

Locus of Control and Effectiveness of Bad Loans in Savings and Loan Co-operatives

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Abstract

This study examines the relationship between locus of control and the effectiveness of minimizing bad debt risk among employees of Savings and Loan Cooperatives in Kupang City. A qualitative descriptive method with a case study approach was used, analyzing and refining informants' responses to explain causal relationships between variables. Findings reveal the presence of both internal and external locus of control in credit distribution practices at the Swastisari, Adiguna, and Serviam Cooperatives, which served as the research objects. Interpretations of locus of control varied among cooperatives. The results indicate that Swastisari and Adiguna tended to operate with a predominantly external locus of control, while Serviam showed stronger indications of an internal locus of control. Each cooperative applied its own strategies to maintain credit effectiveness. However, the research indicates that effectiveness was closely linked to the locus of control perspective, with indicators such as timeliness and efficiency reflecting this orientation. Variations in implementation outcomes were related to the specific methods employed to achieve performance targets. Overall, the study suggests that these locus of control patterns contribute to relatively low credit risk across all three cooperatives. Nevertheless, significant indications of credit risk were found only in the Serviam Cooperative.

INTRODUCTION

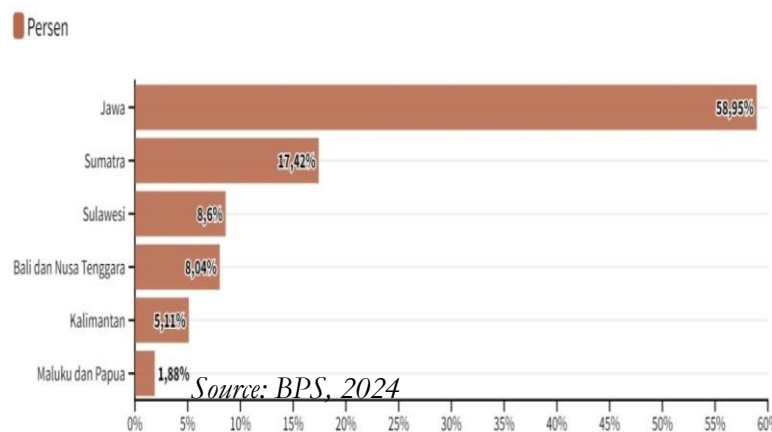
In 2024, cooperatives will become one of the financial institutions that the government will pay attention to for continued development. The government continues to encourage cooperatives to restructure their operational performance and innovate in their operational systems so that they can become institutions that make a concrete contribution to society in the financial sector (Lidwina Mulinbota Moron et al., 2023). This is marked by the tagline on Cooperative Day on July 12, 2023, issued by the Ministry of Cooperatives, Small and Medium Enterprises (KEMENKOPUKM): Proud of Cooperatives, Advanced Indonesia (Juswadi & Sumarna, 2023). This tagline can be said to represent the substantial goals that the government wants to achieve, so that in recent years the government has intensively put pressure on cooperatives, even though it is known that cooperatives have played a significant role in development in Indonesia since ancient times (Widiantari et al., 2018). The government's efforts to encourage work transformation in a community-oriented cooperative work system can be said to have been very intensive along with the tagline issued as explained in the previous paragraph coupled with the government's initiative in issuing the red and white cooperative under the auspices of the government which increasingly shows the government's efforts to improve the operational performance of cooperatives in Indonesia. This situation also encourages a significant increase in the contribution of cooperatives to improving the community's economy (Musadad et al., 2025). Based on data from the Ministry of Cooperatives and SMEs (KEMENKOPUKM), the role of

cooperatives in Indonesia's Gross Domestic Product (GDP) will be 6.2% in 2024, greater than GDP in 2023 of 5.7% (Central Statistics Agency, 2024).

This increase in contribution was triggered by several affirmative government policies, such as the modernization of cooperatives, such as the corporatization of farmer cooperative members, which created an upstream-downstream ecosystem that impacted the economic improvement of farmer cooperative members. In fact, based on data from the Ministry of Cooperatives and SMEs, over the past 10 years the number of active cooperatives in Indonesia increased to 130,119 units in 2023 with a capital structure of around IDR 254.17 trillion (Central Statistics Agency, 2024). The situation of the increasing number of cooperatives directly implicates the capital structure of cooperatives in Indonesia. One type of cooperative that is facing demands for restructuring is the savings and loan cooperative (KSP). KSP itself in recent years has made positive progress in terms of numbers. This can be confirmed by data on the distribution of savings and loan cooperatives in Indonesia until 2023, which can be seen in the figure below.

Figure 1

Graph of the Distribution of Savings and Loan Cooperatives in Indonesia in 2023



Based on the data above, it can be seen that the distribution of KSP has covered 60% of the territory in the Republic of Indonesia (Tolong et al., 2020). However, regions that still have a very small percentage of the number of KSPs are still dominated by Nusa Tenggara and Bali as well as Maluku and Papua with a distribution percentage of 8.04 percent of KSP units (Central Statistics Agency, 2024). The development of KSPs in regions such as Nusa Tenggara can be said to have not experienced significant changes and the flow of growth in public interest in cooperatives is very small, even only around 8% in 2023, especially in the 3T areas (Mahmud & Wibisono, 2023). One of the most concrete problems in KSPs lies in the flow of cooperative credit circulation which is running less effectively. This is also an impact of the principle of family in the operating system used by KSPs (Kemenkumham, 1967). Dewi (2022) explains that credit problems originate from external factors, namely deliberate elements where customers intentionally do not pay installments to creditors with many assumptions such as income from the customer's business which tends to be unable to help customers fulfill the credit made and which is caused by conditions outside the debtor's business such as unfavorable security conditions and other things which of course all of these conditions will greatly hinder the debtor's business process

which has implications for fulfilling credit obligations. This situation can be categorized as a situation of minimal locus of credit. of control from the cooperative members' side regarding preventive efforts to overcome the risk of bad credit. Internal elements in the mind that have minimal locus of Control plus the cooperative family principle provides a space that can distract the fulfillment of credit for each cooperative member who takes out credit at KSP (Saputra & Wibowo, 2024) .

The problem of loyalty in fulfilling credit at KSP is further exacerbated by the determination of the KUR distribution scheme in 2023. Where in 2023 the outstanding bank scheme in KUR will be increased to IDR 460 trillion and the percentage of interest subsidies that will be enjoyed by banks will also be increased to 13% with a loan interest limit of 3% (Munir et al., 2025) . This situation will indirectly complicate the position of KSP in distributing credit. This is because the KSP market segment is the lower middle class and of course KSP will face increasingly massive bank penetration due to so much assistance from the government (Munir et al., 2025) . The problem of locus of control of cooperative employee control is not often discussed in research topics. Many previous studies simply assume that there is a lack of locus of control. of Control is only concentrated in commercial institutions such as banking with operational systems concentrated in a centralized system and not an independent institution (Aslam et al., 2024 ; Agung et al., 2017). However, from the perspective of cooperative members, locus of control has a tendency to be more intensive because of the locus of Control is a personality element derived from the dynamic organization of an individual's psychological system that determines a person's ability to fulfill their responsibilities (Dedi Sanjaya & Adolf Bastian, 2022) . Therefore, based on this reason, the specific objective of this research is to explore the contribution of locus of control. of control over the employees of the savings and loan cooperatives themselves who are members of the KSP with the aim of minimizing. The risk of non-performing loans at KSPs in Kupang City. This research is expected to help diversify thinking in credit screening.

METHODS

This research is a qualitative study with a case study design . This study attempts to interpret the phenomenon of credit default risk as a social phenomenon and individual perspective, analyzed through the locus variable. of control by combining effectiveness variables as mediating variables. Hadi et al., (2021) explain qualitative research as a type of research that produces descriptive data in the form of written or spoken words from the behavior of observed people. Therefore, in this study, the researchers took the research objects of the savings and loan cooperative employees in the funding division of active savings and loan cooperatives in Kupang City, consisting of the Swastisari Cooperative, the Adiguna Cooperative, and the Serviam Cooperative.

This research design is in line with the explanation in the previous paragraph using a case study approach. The case study approach is considered relevant in this research because this type of approach focuses on a single problem that has specific characteristics that can be tested using qualitative and quantitative research data analysis techniques (Syahrizal & Jailani, 2023) . The case study approach is very relevant to this research because it maximizes understanding of the case being studied rather than generalizing the results for a case in general because the case itself is complex or simple and the study time is quite short in this approach with dependence on time is not enough to generalize the results from observations of a case.

Specifically, this study uses a single design. A case study emphasizes observation within a single scope or unit focused on a specific case (Hadi et al., 2021) . Therefore, this study focuses

solely on the funding unit specifically responsible for credit distribution at the Swastisari , Adiguna, and Serviam savings and loan cooperatives. The initial number of respondents in this study was 430, based on field observations. This number can present difficulties in reducing the number of respondents' responses, as the distribution of responses is similar to the questionnaire, allowing for generalizations that contradict the case study approach. To limit the possibility of inconsistent responses, the researcher used the snawball sampling method, with the following respondent criteria:

1. Employees with more than 1 year of service
2. Employees who have received training related to handling bad debts
3. An employee whose job is to collect bad debts from customers.

Based on these criteria, screening was carried out on the savings and loan cooperatives Swastisari , Adiguna and Serviam with the result that the number of respondents in the study was 50 people with the following composition:

Table 1
Calculation of the number of research respondents

No	Cooperativ e	Respondent Screening based on criteria			Amount
		Criteri a 1	Criteri a 2	Criteri a 3	
1	Swastisari	144	25	17	17
2	Good use	166	35	15	15
3	Serviam	120	20	18	18
Total		430	80	50	50

Based on Table 1 above, 50 respondents were selected for this study. After determining the number of respondents, the study continued by developing a questionnaire using indicators from the existing research variables as the basis for determining the questionnaire. Operational definitions of the research variables are shown in the table below.

Table 2
Operational Definition of Variables

No	Variables	Indicator
1	Locus Of Control (Lefcourt , 1991 in Indriasari Pratiwi Dewi, 2019)	Internal Locus of Control Internality External Locus of Control Chance Powerful Other
2	Effectiveness (Marianus Ronaldito Deleng et al., 2023)	On time Right on target Efficient Satisfaction Adaptation

		Life sustainability Real Change Clarity of Purpose Clarity of Strategy
3	Bad Credit Risk (Suparmono , 2009)	Arrears of 9 months or more Operating Loss Incurred Unreasonable Collateral Value

The techniques used to collect data in this study were interviews and documentation. The interview method used was an in- depth method. interviews using question instruments tailored to the existing research variables. This is because the in- depth method Interviews allow for the exploration of substance by using the principle of harmony in the views of the sources and the instruments used in the research.

This allows for information consistency and alignment between the scope of each indicator raised in the study (Hadi et al., 2021) . This method is quite relevant considering the indication of information validity in qualitative research, which is quite difficult to examine in this research classification. Furthermore, the researcher will use a documentation method to collect data on the number of customers who fall into the criteria for customers with non-performing loans according to the non-performing loan risk indicator.

The analysis techniques used in this research consist of:

1. Data collection

The data analysis technique in this study begins with data collection. In this study, data collection was conducted using interview and documentation methods. Data collection focused on gathering information and documents significantly related to the locus of control situation. of control of savings and loan cooperative employees and efforts to minimize Bad credit risk. In relation to effective efforts to address bad credit risk, researchers collected data on programs or innovations undertaken by each cooperative related to efforts to address bad credit risk, after first confirming this through interviews with informants.

2. Data Reduction

The data reduction process refers to the activity of summarizing and sorting out the main points related to respondents' answers that align with the questionnaire for each variable in this study. This data reduction will attempt to filter respondents' answers so that the focus of the research will be used as an analogous decision for the final conclusions. This will provide a clearer picture and facilitate researchers in data collection and confirmation or re-verification, if necessary (Hadi et al., 2021) . Data reduction will be carried out by first coding respondents' answers according to the research indicators.

3. Data Presentation

Data presentation is the stage of data analysis where data is systematically displayed and triangulated. This is done to allow for drawing conclusions and taking action (Hadi et al., 2021) . The data obtained from the field related to all research problems are then selected according to their needs, grouped, and then defined. This presentation is expected to provide

detailed and substantive clarity with supporting data. In this study, data presentation will focus on triangulating data from respondents' answers regarding the relationship between locus of control and ... of control and indication of the effectiveness of efforts to minimize risk of bad debt.

4. Verification / Drawing Conclusions

At this stage, data analysis will conclude with decision-making and verification. These conclusions and verification represent a review of the data presented as the basis for decision-making.

Population and Research Sample

In this study, the research population used as the object of research is all active savings and loan cooperatives in Kupang City. The sample determination used in this study was by using snowball sampling of the savings and loan cooperative employees who will be respondents in this study. The criteria for the number of respondents used in this study was $n = 30$ which is the ideal structure of the number of respondents for data triangulation (Syahrani, 2020). If referring to these provisions, the number of respondents in each cooperative did not meet the criteria specified in snowball sampling, so screening was carried out to select the largest number of ideal respondents who were close to the ideal number and accumulated as a whole to meet the ideal number of respondents. The results can be seen in Table 3.

Research Paradigm

In this study, the researcher used a constructivist paradigm. In this paradigm, social science is the basis for systematic analysis of social issues. meaningfully action through direct and detailed observation of social life in natural everyday settings, in order to be able to understand and interpret how the social actors concerned create and maintain or manage the social world (Schnurr & Halkias, 2023). This construct of understanding is formed on the assumption of the relationship between locus of control and the social world. of control and efforts to maintain effectiveness to minimize Bad credit risk. Solichin, (2021) explains that there are four dimensions in the constructivist paradigm, namely the ontological dimension, the epistemological dimension, the axiological dimension, and the methodological dimension. The ontological dimension explains that reality is a social construction, that the truth of a reality can be relative, meaning it can apply according to a specific context that is deemed relevant by social actors. The epistemological dimension emphasizes a slightly different understanding than the ontological dimension, where the understanding of a reality from something that is the result of the interaction between the researcher and the researched is not based on the researched's initiation (Schnurr & Halkias, 2023)

Axiological dimension This approach demonstrates a different assumption from the view that values, ethics, and moral choices are an inseparable part of research. Researchers, acting as facilitators, are tasked with bridging the diversity of subjectivities of social actors. The aim of the research is to reconstruct social reality dialectically between researchers and the social actors who are the objects of research. Meanwhile, the methodological dimension focuses on empathy and dialectical interactions between researchers and respondents to reconstruct the social reality being studied through qualitative methods, similar to participant observation. It examines the extent to which the findings reflect the reality experienced by social actors (Tarwiyani & Kadir, 2021).

DISCUSSION

Research Result

In data collection, the in depth method was used Interviews conducted by researchers using a case study approach in the realm of qualitative research, this observation also applies a reduction method for data conformity with the information of the informants and documentation of documents relevant to the assumptions of the informants. In interviews conducted with several informants, several varied assumptions were found related to the thinking on the implementation of variables and the analogical relationship between each variable raised in this study. In the results of this study, the respondents in the study are not attached to the full names to maintain privacy as requested by the informants with the argument of maintaining job stability. In conducting respondent recapitulation, the researcher applies a coding system to categorize respondents' answers in order to triangulate respondents' answers with the basis for determining the coding applied as follows:

Table 3

Coding System for Respondents' Answers Using the Same Variable Approach

Variables	Indicator	Criteria and Coding	
		There are indications	No Indication
Locus Of Control	Internality	1	2
	Chance	1	2
	Powerful Other	1	2
Effectiveness	On time	1	2
	Right on target	1	2
	Efficient	1	2
	Satisfaction	1	2
	Adaptation	1	2
	Life sustainability	1	2
	Real Change	1	2
	Clarity of Purpose	1	2
	Clarity of Strategy	1	2
Bad Credit Risk	Arrears of 9 Months or More	1	2
	Operating Loss Incurred	1	2
	Unreasonable Collateral	1	2

	Value		
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The numeric codes attached to Table 3 above are summarized by compiling the quantity of respondents' answers by identifying " there is or is not an indication " as a representation of the answers to the informants' statements. The coding system is a tool for systematically compiling respondents' answers to determine irrelevant responses to the research. Coding will help summarize the informants' assumptions in a more structured manner because the essence of the assumptions can be clearly understood despite variations in the explanations provided by the informants (Priharsari & Indah, 2021) .

In conducting interviews with sources from each cooperative, namely the Swastisari, Adiguna and Serviam Cooperatives, it was found that there were different understandings between each source regarding the indications of the occurrence of each variable in operational performance, especially in the variable, namely locus. of control and effectiveness, while assumptions regarding the risk of bad debt are adjusted to the actual conditions of bad debt incidents that occur in each existing cooperative. The following is a summary of respondents' answers regarding the indications of the occurrence of each variable in the credit business activities of the Swastisari Cooperativ .

Table 4
Summary of the Number of Respondents' Answers from the Swastisari Cooperative Per Variable

Cooperativ e	Variables	Indicator	Number of Answers Per Indication Instrument		
			There are indications	No Indication	
Swastisari	Locus Of Control	Internality	6	11	
		Chance	12	5	
		Powerful Other	12	5	
	Effectiveness		On time	12	5
			Right on target	13	4
			Efficient	10	7
			Satisfaction	7	10
			Adaptation	8	9
			Life sustainability	10	7
			Real Change	11	7
			Clarity of Purpose	11	7
			Clarity of Strategy	17	0
	Bad Credit	Arrears of 9	7	10	

	Risk	Months or More		
		Operating Loss Incurred	6	11
		Unreasonable Collateral Value	6	11

Based on the summary of respondents' answers in table 4, it is known that each respondent's answer from the Swastisari cooperative regarding locus of control behavior of control, namely internal locus of Control has a small indication of occurrence, with the number of answers to "there is an indication" having a smaller proportion than the number of answers to "there is no indication." This can be seen from the summary of internality answers, which totaled 6 for answers that there is an indication and 11 answers that there is no indication. This indicates that the internal locus of control is entirely of Each respondent recognized control based on their personal abilities and relevant performance measures. These personal abilities are even periodically evaluated by the cooperative's management, so confidence in employee internality is minimal because each performance measure is clearly displayed by the Swastisari Cooperative's management. This allows each Swastisari Cooperative employee to have knowledge of the performance of the credit authorized to them. This was explained by one of the informants with the following assumptions:

" We are very clear about our shortcomings. Every time we close the books, we frequently conduct personal evaluations, often involving calls from the HR department. The goal is to determine the extent to which our performance contributes to the agency. If it's still not optimal, it will be reviewed; if it's good, we'll be asked to maintain it ..."

However, different results were shown in the external locus of behavior indications. of control where every employee still believes that opportunity and other situational factors significantly influence operational performance. Situations such as customer conditions, the desire to fulfill responsibilities within the cooperative, and job luck are factors that every employee at the Swastisari Cooperative cannot deny. This is indicated by the consistent and consistent number of responses for each instrument in the external locus indicator. of Control. This response concretely influences employees' perspectives on the effectiveness and risk of bad debt. This situation encourages a consistent perspective on work effectiveness and the occurrence of bad debt experienced by the Swastisari Cooperative. Each employee believes in internal competence, reinforced by a periodic evaluation system, while simultaneously remaining confident in situational factors within the work environment, such as luck and opportunity. and chance). These results allow for concrete preventive efforts so that the average answer shows an indication of performance effectiveness in the aspects of timeliness, on target, efficiency, satisfaction, adaptation, survival, real change, and clarity of goals and clarity of strategy which have a tendency for the average answer to indicate an indication.

above assumption is characterized by variations in the occurrence of bad credit risk, even though it is based on internal locus of minimal control and external locus of Stagnant control,

but variations in the occurrence of bad credit risk also vary. This may be based on the different credit performance of each source, but due to similar answers regarding the occurrence of bad credit risk, external locus of control which is the substantial basis, the situation of bad credit becomes varied due to confidence in the external position of the locus of significant control in the occurrence of credit allocation by employees of the Swastisari savings and loan cooperative.

These results concretely provide a perspective, where external factors exist within the external scope of locus of Control is undeniably a key instrument in credit performance initiated by employees of the Swastisari Savings and Loans Cooperative. This situation allows for the assumption that the credit performance carried out by this cooperative is based on external aspects, when in reality, these aspects are situational and unpredictable.

A similar view was concretely expressed by the sources at the Adiguna Cooperative, as reflected in the results of the reduction of respondents' answers. The following is a summary of respondents' answers to the variables at the Adiguna Cooperative.

Table 5
Summary of the Number of Respondents' Answers from the Adiguna Cooperative Per Variable.

Cooperative	Variables	Indicator	Number of Answers Per Indication Instrument	
			There are indications	No Indication
Good use	Locus Of Control	Internality	5	10
		Chance	10	5
		Powerful Other	10	5
	Effectiveness	On time	15	0
		Right on target	15	0
		Efficient	15	0
		Satisfaction	15	0
		Adaptation	15	0
		Life sustainability	15	0
		Real Change	11	4
		Clarity of Purpose	7	8
		Clarity of Strategy	8	7
	Bad Credit Risk	Arrears of 9 Months or More	0	15
		Operating	0	15

		Loss Incurred		
		Unreasonable Collateral Value	0	15

Based on the results of reducing the respondents' answers at the Adiguna Savings and Loans Cooperative, indications of similar incidents were found between the implementation of internal locus of control and external locus of control at the Adiguna cooperative. Based on the results of the reduction of respondents' answers, 18 respondents collectively gave the answer that there were indications of an external locus of control. of good control chance and powerful others. While the internal locus aspect of control, namely internality, is an indication of a lack of occurrence. The implementation situation of the locus of control of Control of credit activities by the Adiguna Cooperative is carried out using an authorized system initiated by the Adiguna Cooperative. This cooperative implements a controlling system. on site which allows for structured reporting during the credit collection process so that reasons for unaffiliated credit are properly inputted through this system.

Based on observations made during interviews with Adiguna Cooperative employees, researchers found that customers often cited incidental reasons, such as losing money due to it falling while trying to deposit it, or other reasons deemed unreasonable by Adiguna Cooperative credit collectors. However, these are fully believed to be unavoidable. In accounting, non-theoretical situations like this constitute a factoring process. external locus of Control, which ultimately leads to a decline in performance. In relation to credit, this situation can lead to a decline in credit performance for credit-distributing cooperatives (Dedi Sanjaya & Adolf Bastian, 2022) .

Therefore, in terms of employee performance effectiveness, the Adiguna cooperative assumes that performance effectiveness is in good condition. This is indicated by the results of the reduction in respondents' answers, which indicate that performance effectiveness has good indications of occurrence despite external locus situations. of Control occurs. This situation supports the assumption of Sutanty et al., (2022) , who explained that aspects of performance effectiveness are measured through systematic analytical measures, so that non-systematic, unmeasurable measures cannot be used as a substance that changes or restructures a work effectiveness measure constructed with systematic measures.

At the time of the observation, the Adiguna Cooperative's non-performing loan situation was relatively good. This was indicated by respondents' responses indicating no indication of non -performing loan risk. This situation was entirely based on a fairly innovative approach. Every credit manager at the Adiguna Savings and Loans Cooperative is fully equipped with sufficient information regarding customers so that preventive measures can be taken to prevent the risk of bad debts. This was confirmed by a statement from one respondent. " We always strive to gather information about our credit customers before making a withdrawal. We first understand their background and repayment progress so that when reporting through the system, we can meet minimum targets and information on late payments, even if there are any delays. So far, our credit customers have trade good return record. ”

This assumption provides the view that the locus aspect of Control does not fully underpin the performance of non-performing loans in this cooperative. However, this does not mean that this aspect does not occur. This demonstrates support for Lestari's (2020) assumption that the implementation of locus of control (locus) is of control has a situational nature that is different from internal locus of controls that generally have structured dimensions so they can be traced in detail.

Varied research results were also found in the reduction of respondents' answers regarding the implementation of locus of control, of control and effectiveness of performance against the risk of bad credit at the Serviam cooperative with the results of reducing respondents' answers as follows.

Table 6
Summary of the Number of Respondents' Answers from the Serviam Cooperative Per Variable

Cooperative	Variables	Indicator	Number of Answers Per Indication Instrument	
			There are indications	No Indication
Serviam	Locus Of Control	Internality	18	0
		Chance	3	15
		Powerful Other	2	16
	Effectiveness	On time	8	10
		Right on target	7	11
		Efficient	7	11
		Satisfaction	3	15
		Adaptation	10	8
		Life sustainability	11	7
		Real Change	12	6
		Clarity of Purpose	18	0
		Clarity of Strategy	18	0
	Bad Credit Risk	Arrears of 9 months or more	14	4
		Operating Loss Incurred	14	4
		Unreasonable Collateral	14	4

		Value		
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Based on the results of reducing respondents' answers at the Serviam Cooperative, it is known that the internal locus of control is fully implemented where every aspect of internality is an aspect of internal locus of control has a strong indication of occurrence, marked by the average respondent's answers which show an indication of internal locus of Different results are shown through the implementation of external locus of control. of control where the results of reducing respondents' answers show that there is no indication of the occurrence of external locus of However, in interviews with respondents, the contribution of this aspect was still acknowledged, as indicated by the fact that five respondents acknowledged the contribution of this aspect to credit performance, which was carried out personally by the five respondents.

This is reinforced by the assumption of the source who believes that aspects of luck surround the credit work carried out. External elements of locus of control which is distracting in nature, there are efforts to fulfill affiliated responsibilities properly. This is proven by the following assumptions from the source.

" Every time we collect, we rely on luck because the customer knows they're responsible for their monthly loan payments, but there's always an excuse that prevents them from paying. Ultimately, we're left to rely on luck, even though we've already spent a significant amount of money to get to the customer's house ..."

The source's statement has similarities with the locus situation. of control that occurs in the Swastisari savings and loan cooperative. External locus aspect of Control becomes inherent because this situation occurs continuously. However, this situation does not mean a decrease in the position of systematic identification, although in practice, allocated credit has the possibility of being returned, but there must be a principle of luck in its realization. The locus situation of The control experienced by credit workers at the Serviam Cooperative does not have implications for the effectiveness of the credit work initiated by this cooperative. This is indicated by the answers regarding performance effectiveness which have a high average reduction in respondents' answers due to the absence of indications of work effectiveness. Aspects of timeliness, on-target, efficiency, satisfaction, adaptability and survival related to work effectiveness for the credit program fully have implications for fluctuating events. This indicates that external aspects beyond predictions of credit performance effectiveness cannot be reduced through concrete efforts undertaken by this cooperative. This indicates a continuous relationship between external locus aspects. of control that should enable the achievement of this performance effectiveness.

This situation of performance effectiveness results in a significant risk of non-performing loans for this cooperative. This is indicated by the implementation of non-performing loan risk instruments, according to informants, at 4 out of 14 out of a total of 18 respondents. This situation suggests a link between suboptimal credit performance effectiveness and non-performing loan risk. Furthermore, indications of locus of control (locus) of internal locus specific control of Controls that are not accompanied by systematic analysis can lead to poor credit performance. This situation is exacerbated by a lack of confidence in the occurrence of external locus of control. of Control. This aspect should be taken into consideration, considering that credit incidents in the field sometimes arise under conditions beyond the logical predictions made by company management.

Discussion

Based on the research results, it is known that the locus of Control can be assumed to have a significant indication of occurrence in the operational activities of each savings and loan cooperative worker, both at the Swastisari Cooperative, the Adiguna Cooperative, and the Serviam Cooperative. Each work practice has a situation that is in line with the internal locus instrument. of control and external locus of control. This can be seen through the summary of the reduction of respondents' answers specifically for these two items, which have varied answers but are structured in the answers, indicating whether there is an indication or not. The results of the study indicate that at the Swastisari savings and loan cooperative credit work practices distributed to customers have a very significant relationship with external locus of control compared to internal locus of This is indicated by the answers indicating that the average respondent's answers are concentrated on the external locus of control aspect. of control. This situation allows internal locus of control has an indication of occurrence that is not too significant.

A similar situation also occurred in the credit work practices initiated by the Adiguna Cooperative with indications of the occurrence of external locus of The control acknowledged by each respondent's answer regarding work practices at this Cooperative is entirely external. locus of control is concentrated on the implementation of chance and powerful aspects other. However, a different situation occurred at the Serviam Cooperative where the external aspect of the locus of control has a small significance of occurrence when compared to internal locus of control. This is based on systematic and measurable evaluations carried out in this cooperative so that situations assessed as external aspects according to external locus of The control group does not have a strong correlation. This situation is in line with the assumptions in the research conducted by Lestari (2020). where in the research results with the title of the influence of financial management education in families, socio-economic status, locus of control of control of financial literacy found that the locus of control is a subjective approach with different measurement instruments internal locus of control has a concrete instrument in the form of a financial performance evaluation tool so that each achievement can be directly linked. However, the external measure of locus of control of Control has a variety of measuring instruments depending on the factorization formed. Both of these aspects can be attributed to the party who feels their implementation, but the basis for their application or embedding as a factorization is based on the situation experienced by the object so that ultimately the locus of control is determined. of control will be able to be embedded independently without being able to be generalized as a whole even though the external instrument locus of Control has a more or less similar approach in every agency.

Based on the results of observations and information from sources at each locus of control has a fairly close relationship with credit distribution practices. This is indicated by the assumptions of the sources who jointly emphasize that the locus aspect of good internal locus of control of control and external locus of Control plays a role in generating the achievement of bad credit risk. This becomes much more specific because the credit fulfillment situation is based entirely on the customer regardless of the credit agreement that has been made. Murti & Utami (2021) explain that every credit agreement is binding, but in its realization, customer awareness will be the only concrete indicator of the realization of the

fulfillment of a credit. Savings and loan cooperatives, both Swastisari, Adiguna, and Serviam, have the same legal basis for credit distribution, namely Law No. 25 of 1992, where in this law every credit distribution carried out by cooperatives has the flexibility to fulfill responsibilities for customers who are cooperative members through a reconditioning scheme, namely a strategy to rescue problem credit by making changes to some or all of the credit requirements that include the payment schedule, term or other requirements as long as it does not change the maximum credit balance. In addition, there is a restructuring scheme which is a credit rescue scheme by making a new credit agreement letter where the two previous methods still use the old credit agreement letter, the contents of the credit agreement are in the form of changes in several provisions, namely combining the remaining principal loan along with interest arrears and fines into a new credit principal with a new interest rate that is reduced based on the results of the member's business in accordance with the cooperative's analysis and the term given is longer than the original 10 (ten) months replaced by 24 (twenty four) months, so that the monthly installments are smaller. Finally, according to Law No. 25 of 1992, there is a rescheduling scheme Rescheduling is a strategy for resolving problematic loans that involves only scheduling installment payments and changing the loan term, including the required grace period. Afifudin (2018) explains that rescheduling, reconditioning, and restructuring methods in cooperative credit activities are based on the cooperative's asset situation, repayment guarantees, and confidence through evaluations by cooperative agents to evaluate the implementation of these methods. These three methods will be effective if the credit fulfillment ultimately runs within the tolerances presented by these three schemes. However, this situation is somewhat contradictory because each customer in a savings and loan cooperative consistently experiences difficulties in fulfilling the credit responsibilities established by the savings and loan cooperative (I Ketut Gede Suardana et al., 2022).

The situation above is confirmed by the results of the search and information from sources which confirm the indication of the locus. of Control measures indicated significant occurrences in the Swastisari and Adiguna savings and loan cooperatives. This demonstrates that, despite the availability of methods to provide tolerance and ease of payment according to the economic situation, customers and their payment decisions will be the benchmark for the realization of good credit (Murti & Utami, 2021). This also concretely occurs in the realization of work effectiveness for the distribution of work carried out by the savings and loan cooperatives that were the objects of this study, namely the Swastisari, Servima, and Adiguna Cooperatives. Each cooperative has implemented procedures for work effectiveness properly in accordance with regulations set by the agency. For example, in the Adiguna Cooperative, where in monitoring customer credit progress, this cooperative uses integrated digital reports that can be used by cooperative credit staff to provide reports on credit progress made by customers per visit. This system was initiated to facilitate Adiguna Cooperative credit management in mapping the potential for non-performing loans and progressive loans for each customer who applies for credit. A similar thing was also found in Parinata's (2019) research for the credit scheme run by the Cipta Mulia savings and loan cooperative in Bondalem Village. where in the cooperative's work practice, an integrated credit disbursement system is used as a means to recapitulate the progress of credit settlement by customers at the Cipta Mulia cooperative. However, regardless of the scheme or solution methods provided, each customer will become a pawn to justify the effectiveness or

ineffectiveness of the credit realization being carried out. As the results of this study show, each aspect of work effectiveness is based on unmeasurable indicators found in the external locus aspect. of control.

The results of this study show that in the Swastisari savings and loan cooperative, the external locus aspect of Control is more dominant in the credit work practices carried out in this cooperative. The results of the effectiveness of performance, namely on time, on target, efficient, satisfaction, and adaptability have a variety of answers that are entirely based on the situation in the field related to the credit experience experienced by the Swastisari savings and loan cooperative officers. Meanwhile, aspects of survival, real change, clarity of goals, clarity of strategy have been truly implemented because they have been supported by strategies and methods of effectiveness in bad credit taken by this cooperative. The implications of this effectiveness provide minimal achievement of bad credit risk marked by the achievement of indicators A relatively good risk of non-performing loans is indicated by the answer that there is no indication for any of the existing indicators. A similar situation also occurred at the Adi Guna Cooperative, but a different situation was demonstrated in the observation results at the Serviam Cooperative. At the Serviam Cooperative, analytical measures to measure performance effectiveness were implemented intensively. This allows for support for indications of significant occurrences at the internal locus. of control. The implications are reflected in the measure of credit performance effectiveness, as indicated by the average response to the performance effectiveness instrument. This also directly impacts the achievement of non-performing loan risk, where each instrument or indicator of non-performing loan risk has an indication of occurrence. However, what is different here is that each non-performing loan risk indicator is measured using a systematic measure from this cooperative. This cooperative tends not to link external aspects or factors such as instruments. external locus of control, namely chance and powerful others due to the systematic analysis carried out in this cooperative. These results confirm the assumption of the interpretation of locus of control experienced independently for each agency and cannot be used as a factor that can be generalized to be the same for each agency (Indriasari Pratiwi Dewi, 2019) .

CONCLUSION

Based on the research results and discussion above, it can be seen from the research that the interpretation of locus of good internal locus of control control and external locus control cannot be interpreted the same or can be generalized in general will have a similar situation. However, it can be ensured that the locus of Control can be indicated as having an aspect of occurrence, seen from the situation experienced by each agency. The results of research conducted at the Swastisari , Adiguna, and Servima savings and loan cooperatives indicate a relationship between locus of control and the of control over the effectiveness of performance and the risk of bad debt. The research results show that the risk of bad debt is based on the credit progress built by customers, each customer presents with situations of independent credit fulfillment. Savings and loan cooperatives, both Swastisari , Adiguna, and Serviam, have efforts to project these problems, although the research results show that both cooperatives, namely Swastisari and Adiguna, believe more in external aspects in the external locus indicator. of Control dominates the indication of bad credit risk from customers applying for credit from these two cooperatives. Different results were shown by the Serviam

Cooperative, which believes that analytical measures so far have been able to project indications of bad credit risk in this cooperative, so that the internal locus aspect of Control dominates the credit cooperative's work practices. These results serve as the basis for the effectiveness of each cooperative's performance. The results of this study indicate that the external locus of control in the Swastisari savings and loan cooperative is the primary focus. of Control is more dominant in the credit work practices carried out in this cooperative. The results of the performance effectiveness, namely on time, on target, efficient, satisfaction, and adaptability have a variety of answers that are entirely based on the situation in the field related to the credit experience experienced by the Swastisari savings and loan cooperative officers. Meanwhile, aspects of survival, real change, clarity of goals, clarity of strategy have been truly implemented because they have been supported by strategies and methods of effectiveness of bad credit taken by this cooperative. The same situation also occurs in the Adi Guna cooperative, but a different situation is shown in the results of observations in the Serviam cooperative. The implications are depicted in the measurement of credit performance effectiveness which is marked by the average answer there is an indication on the performance effectiveness instrument. This cooperative tends not to link external aspects or factors such as external locus instruments. of control, namely chance and powerful others because of the systematic analysis carried out in this cooperative.

This research has implications for the existence of a pragmatic approach to the locus aspect. of control where this situation actually occurs but is less recognized due to the existence of a less measurable perspective on the external locus aspect of control. This concretely discredits the methods because the possibility of spreading each factorization to project indications of bad credit risk does not embed the locus aspect. of control specifically. Whereas in practice, the credit situation of locus of Control has a very varied indication of occurrence or non-occurrence. The limitation that allows for views that do not strengthen this assumption and is an aspect that is lacking in this study lies in the scope of the study, which is only concentrated on one commercial institution with similar work practices, namely credit distribution. If this research is allocated widely, the view on this aspect will automatically be stronger. Recommendations for further research is to expand the reach of respondents with a similar approach but using measurable statistical analysis to further strengthen the assumptions of this qualitative study because this study has a weakness in research objectivity that does not produce concrete measures of significance. Therefore, if converted into quantitative research, the results tend to be better with justification based on different measures.

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