ table}$, namely $13.258 > 1.986$. Therefore, it can be concluded that management performance influences BMT Samara member satisfaction.
- The variables of management performance and management performance have a simultaneous influence on the satisfaction of BMT Samara members with a determination coefficient value of 69.7% and the remaining 30.3% is influenced by other variables outside the research.



Recommendation

- a. For further research, it is hoped that other variables that are not yet included in this research can be added or other research methods can be used.
- b. The results of the research above show that the variables of management performance and management performance have a significant influence on member satisfaction, so it is hoped that BMT management and management will further improve their performance in the future in order to maintain the trust of their members.

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